

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

DEPT: Chief Executive Office

BOARD AGENDA # B-12

Urgent

Routine

AGENDA DATE March 1, 2011

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Consideration and Approval of the Mid-Year Financial Report for Fiscal Year 2010-2011, Transfers from Appropriations for Contingencies, Adjustments to the Budget, Staffing Changes and Related Actions

STAFF RECOMMENDATIONS:

1. Accept the Chief Executive Officer's Mid-Year Financial Report for Fiscal Year 2010-2011.
2. Authorize the Chief Executive Officer and the Auditor-Controller to make the necessary adjustments as recommended in the Mid-Year Financial Report.
3. Authorize the use of \$3,973 in Appropriations for Contingencies as recommended in the Mid-Year Financial Report by 4/5 Vote of the Board of Supervisors.

(Continued on Page 2)

FISCAL IMPACT:

The 2010-2011 Adopted Final Budget was balanced at \$918,752,492 and used the combination of \$878,533,421 in revenue and \$40,219,071 in fund balance and one-time funding sources.

The final adjusted budget, with funds carried forward from last fiscal year for projects underway, encumbrances and changes up to the mid-year point is now \$949.6 million.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2011-133

On motion of Supervisor See Below, Seconded by Supervisor See Below

and approved by the following vote,

Ayes: Supervisors: _____

Noes: Supervisors: _____

Excused or Absent: Supervisors: _____

Abstaining: Supervisor: _____

Approved as amended

MOTION: Amended Item to take two votes:

First Vote: Monteith/DeMartini unan. Approved Staff Recommendation Nos. 1-7 and 9-11, and **amended** the item to add a Staff Recommendation No. 12 as follows: "approved an effective date of 4/23/2011 for the downward reclassification of a CAIV (position #9678), Manager II (position #6226), and Manger III (position 10251) positions in the CEO's Office"

Second Vote: Monteith/DeMartini (4-1)(O'Brien opposed) Approved Staff Recommendation No. 8 and approved the reduction-in-force of four filled positions in the DER budget effective 07/02/2011

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

STAFF RECOMMENDATIONS: (Continued)

4. Direct the Auditor-Controller to release up to \$112,633 of Committed Fund Balance and reclassify as Unassigned Fund Balance to be used by the Public Defender's Office for costs associated with a change of venue capital murder trial.
5. Direct the Chief Executive Officer to implement a budget reduction strategy for the Proposed Budget for Budget Year 2011-2012 and continuing through Budget Year 2014-2015.
6. Amend the Salary and Position Allocation Resolution to reflect the recommendations as part of the Mid-Year Financial Report, as outlined in the Staffing Impacts section and detailed in Attachment A to be effective the start of the March 12, 2011 pay period.
7. Approve the reduction-in-force of ten filled positions in the General Services Agency budget and two filled positions in the Chief Executive Office effective April 23, 2011.
8. Approve the reduction-in-force of four filled positions in the Environmental Resources budget effective July 2, 2011.
9. Approve contracts and/or agreements listed on Attachment B in cumulative amounts of \$100,000 or greater since July 1, 2003.
10. Approve the Chief Executive Officer's countywide office closure schedule detailed in Attachment D.
11. Approve the office closures for the Clerk-Recorder, District Attorney, and Public Defender on October 10, 2011, February 13, 2012, and March 30, 2012 to coincide with Court holidays detailed in Attachment D.

FISCAL IMPACT: (Continued)

This Mid-Year Financial Report for 2010-2011 includes an overall appropriation increase for all funds of \$1,075,403. The Report recommends \$665,103 in increased departmental revenue and the use of an additional \$410,300 in fund balance/retained earnings.

In this report, a total of \$3,973 is recommended to be transferred from Appropriations for Contingencies to fully fund Civil Grand Jury. The transfer will leave a total remaining balance of \$4,645,190 in the Appropriations for Contingencies budget. A four-fifths vote of the Board of Supervisors is required for all transfers from the Appropriations for Contingencies budget.

Consideration and Approval of the Mid-Year Financial Report for Fiscal Year 2010-2011,
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Included in the Mid-Year Financial Report are recommendations to increase appropriations and estimated revenue in **A Safe Community** Departments by \$379,004 and \$262,398, and will result in the use of an additional \$112,633 of fund balance/retained earnings and a transfer of \$3,973 from Appropriations for Contingencies. In **A Healthy Community** Departments, appropriations and estimated revenue are recommended to decrease \$2,073,170 and \$2,584,170, and will result in the use of an additional \$511,000 in fund balance/retained earnings. In **A Strong Local Economy** Departments, appropriations and estimated revenue are recommended to increase by \$2,126,332 and \$2,429,665, resulting in a decreased use of \$303,333 in fund balance/retained earnings. In **A Strong Agricultural Economy/Heritage** Departments, appropriations and estimated revenue are recommended to increase by \$58,008. In **A Well-Planned Infrastructure System** Departments, appropriations and estimated revenue are recommended to increase \$589,202 and \$499,202, and will result in the use of an additional \$90,000 of fund balance/retained earnings. In **Efficient Delivery of Public Services** Departments, it is recommended to decrease Appropriations for Contingencies by \$3,973.

Board Priority	Appropriations Increase/ (Decrease)	Departmental Revenue Increase/ (Decrease)	Fund Balance/Retained Earnings/Appropriations for Contingencies Increase/(Decrease)
A Safe Community	\$ 379,004	\$ 262,398	\$ 116,606
A Healthy Community	(2,073,170)	(2,584,170)	511,000
A Strong Local Economy	2,126,332	2,429,665	(303,333)
A Strong Agricultural Economy/Heritage	58,008	58,008	
A Well-Planned Infrastructure System	589,202	499,202	90,000
Efficient Delivery of Public Services	(3,973)		(3,973)
TOTAL	\$ 1,075,403	\$ 665,103	\$ 410,300

DISCUSSION:

Each year, the Chief Executive Office prepares and submits to the Board of Supervisors a Mid-Year 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 Mid-Year Financial Report are discussions about declining discretionary revenue and recommended budget adjustments.

In light of the fiscal issues the County is facing in Budget Year 2011-2012, the 2010-2011 Mid-Year report will also be used to provide the Board of Supervisors a preview of the upcoming 2011-2012 Proposed Budget.

The 2010-2011 Mid-Year Financial Report is organized by the Board of Supervisors
Priorities of:

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

Summary and Recommendations

The following discussion summarizes the major adjustments recommended in the Mid-Year 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 \$379,004 and \$262,398, respectively. The difference of \$116,606 will require the use of \$112,633 of fund balance/retained earnings and a transfer from Appropriations for Contingencies of \$3,973 to fully fund the Civil Grand Jury.

Recommended adjustments for the A Safe Community Departments include an increase in appropriations and estimated revenue by \$19,120 in the Office of Emergency Services/Fire Warden as a result of increased Emergency Management Performance Grant funding, an increase of \$77,042 in appropriations and estimated revenue for the District Attorney as a result of an increase to the grant awarded to the Auto Insurance Fraud program and to reflect increased fee collection in the Real Estate Fraud budget, and an increase in appropriations and estimated revenue of \$30,000 is recommended in the Probation – Field Services budget as a result of grant funding received from the State Office of Traffic Safety.

A transfer of \$50,000 in appropriations from the Public Defender-Indigent Defense fund to the Public Defender budget is recommended to meet the funding shortfall in Fiscal Year 2010-2011. An increase of up to \$112,633 in appropriations is also recommended in the Public Defender-Indigent Defense fund, for change of venue costs related to a capital murder trial. Funding for this increased appropriation will come from funds set aside in Fiscal Year 2009-2010 Final Budget for potential exposures associated with a change in venue for a capital murder trial.

Additionally, it is recommended to increase appropriations and estimated revenue by \$136,236 in the Sheriff's departmental budget attributable in large part to increased Supplemental Law Enforcement Services Fund (SLESF) funding for the City of Hughson.

A Healthy Community: Overall, appropriations and estimated revenue are recommended to decrease \$2,073,170 and \$2,584,170, respectively, and will result in the use of an additional \$511,000 of fund balance/retained earnings.

Within the Behavioral Health and Recovery Services budgets are several adjustments. A recommendation to increase appropriations and estimated revenue by \$382,499 and \$82,341 is mostly attributed to an increase in Federal Financial Participation (FFP) funding for the Children's System of Care, and includes an additional \$224,404 in County Match for residential placement costs for Seriously Emotionally Disturbed (SED) youth, as the result of the State suspension of Assembly Bill 3632 mandate and the potential elimination of State funding for residential placement costs.

A recommendation is included for Community Services Agency to decrease appropriations and estimated revenue by \$2,981,120 and \$3,235,609, mostly attributed to the reduction in caseloads and funding for Child Care Stages 1 and 2, and the elimination of Child Care Stage 3 funding. The recommendation also includes a return of unused County Match of \$224,404 from the suspension of the AB 3632 (SED) mandate.

Recommended adjustments for the Health Services Agency budgets includes an increase in appropriations and estimated revenue by \$447,158 and \$525,213 to increase payments to hospitals and physicians for uncompensated emergency medical services, funded by fines and fees collected by the courts.

Recommended adjustments for other County departments including the Department of Area Agency on Aging and Veteran Services and Child Support Services are described in the report.

A Strong Local Economy: Overall, appropriations and estimated revenue are recommended to increase by \$2,126,332 and \$2,429,665 respectively, resulting in a decreased use of \$303,333 in fund balance/retained earnings.

It is recommended to increase appropriations and estimated revenue by \$1,927,497 in the Alliance Worknet-StanWORKS budget to reflect an increase in State and Federal CalWORKs Welfare-to-Work program funding to the Community Services Agency. It is further recommended to increase appropriations by \$198,835 and increase estimated revenue by \$502,168 in the Library budget, attributable to the increased staffing costs and prior year sales tax revenue for the Library.

A Strong Agricultural Economy/Heritage: Overall, appropriations and estimated revenue are recommended to increase by \$58,008. The increased appropriations and revenue are a result of increased funding from State contracts for the Agricultural Commissioner.

A Well-Planned Infrastructure System: Overall, appropriations and estimated revenue are recommended to increase by \$589,202 and \$499,202, and will result in the use of an additional \$90,000 of fund balance/retained earnings.

It is recommended to increase appropriations and estimated revenue by \$499,202 in the Planning & Community Development - Redevelopment Agency budget, primarily to transfer Redevelopment Agency funds for rehabilitation, downpayment, and administrative services to the Redevelopment Agency Housing Set Aside budget. It is further recommended to increase appropriations by \$90,000 by using fund balance in the Public Works – Morgan Shop budget for the purchase of an above ground bio-fuel tank.

As a result of the decrease in the County's discretionary revenue over the last several years, Environmental Resources Code Enforcement Program is recommending a reorganization to reduce expenses for this program. This will result in significant reductions to the Code Enforcement Program. The Department will continue to respond to requests for zoning enforcement assistance; however, other department staff will be handling the verification of complaints. This may result in an increase in response time for complaints. The Department is recommending deleting four filled positions, resulting in a reduction-in-force effective July 2, 2011.

Efficient Delivery of Public Services: A transfer of \$3,973 from Appropriations from Contingencies to the Grand Jury budget is recommended to fully fund the Civil Grand Jury Fees.

The Chief Executive Office, Operations and Services and Risk Management Divisions, has implemented a budget reduction strategy including staffing reductions, to align current staffing levels with General Fund revenue projections for Budget Year 2011-2012. The Department is recommending the staffing changes with the 2010-2011 Mid-Year Budget in order to establish current year cost savings to carry forward into next fiscal year. This reduction in staffing will result in a reduction-in-force. The reduction in staff will require remaining staff to focus on core mandated functions. Economic Development, Organizational Performance and the Chief Information Officer functions will be significantly reduced or eliminated.

General Services Facilities Maintenance Division is recommending reducing positions in both janitorial and maintenance staff to properly address the current revenue shortfall and to prepare for the continued decrease of requested services. The Department is requesting to delete ten filled positions, resulting in a reduction-in-force. As a result of these reductions the Department will not be able to provide the same level of service as in previous years. Preventative maintenance will continue to be performed; however response time in all but emergency situations may be lengthened. Departments are aware of this, and have requested the reduced services to achieve budget savings that will allow them to maintain their core functions. The General Services Agency is also recommending deleting one filled position in the Fleet Services Division.

Discretionary Revenue

As of December 31, 2010, \$40.7 million was posted to the General Fund discretionary revenue accounts. This amount represents 28.3% of the 2010-2011 Final Budget

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amount of \$143.9 million and is within the typical range when assessing the year-end position.

Projected revenue for year-end is \$144.2 million, marginally higher than the final budgeted amount, and no changes to the budget are recommended at this time. The Final Budget reflected a decrease of \$2.5 million from the Proposed Budget based on a reduction in property tax revenue estimates, interest earnings and Tobacco Endowment investment earnings. This decrease is deemed adequate at this time and further adjustments will be reviewed as part of the third quarter review.

Discretionary Revenue Description	Fiscal Year 2009-2010 Actuals	Fiscal Year 2010-2011 Final Budget	Fiscal Year 2010-2011 Projections	Difference between Final Bgt & Projections
Taxes	\$ 96,390,505	\$ 101,593,000	\$ 101,063,034	\$ (529,966)
Licenses, Permits & Franchises	958,324	957,000	957,000	-
Fines, Forfeitures & Penalties	7,886,132	6,425,000	6,100,000	(325,000)
Revenue from Use of Money	1,936,927	2,542,000	2,809,220	267,220
Intergovernmental Revenue	30,323,017	30,371,000	30,474,148	103,148
Charges for Services	(122,136)	(454,000)	(454,000)	-
Miscellaneous Revenues	229,929	166,000	166,000	-
Other Financing Sources	2,881,190	2,308,000	3,051,111	743,111
Total	\$ 140,483,888	\$ 143,908,000	\$ 144,166,513	\$ 258,513

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

To provide time for the organization to restructure and to allow for the alignment of revenue and expenditures, given the significant reductions in revenue available to the County, as part of the Fiscal Year 2009-2010 Mid-Year Financial Report, the Board of Supervisors adopted a 30-month budget reduction strategy beginning Mid-Year 2009-2010 and continuing through Fiscal Year 2010-2011 and Budget Year 2011-2012. It is clear that the challenges to the County will continue well beyond the initial 30-month period, as indicated by the current projected General Fund shortfall of \$16.9 million for Budget Year 2011-2012. Consequently, the budget reduction strategy has now been extended to Budget Years 2012-2013, 2013-2014, and 2014-2015.

The Chief Executive Office Senior Leadership Team has worked extensively to identify strategies and solutions to allow the County to maintain a balanced budget, while preserving the programs most critical to the community. This includes the development of strategic budget targets for Budget Year 2011-2012. The General Fund Targeted Reduction Strategy is based on core assumptions that include:

- Discretionary revenue projected to remain flat from the low level in Fiscal Year 2010-2011;
- Retirement costs projected to increase by \$14.6 million in the General Fund;
- Workers' Compensation costs projected increase of \$1.9 million in the General Fund;
- Health insurance costs projected to remain flat for January 2011;
- Final use of \$8 million in committed fund balance for a total of \$24 million in one-time funding; and

- Critical reliance on \$6.3 million for the General Fund (over \$12 million for all funds) in retirement cost increase mitigation from the Stanislaus County Employees Retirement Association (StanCERA) plus the authorization of the use of up to \$18.4 million in Teeter reserve funds to provide the County the ability to address the three years of remaining Pension Obligation Bond (POB) debt payments.

Preliminary Budget Year 2011-2012 General Fund reduction targets were developed using the 2010-2011 General Fund contributions, which were increased for known exposures as a percentage of gross appropriations and reduced in a range of 0% - 100% based upon Board priority and County core services.

Department Heads were provided with preliminary reduction targets for the 2011-2012 Budget Year at the October 2010 Department Head meeting in order to provide as much time as possible for the development of department-specific solutions and strategies to eliminate the current structural shortfall. Several strategies/tools from Fiscal Years 2009-2010 and 2010-2011 will continue in the future, including:

- Continuation of the 5% across-the-board pay deduction through Budget Year 2011-2012;
- No back-fill policy for State Budget reductions;
- The ability for General Fund departments to carry over 75% of their net county cost savings at June 30, 2011; and
- The ability for General Fund departments to carry over any remaining departmental fund balance from Fiscal Year 2009-2010 that was carried over to Fiscal Year 2010-2011, but was not spent, will be carried over to Budget Year 2011-2012 at 100%.

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 Mid-Year 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.**

STAFFING IMPACTS:

The Mid-Year Financial Report includes funding for 3,616 allocated full-time positions. This is a decline of 74 positions from the 3,690 full-time positions approved in the 2010-2011 First Quarter Financial Report. In preparation for Budget Year 2011-2012, the Mid-Year recommendations include 16 additional reductions-in-force, ten in the General Services Agency, two in the Chief Executive Office and four in Environmental Resources. Below is a summary of the staffing recommendations:

TOTAL CURRENT AUTHORIZED POSITIONS	3,690
Reductions-in-Force	-16
Unfund Vacant Position	-53
Restore Unfunded Position	4
Delete Vacant Positions	-9
Total Changes to Position Allocation Report	-74
RECOMMENDED AUTHORIZED POSITIONS	3,616

RECOMMENDATIONS AFFECTING POSITION ALLOCATION COUNT

Department	Reduction- In-Force (RIF)	Unfund Vacant Position	Add New Position	Restore Unfunded Position	Delete Vacant Position	Subtotal
Auditor-Controller		-5				-5
Behavioral Health		-6		3		-3
CEO- County Fire		-1				-1
CEO-Operations & RMD	-2	-7			-2	-11
Child Support Services					-2	-2
Community Services Agency		-10				-10
Environmental Resources	-4	-6				-10
General Services Agency	-10				-4	-14
Health Services Agency		-11				-11
Library		-2				-2
Parks and Recreation		-1				-1
Planning and Community		-3				-3
Probation		-1				-1
Sheriff					-1	-1
Strategic Business Technology				1		1
Grand Total	-16	-53	0	4	-9	-74

TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION COUNT

Department	Study	Reclassify Upward	Reclassify Downward	Delete Classification	Double Fill Position	Subtotal
Auditor-Controller		1				1
Behavioral Health			2			2
CEO-Operations & RMD		1	4			2
Community Services Agency		3				3
Environmental Resources			3			3
General Services Agency		1	1			2
Health Services Agency	1					1
Public Works			1	1*		1
Sheriff					1	1
Grand Total	1	6	11	1*	1	19

* Position already counted in reclassify downward column, not included in subtotal count.

The staffing attachment (Attachment A) reflects the changes to authorized positions recommended as part of the Mid-Year Financial Report. It is recommended that the Salary and Position Allocation Resolution be amended to reflect these changes effective the start of the March 12, 2011 pay period, unless otherwise noted, and a reduction-in-force be approved in the General Services Agency and Chief Executive Office effective April 23, 2011 and Environmental Resources effective July 2, 2011.

CONTACT PERSON:

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

**STAFFING RECOMMENDATIONS
2010-2011 MID-YEAR BUDGET--ATTACHMENT A**

DEPARTMENT	BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Auditor-Controller	Auditor-Controller	1	2164	Accountant II	Reclassify upward	Accountant III
		-1	1662	Manager IV	Unfund vacancy	Unfund vacant position
		-1	10660	Accountant III	Unfund vacancy	Unfund vacant position
		-2	2993, 3049	Account Clerk III	Unfund vacancies	Unfund vacant positions
		-1	2198	Accountant I	Unfund vacancy	Unfund vacant position
Behavioral Health & Recovery Services	Alcohol & Drug Services	-1	4021	Behavioral Health Specialist II	Unfund vacancy	Unfund vacant position
	BHRS	1	1782	Accountant III	Restore unfunded position	Restore vacant position
		1	623	Mental Health Clinician III	Restore unfunded position/ reclassify upward	Manager II
		1	6367	Clinical Psychologist	Restore unfunded position/ reclassify upward	Psychiatrist
		1	8097	Manager IV	Reclassify downward	Manager II
		-1	1922	Psychiatric Nurse II	Transfer out	Transfer to MHSA
	Mental Health Services Act	1	1922	Psychiatric Nurse II	Transfer in	Transfer from BHRS
	Public Guardian	1	11176	Manager IV	Reclassify downward	Manager II
	Stanislaus Recovery Center	-1	898	Behavioral Health Specialist II	Unfund vacancy	Unfund vacant position
		-4	375, 562, 9971, 9972	Clinical Services Technician II	Unfund vacancies	Unfund vacant positions
Chief Executive Office	County Fire Service Fund	-1	1717	Staff Services Technician	Unfund vacancy	Unfund vacant position
	Operations and Services	-1	4027	Manager III	Delete filled position	Delete position/Reduction-in-Force Effective 4/23/11
		-1	11484	Confidential Assistant III	Delete filled position	Delete position/Reduction-in-Force Effective 4/23/11
		-2	8161, 8694	Confidential Assistant III	Delete positions	Delete vacant positions
		-1	9854	Chief Information Officer	Unfund vacancy	Unfund vacant position
		-2	1580, 1592	Deputy Executive Officer	Unfund vacancies	Unfund vacant positions
		2	7827, 10251	Manager III	Reclassify downward	Confidential Assistant IV
		1	9678	Confidential Assistant IV	Reclassify downward	Confidential Assistant III
	Risk Management Division	-1	11308	Confidential Assistant IV	Unfund vacancy	Unfund vacant position
		-1	1727	Confidential Assistant III	Unfund vacancy	Unfund vacant position
		-2	1806, 1812	Confidential Assistant II	Unfund vacancies	Unfund vacant positions
		1	6226	Manager II	Reclassify downward	Confidential Assistant V
		1	9037	Manager II	Reclassify upward/Block budget position	Manager III

**STAFFING RECOMMENDATIONS
2010-2011 MID-YEAR BUDGET--ATTACHMENT A**

DEPARTMENT	BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION		
Child Support Services	Child Support Services	-1	1827	Attorney V	Delete position	Delete vacant position		
		-1	3088	Legal Clerk III	Delete position	Delete vacant position		
Community Services Agency	Services and Support	3	9205, 9206, 9207	Account Clerk II	Reclassify upward	Account Clerk III		
		-1	174	Social Worker IV	Unfund vacancy	Unfund vacant position		
		-3	1037, 1053, 10730	Family Services Specialist II	Unfund vacancies	Unfund vacant positions		
		-1	10906	Administrative Clerk III	Unfund vacancy	Unfund vacant position		
		-3	3294, 3498, 8900	Administrative Clerk II	Unfund vacancies	Unfund vacant positions		
		-1	2228	Supervising Account/Administrative Clerk II	Unfund vacancy	Unfund vacant position		
		-1	9213	Application Specialist III	Unfund vacancy	Unfund vacant position		
Environmental Resources	Environmental Resources	-1	9826	Manager IV	Delete filled position	Delete position/Reduction-in-Force Effective 7/02/11		
		-3	1251, 7094, 9829	Zoning Enforcement Officer	Delete filled positions	Delete positions/Reduction-in-Force Effective 7/02/11		
		-1	3113	Administrative Clerk III	Unfund vacancy	Unfund vacant position		
		-1	2190	Senior Environmental Health Specialist	Unfund vacancy	Unfund vacant position		
		-1	2090	Senior Resource Management Specialist	Unfund vacancy	Unfund vacant position		
		1	1004	Environmental Health Specialist III	Reclassify downward	Zoning Enforcement Officer		
		1	919	Hazard Material Specialist III	Reclassify downward	Zoning Enforcement Officer		
		1	1035	Hazard Material Specialist III	Reclassify downward	Environmental Technician		
		Landfill	Landfill	-1	1489	Manager III	Unfund vacancy	Unfund vacant position
				-2	3817, 3949	Landfill Equipment Operator II	Unfund vacancies	Unfund vacant positions
General Services Agency	Central Services	1	2277	Storekeeper II	Reclassify downward	Storekeeper I		
		Facilities Maintenance Division	-1	3823	Housekeeper/Custodian	Delete filled position	Delete position/Reduction-in-Force Effective 4/23/11	
	-1		2098	Senior Custodian	Delete filled position	Delete position/Reduction-in-Force Effective 4/23/11		
	-1		2059	Supervising Janitor	Delete filled position	Delete position/Reduction-in-Force Effective 4/23/11		
	-2		3921, 3990	Housekeeper/Custodian	Delete positions	Delete vacant positions		
	-5		3834, 3873, 3989, 3996, 11376	Maintenance Engineer II	Delete filled positions	Delete positions/Reduction-in-Force Effective 4/23/11		
	-1		6954	Maintenance Engineer II	Delete position	Delete vacant position		
	-1		3889	Maintenance Engineer III	Delete filled position	Delete position/Reduction-in-Force Effective 4/23/11		
	-1		6967	Maintenance Engineer III	Delete position	Delete vacant position		
	Fleet Services Division	Fleet Services Division	-1	12295	Equipment Services Technician	Delete filled position	Delete position/Reduction-in-Force Effective 4/23/11	
1			11741	Administrative Clerk II	Reclassify upward	Storekeeper I		

STAFFING RECOMMENDATIONS
2010-2011 MID-YEAR BUDGET--ATTACHMENT A

DEPARTMENT	BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Health Services Agency	Administration	1	11742	Staff Services Analyst	Classification study	Study
		-1	3037	Accountant I	Unfund vacancy	Unfund vacant position
	Clinics and Ancillary Services	-1	7822	Family Practice Physician	Unfund vacancy	Unfund vacant position
		-1	10155	Nursing Assistant	Unfund vacancy	Unfund vacant position
		-1	6854	Senior Nurse Practitioner	Unfund vacancy	Unfund vacant position
		-2	2033, 9604	Staff Nurse II	Unfund vacancies	Unfund vacant positions
		-3	1881, 6629, 7940	Staff Nurse III	Unfund vacancies	Unfund vacant positions
	Public Health	-1	9596	Administrative Clerk II	Unfund vacancy	Unfund vacant position
		-1	10571	Assistant Public Health Officer	Unfund vacancy	Unfund vacant position
Library	Library	-1	102	Librarian III	Unfund vacancy	Unfund vacant position
		-1	9613	Library Assistant II	Unfund vacancy	Unfund vacant position
Parks and Recreation	Parks and Recreation	-1	3954	Park Maintenance Worker II	Unfund vacancy	Unfund vacant position
Planning and Community Development	Building Permits	-1	8769	Administrative Clerk III	Unfund vacancy	Unfund vacant position
	Planning and Community Development	-2	3143, 3669	Administrative Clerk III	Unfund vacancies	Unfund vacant positions
Probation	Administration	-1	11052	Accounting Technician	Unfund vacancy	Unfund vacant position
Public Works	Engineering	1	2148	Transportation Project Coordinator	Reclassify downward/ Delete Classification	Staff Services Coordinator effective 4/23/11
Sheriff	Administration	-1	8330	Undersheriff	Delete position	Delete vacant position
	Operations	1	2279	Supv Public Administrator	Double fill position	Double fill up to 8 weeks
Strategic Business Technology	Strategic Business Technology	1	1610	Manager IV	Restore unfunded position	Restore vacant position
CHANGES TO POSITION ALLOCATION REPORT		-74				
TOTAL CURRENT AUTHORIZED POSITIONS		3,690				
Reductions-in-Force		-16				
Unfund Vacant Position		-53				
Restore Unfunded Position		4				
Delete Vacant Positions		-9				
RECOMMENDED AUTHORIZED POSITIONS		3,616				

**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
Behavioral Health and Recovery Services	Mental Health	CompuCom Systems, Inc.	Microsoft EA volume licensing- Perpetual license plus Software Assurance	\$65,620 1/13/09-1/12/10 \$65,620 1/13/10-1/12/11	\$65,620 1/13/11-1/12/12	\$196,860
Chief Executive Office	Office of Emergency Services	Chris Holmer	Emergency planner funded by Federal Homeland Security Grants	\$201,459 7/1/03-2/28/11	\$35,000 3/1/11-2/28/12	\$236,459
Chief Executive Office-Risk Management Division	General Liability Self-Insurance	Curtis Legal Group	Legal Services, Costs and Expenses	\$876,308 7/1/03-6/30/11	\$170,000 7/1/10-6/30/11 Increase Contract Amount	\$1,046,308
Community Services Agency	Services and Support	Inter-Faith Ministries of Greater Modesto, Inc.	Redwood Sober Living Environment Facility	\$519,594 7/1/03-6/30/11	\$84,000 7/1/10-6/30/11 Increase & Extend Contract	\$603,594
Community Services Agency	Services and Support	Yosemite Community College District	Data Match Services	N/A	\$5,000 1/1/11-6/30/11	**\$5,000
Community Services Agency	Services and Support	Yosemite Community College District	STAY Leadership Conference Support	N/A	\$5,000 5/7/11-5/7/11	**\$5,000
Children and Families Commission	Children and Families Commission	Sierra Vista Child & Family Services	Provide early childhood health and safety trainings to childcare providers through Family, Friend and Neighbor Program (FFN)	N/A	\$147,731 8/25/10-6/30/11	\$147,731
Environmental Resources	Environmental Resources	Hilton Farnkopf & Hobson	Hauling Consultant	\$334,360 4/22/08-1/31/11	\$27,475 2/10/11-12/31/11	\$361,835
Parks and Recreation	Parks and Recreation	Psomas	Design & Construction Management Services	\$214,593 8/24/10-12/31/10	\$4,052 3/16/11-1/31/12	\$218,645

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

**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
Probation	Field Services Juvenile Justice Crime Prevention Act (JJCPA)	Redwood Toxicology	Perform drug testing and deliver test results to Probation	\$52,323 5/1/06-6/30/07 \$46,809 7/1/07-6/30/08 \$39,046 7/1/08-6/30/09 \$32,565 7/1/09-6/30/10	\$50,000 7/1/10-6/30/11 month-to-month after 4/2011	\$220,743
Sheriff	Multiple	Cogent Systems	Software Maint/Support	\$2,638,473 7/1/03-6/30/10	\$500,000 7/1/10-6/30/11	\$3,138,473
Sheriff	Multiple	Tom Hilliar Ford	Vehicles	\$226,820 7/1/03-6/30/10	\$260,000 7/1/10-6/30/11	\$486,820

**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
Behavioral Health and Recovery Services	Managed Care	CHG Companies, Inc., dba CompHealth	Psychiatrist Recruitment	N/A	\$56,000 10/15/10-6/30/11	\$56,000
Behavioral Health and Recovery Services	Mental Health	Applied Survey Research	Technical Assistance-Results-Based Accountability	N/A	\$72,000 10/1/10-6/30/11	\$72,000
and Recovery Services	Mental Health Services Act	Njajou-Tchikamgoua,	Research and Outcomes	N/A	\$80,000	\$80,000
Behavioral Health and Recovery Services	Mental Health Services Act	Center for Human Services	Patterson School Integration Project	N/A	\$93,275 12/1/10-6/30/11	\$93,275
Children and Families Commission	Children and Families Commission	Stanislaus County Community Services Agency	County-wide effort to inform residents of the eligibility requirements for the Federal Food Stamp Program	N/A	\$50,000 7/1/10-6/30/11	\$50,000
Environmental Resources	Environmental Resources	Ron Grider (PSC)	Landfill Project Management	\$48,500 2/18/10-12/31/11	\$26,000 2/18/10-12/31/11 Increase Contract	\$74,500
Parks and Recreation	Parks and Recreation	Siegfried Engineering, Inc.	Boundary Survey	N/A	\$96,093 11/1/10-12/15/10	\$96,093
Sheriff	Detention	Unificare - Justice Benefits	Assistance with State Criminal Alien Assistance Program (SCAAP) grant application	N/A	\$90,000 1/1/11-12/31/11	\$90,000

2011-2012 COUNTY CLOSURE-FURLOUGH DATES

Attachment D

Department	Fri 7/1/11	Fri 9/2/11	Mon 11/21/11	Tue 11/22/11	Wed 11/23/11	Tues 12/27/11	Wed 12/28/11	Thur 12/29/11	Fri 12/30/11	Mon 4/2/12
Aging/Veterans	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Ag Commissioner	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Alliance Worknet	Closed	Closed	Open	Open	Open	Closed	Open	Open	Open	Closed
Assessor	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Auditor	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
BHRS*	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
BOS/COB	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
CEO	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Child Support	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
*Clerk-Recorder	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
CSA	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Coop Extension	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
County Counsel	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
*District Attorney	3 Furlough days for DA will follow Court holiday schedule 10/10/11 (Columbus Day), 2/13/12 (Lincoln's Birthday), 3/30/12 (Cesar Chavez Day)									
DER	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
DER-Landfill	Open	Open	Open	Open	Open	Open	Open	Open	Open	Open
DER-Neighborhood Parks**	Open	Open	Open	Open	Open	Open	Open	Open	Open	Open
DER-Parks	(Woodward Reservoir, Modesto Reservoir, La Grange OHV, and Frank Raines Park will remain open on all days)									
DER-Parks Admin, County Centers	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
DER-Waste Facilities	Closed	Closed	Open	Open	Open	Open	Open	Open	Closed	Open
GSA	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
HSA-Clinics***	Open	Open	Open	Open	Open	Open	Open	Open	Open	Open
HSA-Other than Clinics****	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Library	Closed	Closed	Open	Open	Open	Open	Open	Open	Closed	Open
OES	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Planning	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Probation	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
*Public Defender	3 Furlough days for PD will follow Court holiday schedule 10/10/11, (Columbus Day), 2/13/12 (Lincoln's Birthday), 3/30/12 (Cesar Chavez Day)									

Department	Fri 7/1/11	Fri 9/2/11	Mon 11/21/11	Tue 11/22/11	Wed 11/23/11	Tues 12/27/11	Wed 12/28/11	Thur 12/29/11	Fri 12/30/11	Mon 4/2/12
Public Works	Open	Open	Open	Open	Open	Closed	Closed	Closed	Closed	Open
Risk Mgmt	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Sheriff	Open	Open	Open	Open	Open	Open	Open	Open	Open	Open
SBT	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Treasurer/Tax	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Additional Closure Dates Requested										
*Court Holidays	Mon 10/10/11	Mon 2/13/12	Fri 3/30/12							
District Attorney	Closed	Closed	Closed							
Public Defender	Closed	Closed	Closed							
Clerk-Recorder	Closed	Closed	Closed							
DER-Waste Facilities	Sat 7/2/11	Sat 9/3/11	Sat 11/12/11	Sat 11/26/11	Sat 12/24/11	Sat 12/31/11				
Household Hazardous Waste Facility, U and E-waste Collection Facility, Oakdale Drop off Facility	Closed	Closed	Closed	Closed	Closed	Closed				
Footnotes										
BHRS*	Exceptions to the closure include 24-hour operations at Stanislaus Recovery Center, and the Community Emergency Response Team									
DER-Neighborhood Parks**	Restrooms and other support services will be closed on all days.									
HSA-Clinics***	The clinics and necessary support staff, including MIA eligibility Staff, will be open during the County Closure Dates									
HSA-Other than Clinics****	Exceptions to the closure include some Public Health functions (CCS, MTU, Vital Records, Lab and some case management)									

For those departments participating in all County-wide closure days, 3 floating furlough days remain to be determined by Department Head Approval.
Departments planning complete office closures for days not listed above will be required to obtain BOS approval.



Mid-Year Financial Report July—December 2010

BOARD OF SUPERVISORS


Dick Monteith, Chairman
William O'Brien
Vito Chiesa
Terry Withrow
Jim DeMartini

Submitted by
Chief Executive Officer
Richard W. Robinson



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Introduction

This is the Chief Executive Office's Mid-Year Financial Report for the period of July 2010-December 2010 for the 2010-2011 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 2010.

While the Mid-Year Report primarily deals with the status of the County's budget as of December 31, 2010, it includes a look forward at the significant budget challenges facing the State of California and county government, as well as a discussion on the budget strategies currently in place, and those being developed, to assure a balanced budget in Budget Years 2011-2012 and 2012-2013.

In Budget Year 2011-2012 the County anticipates continued declining and flat revenues as a result of the impacts of the worsening economy on property and sales taxes, reductions in health care and social services funding, the on-going State budget crises, and increased retirement costs. Stanislaus County developed a 30-month strategy beginning Mid-Year 2009-2010 to provide time for the organization to restructure given the significant reductions in revenue available to the County. It is clear that the challenges to the County will continue well beyond the initial 30-month period, as indicated by the current projected General Fund shortfall of \$28 million for Budget Year 2011-2012.

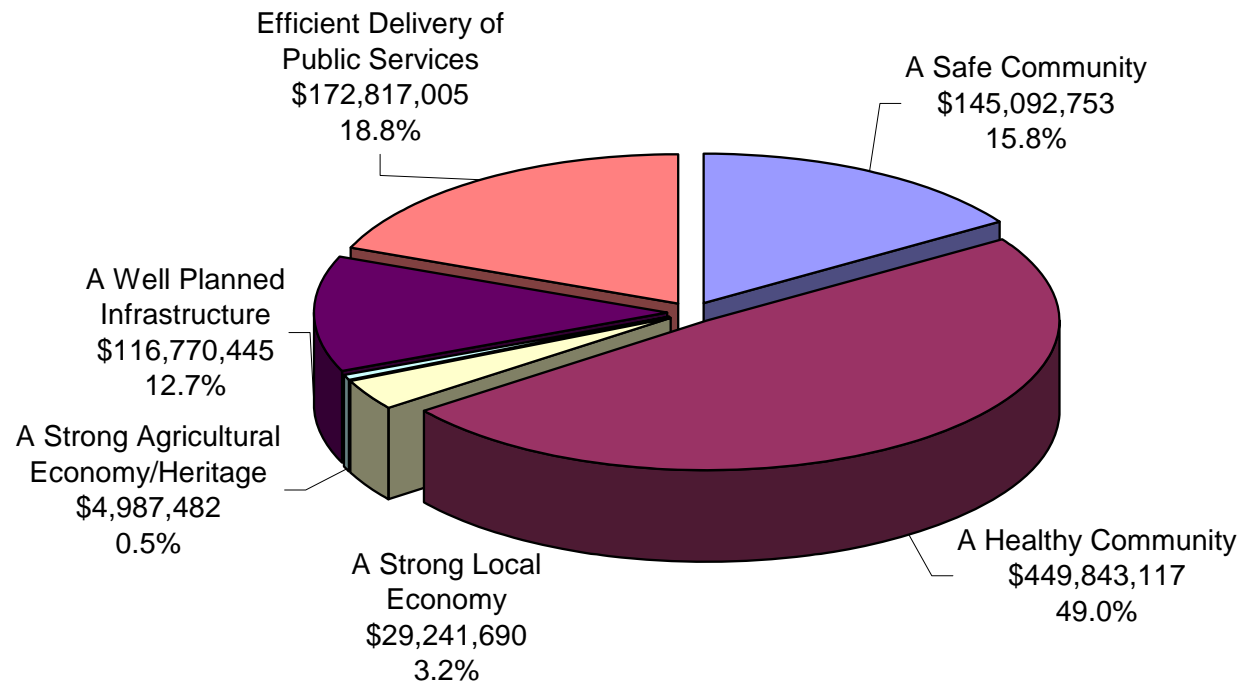
Summary

On September 14, 2010 the Board of Supervisors adopted the Fiscal Year 2010-2011 Final Budget for Stanislaus County. This spending plan of \$918,752,492 for all funds reflected an increase of \$6,361,533 or a 1% increase over the 2010-2011 Adopted Proposed Budget and a 4% decrease from the previous years 2009-2010 Adopted Final Budget. The Adopted Final Budget was balanced and used a combination of \$878,533,421 in revenue and \$40,219,071 in fund balance and one-time funding sources.

The County's 2010-2011 Final Adopted General Fund Budget totaled \$237,011,466, an increase of \$21,070 from the Adopted Proposed Budget adopted in June 2010 and a 5% decrease from the 2009-2010 Final Budget. The Adopted Final Budget for Fiscal Year 2010-2011 includes \$4.6 million in Appropriations for Contingency funds for future exposures.

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

**Fiscal Year 2010-2011
Final Budget Expenditures
By Board Priority
\$918,752,492**



BUDGET OVERVIEW

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

Overall Summary of Requested First Quarter Adjustments

The 2010-2011 First Quarter Financial Report reflected a fiscal review of department budgets recommended only a slight, decrease of \$31,370. There were no requests for additional funding from the General Fund and first quarter adjustments were funded by Non-General Fund sources. The recommendations decreased estimated revenue by \$108,552, resulting in an increase in the use of departmental fund balance of \$53,000, and retained earnings of \$24,182.

The recommended changes were primarily within the Chief Executive Office (CEO)-Criminal Justice Facilities Fund and the General Services Agency. In the CEO-Criminal Justice Facilities Fund, it was recommended to increase appropriations by \$53,000 to fund six months of the Salida Substation Lease

costs funded by departmental fund balance. This funding was tied to the actual start of the Day Reporting Center, a collaboration between the Sheriff's Department and Probation Department, which began January 1, 2011.

In the General Services Agency, the Department requested approval to implement a restructuring of the Central Services Division. The restructuring included the elimination of print services as a support function provided to County departments effective December 31, 2010. The Department also requested to implement an Electronic Data Management (EDM) Program as a new core function of the Warehouse/Salvage Unit. These recommendations resulted in a decrease in appropriations and estimated revenue by \$50,033 and \$74,215 respectively, along with an increase in the use of retained earnings of \$24,182 to purchase or lease equipment necessary for the document scanning and archival services.

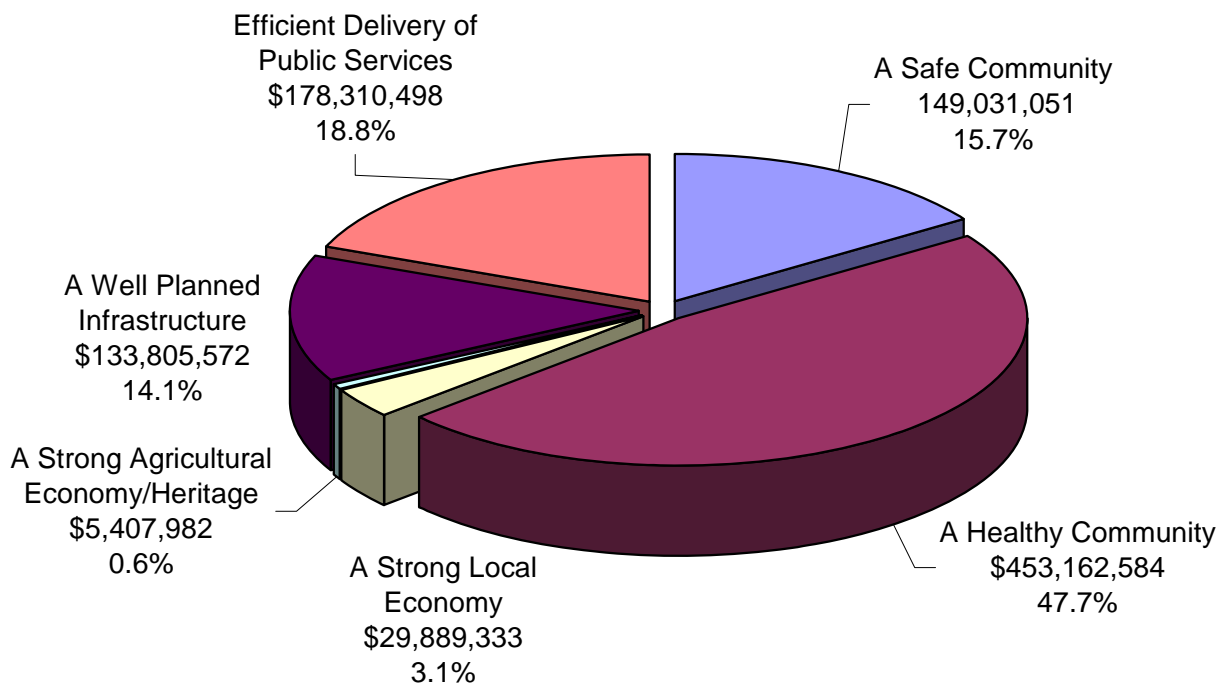
Summary of Budget Adjustments

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 identified as Assigned fund balance 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 financial reports or in separate Board of Supervisor action agenda items. The sum of these adjustments through December 31, 2010 total \$30,854,527. This reflects \$26,453,442 in funding that was carried forward and \$4,401,085 in budget adjustments approved by the Board of Supervisors in the current fiscal year through December 2010.

The result of these adjustments made prior to the mid-year review increase the total County budget to \$949,607,019 million in available spending authority in the current fiscal year.

The following chart reflects the adjusted budget by Board of Supervisors priority as of December 31, 2010:

**Fiscal Year 2010-2011 Adjusted Budget
Expenditure by Board Priority
\$949,607,020 as of December 31, 2010**



2010-2011 MID-YEAR OVERVIEW

The Adopted Final Budget for Fiscal Year 2010-2011 was the culmination of many months of planning and represents the second year of a multi-year fiscal and program restructuring effort for Stanislaus County government. To address the further erosion in discretionary revenue, the Fiscal Year 2010-2011 budget included a 9% or \$9.3 million reduction in the General Fund revenue allocation to all departments receiving a General Fund contribution. The budget included no additional department funding for negotiated salary increases, increased health insurance costs and retirement cost increases. General Fund departments were given the opportunity to carryover 75% of the department's 2009-2010 unused net county cost, or savings for the 2010-2011 and 2011-2012 budget year.

Staff continues to identify solutions and strategies that will allow the County to maintain a balanced budget while preserving the programs most critical to the community. The 2011-2012 budget reductions will focus largely on the preservation of core and mandated services. The leadership of local County government must continue to define for the public a clear understanding of what its core responsibilities are given the program mandates and funding available to deliver services in anticipation of the State's 2011-2012 Proposed Budget.

Overall Summary of Requested Mid-Year Adjustments

The 2010-2011 Mid-Year Financial Report reflects recommended adjustments, a fiscal review of departmental budgets, and a cash analysis, by fund, at mid-year:

- ◆ Departments requested a total of \$16.9 million in net increases to the current year spending plan;
- ◆ The Chief Executive Office's mid-year recommendations include a total increase in appropriations of \$1,075,403 funded by increased revenue and use of fund balance/retained earnings. While individual budget units may have decreased revenue, the recommendations include an overall increase in estimated revenue of \$665,103, resulting in an increased use of fund balance/retained earnings of \$410,300;
- ◆ Also recommended are a transfer from the Appropriations for Contingencies totaling \$3,973 for Civil Grand Jury fees, not fully previously budgeted.

LOOKING AHEAD

Looking forward to Budget Year 2011-2012, significant concerns remain in many areas which are highlighted below.

Retirement

In 2010-2011, the Stanislaus County Employee Retirement Association (StanCERA) took action to mitigate proposed retirement rate increases. The \$20 million contribution by StanCERA reduced the County's increased retirement costs to \$24.8 million. Of the \$24.8 million, approximately \$11.4 million is General Fund costs. While this action was instrumental in mitigating the increased retirement costs in Fiscal Year 2010-2011, an even larger exposure remains with projected retirement rate increases in Budget Year 2011-2012. The County will need to absorb the \$20 million that was mitigated last fiscal year plus any new retirement cost increases. It is anticipated that the most recent actuarial study will be presented to the StanCERA Board in March and the Retirement Board will shortly thereafter take action to determine the County's retirement rates for 2011-2012.

On December 21, 2010, the Board of Supervisors approved a modification of retirement benefits for unrepresented employees hired after December 31, 2010 to the former Tier Two retirement benefit structure which was in place prior to March 2002 (reduced benefit formula; 2% at age 61 for miscellaneous employees, 2% at age 50 for safety employees and a final average salary calculation based on final 36 months average salary). This modification affects all unrepresented employees and 10 of the 15 County bargaining units. The exceptions are Attorneys and the four AFSCME bargaining units. The County currently has a tentative agreement with Attorneys and will start negotiations with AFSCME in early March. A hard hiring freeze is currently in force for all classifications represented by AFSCME and the Attorney bargaining units until negotiations are completed.

Health and Human Services

Significant exposures exist in the In-Home Supportive Services (IHSS) program. The IHSS program has experienced growth in size and cost while available dollars to fund the program are shrinking. The County does not have the discretion to discontinue the program, nor can the County reduce services to eligible customers per program regulations. The 2010-2011 Adopted Final Budget did not fully fund the IHSS individual provider wages and benefits for 2010-2011, and anticipated an exposure of \$1.3 million to the County's General Fund. As reported in the First Quarter Financial Report, as a result of decreased caseload growth and a State-mandated 3.6% reduction in hours, the exposure to the General Fund decreased to \$897,975. Additionally, the Community Services Agency fund balance of \$554,530 was created after year-end close from higher than anticipated August realignment revenue and can further reduce the General Fund exposure to \$343,445 in the current year. It is projected that the IHSS program will have a General Fund shortfall of \$3.2 million in Budget Year 2011-2012, due to the expiration of the Federal Medicaid Assistance Percentage (FMAP) on June 30, 2011.

For the past several years, the IHSS program has been one of the fastest-growing programs in terms of General Fund exposure. Recent months' actual caseloads indicate a slowing of growth. Also, the State's Proposed Budget for 2011-2012 would reduce all recipient hours by an additional 8.4%; the financial impact to the County as a result of this proposal is still under analysis. Finally, labor negotiations are ongoing between the IHSS Public Authority and the United Domestic Workers of America, as the existing Memorandum of Understanding expired on September 30, 2010.

As part of the 2010-2011 Proposed Budget, the Health Services Agency identified a significant exposure of \$2.3 million in the current year for the Medically Indigent Adult (MIA) program that remains unfunded. Litigation continues on patient liability/share of cost issues. The Department has completed a local cost of living study that will be presented to the Board as part of a public hearing on any necessary changes, and will include recommendations on funding the exposure in 2010-2011.

As part of the 2010-2011 State Budget, the Governor eliminated State funding and suspended the mandate for AB 3632 concerning seriously emotionally disturbed (SED) youth, although the underlying Federal statutes remain. The Community Services Agency was the funding/claiming agent for residential placement costs associated with this program, and at this time can no longer claim these costs with the State, resulting in the zeroing out of the Department's SED budget, including the return of unused County Match. Behavioral Health and Recovery Services (BHRS) continues to provide treatment services for SED youth due to the various legal challenges underway. The unused County Match is being transferred to BHRS to fund the residential placement costs, which allows BHRS to continue using limited Federal treatment funding appropriately. There are several lawsuits throughout the State on this issue, including one that Stanislaus County has joined.

Caseload growth in cash aid programs – CalWORKs, Foster Care, Adoptions Assistance – continue to increase. While funded in the current year, the Community Services Agency anticipates a General Fund exposure of approximately \$1.4 million in 2011-2012, and \$2.6 million in 2012-2013 if these trends continue. In addition, caseload growth in General Assistance continues to increase as well. If this trend continues into the future, the Department anticipates a General Fund exposure of approximately \$655,000 in 2011-2012 and \$1.2 million in 2012-2013.

Labor Relations

In April 2010, the County reached agreements with the 12 County labor organizations supporting across-the-board 5% salary cost deductions for County employees over the next two fiscal years, 2010-2011 and 2011-2012. During the cost deduction negotiations, the County reached agreements with the Stanislaus Sworn Deputy Association and Sheriff Management Association to extend the expiration of their current Memorandums of Understanding (MOU). Additionally, the County has been able to reach new agreements with the Sheriff's Supervisor Association, District Attorney Investigators' Association, Deputy Sheriffs' Association, Service Employees International Union, Deputy Probation Officers' Association, California Nurses' Association, Group Supervisor's Association, and Emergency Dispatcher's Association. These contracts are scheduled to expire June 30, 2012, which coincides with the 5% salary cost deduction agreements. The County currently has a tentative agreement with the County Attorneys' Association and will be starting negotiations with Stanislaus County Employees Association (AFSCME) in early March 2011.

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

Bargaining Unit	Allocated Positions	Percent of Workforce	Contract Expiration Date
County Attorneys' Association	69	1.9%	6/30/2010
Stanislaus County Employees' Association, (AFSCME) Local 10	1,978	53.6%	5/31/2011
California Nurses Association	89	2.4%	6/30/2012
Deputy Probation Officers Association	96	2.6%	6/30/2012
District Attorney Investigators' Association	13	0.4%	6/30/2012
Deputy Sheriff's Association - Custodial	198	5.4%	6/30/2012
Stanislaus Regional Emergency Dispatchers' Association	41	1.1%	6/30/2012
Group Supervisor's Association	82	2.2%	6/30/2012
Service Employees International Union, (SEIU) Local 521	562	15.1%	6/30/2012
Stanislaus Sheriff's Management Association	14	0.4%	6/30/2012
Sheriff's Supervisor Association	20	0.5%	6/30/2012
Stanislaus Sworn Deputies Association	142	3.8%	6/30/2012
Unrepresented	386	10.5%	N/A
Total	3,690	100%	

1 Tentative agreement through June 30, 2012 subject to ratification

2 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 expired 9/30/2010

Williamson Act

As a result of the passage of the Open Space Subvention Act nearly forty years ago, the State has provided funding to local governments to replace revenue lost to landowners enrolled in the Williamson Act Program. Statewide, over \$37 million has historically been included in the State budget as subvention funding. Due to the looming budget crisis in Fiscal Year 2009-2010, the Governor removed all but \$1,000 of subvention funding statewide to serve as a placeholder, resulting in a loss of approximately \$1.3 million in revenue to Stanislaus County. Subvention funds are paid directly to the County General Fund, and the loss added to the growing local budget deficit. The adopted State budget for Fiscal 2010-2011 once again did not include funding for counties for the Williamson Act Subvention, repeating the approximately \$1.3 million loss to General Fund discretionary revenue.

On October 19, 2010, Governor Schwarzenegger signed SB 863 into law, providing an opportunity for counties to offset a portion of the loss of Williamson Act Subvention funds by establishing new contracts. These contracts would reduce a landowner's property tax benefits, reduce the term of the Williamson Act Contract and allow increased revenues to be transferred directly into the County's General Fund. The resulting revenue stream for Stanislaus County was estimated to be approximately \$1.4 million in Budget Year 2011-2012. In addition, SB 863 allocated \$10 million to be paid to counties as partial subvention funding in the current Fiscal Year 2010-2011. Stanislaus County's estimated portion would be \$393,000, helping to relieve the current and future budget deficits. On November 9, 2010, the County Board of Supervisor's conducted a public hearing and approved the implementation of SB863 o establish new contracts.

Since October, the gubernatorial election occurred bringing with it the promise of a balanced budget in the near future. Among the many strategies outlined in Governor Brown's proposed budget is the elimination of the \$10 million appropriation that was included in SB 863 for Williamson Act subvention payments in Fiscal Year 2010-2011, and provides no on-going funding. Stanislaus County has implemented the provisions of SB 863 for the 2011-2012 Budget Year but the partial subvention for the current fiscal year has not been included in revenue expectations for Fiscal Year 2010-2011.

Vehicle License Fees

A temporary 0.5% increase to the Vehicle License Fee (VLF) became effective May 19, 2009, with an expiration date of June 30, 2011. This increase was allocated 0.35% to the State General Fund and 0.15% to Local Safety programs, a huge benefit to our Stanislaus County public safety programs. The District Attorney's Office, Probation Department and Sheriff's Department fund programs such as the Vertical Prosecution program, Juvenile Justice Crime Prevention Act (JJCPA) program, the Citizen's Option for Public Safety (COPS), Juvenile Justice Crime Prevention program, the California Multi-jurisdictional Enforcement Taskforce (Cal-MMET) and the Rural Crimes Task Force. These services are crucial to the safety of the citizens of the community and the effects of non-renewal of the fee increase will have serious and far reaching consequences as prevention, prosecution and on-going monitoring of criminal behavior will be severely impacted. In order for the increase to the VLF to continue, a state ballot measure must be approved for a special June election, followed by voter approval. At stake is nearly \$4.5 million in revenue to the local safety programs.

Health Insurance

Medical insurance rates continue to increase well above overall inflation in our local and national economy. County medical insurance rates increased 8% for Kaiser and 16.5% for Blue Cross in 2011. The County has worked with all labor groups to develop a new health insurance agreement to address the continued cost increases in 2011. The new one-year agreement will increase each employee's premium cost share for medical, dental and vision insurance. The agreement also provides financial incentives for employees to enroll in Health Savings Account plan options, providing greater control over healthcare expenses and opportunities to generate personal savings for future healthcare needs. Based on employee plan selections during open enrollment, the County is projecting an overall reduction in health insurance costs from \$49.1 to \$47.3 million in calendar year 2011. The projected \$1.8 million in County savings will assist departments in addressing current budget needs and in preparing for Budget Year 2011-2012.

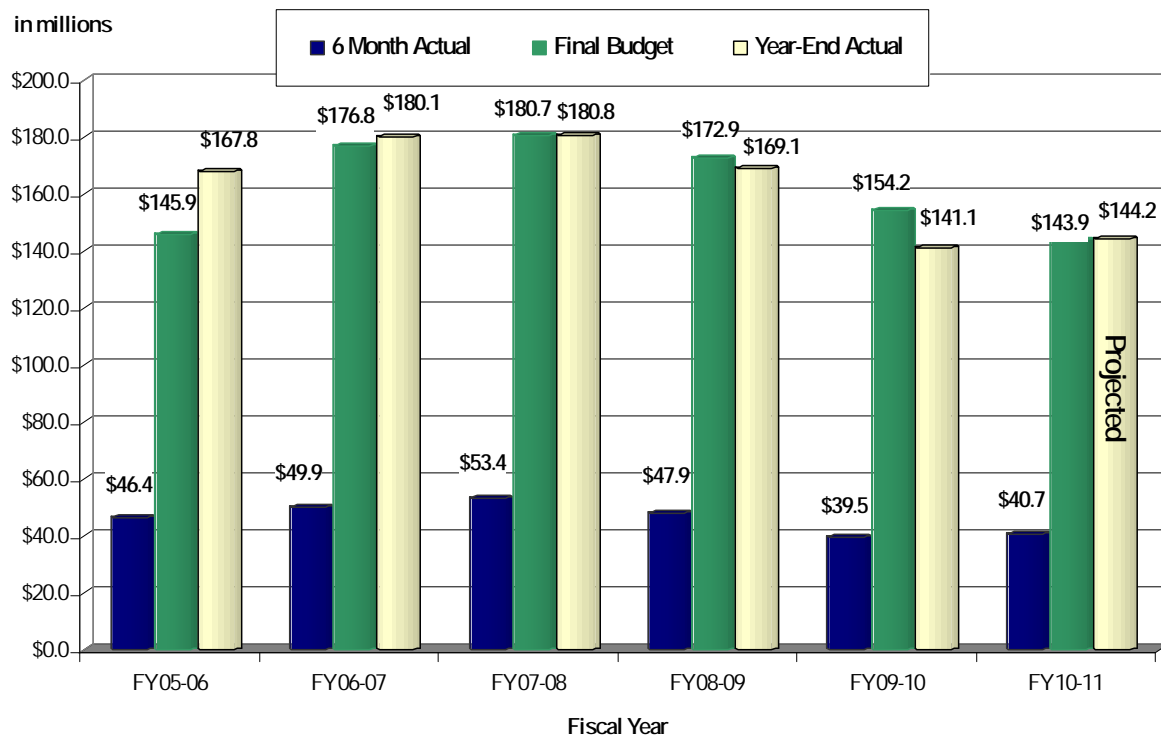
GENERAL FUND UPDATE

Discretionary Revenue

As of December 31, 2010, \$40.7 million was posted to the General Fund discretionary revenue accounts. This amount represents 28.3% of the 2010-2011 Final Budget amount of \$143.9 million. Typically, discretionary revenue collected at this point of the fiscal year ranges from 25.6% to 31.8% of the Final Budget and from 27.7% to 29.5% of the total year actual collections when looking at the prior five years. This comparison indicates that discretionary revenue is within the typical range when assessing the year-end position.

The following chart reflects a comparison of General Fund-Discretionary Revenue for a six-year period, including the current fiscal year:

General Fund—Discretionary Revenue Six Year Comparison



Projected revenue for year-end is \$144.2 million, marginally higher than the final budgeted amount, and no changes to the budget are requested at this time. The Final Budget reflected a decrease of \$2.5 million from the Proposed Budget based on a reduction in property tax revenue estimates, interest earnings and Tobacco Endowment investment earnings. This decrease is deemed adequate at this time and further adjustments will be reviewed as part of the third quarter review.

Following is a summary of activity in the various discretionary revenue categories:

Taxes: Included in this category are property related taxes (secured and unsecured, supplemental, redevelopment pass through increment, property tax received in lieu of vehicle license fees, property transfer tax), the 1% sales and use taxes, in lieu of sales and use tax and transient occupancy tax.

This category was reduced by nearly \$1.7 million at Final Budget due to decreases in the secured property tax roll and a corresponding reduction to the property tax received in lieu of vehicle license fees. The projections for year-end indicate that sales and use tax revenue will come in slightly higher than budgeted but the in lieu of sales and use tax revenue (also referred to as "Triple Flip") will experience a severe setback. In Fiscal Year 2004-2005 the State developed a financing structure for the State Economic Recovery Bonds. The State "flipped" one-fourth of the Bradley-Burns Sales and Use Tax from the counties and cities to the bond trustee for debt service payments. In order to compensate for the lost revenue to cities and

counties, an equivalent amount of property taxes from the County Education Revenue Augmentation Fund (ERAF) were shifted to an "In-lieu of Sales and Use Tax" account. The third leg in this "Triple Flip" required that the State make up lost ERAF revenue to education from the State of California's General Fund. Payments to the "In-lieu of Sales and Use Tax" account are made by the Auditor-Controller in January and May of each fiscal year with an annual "true-up" occurring in the following fiscal year. Based upon the State Department of Finance's reconciliation of the 2009-2010 actual lost ERAF revenue, the County's true-up payment includes a decrease of \$642,189 (compared to a \$439,840 decrease in last year's true-up payment) resulting in an adjusted amount of \$3,032,271 for this year. The 2010-2011 budget was established based on the 2009-2010 amount received of \$3,762,405 but updated information from the State Department of Finance revealed that prior year's estimates were too high and the overpayments will be recaptured by the State in Fiscal Year 2010-2011. The total decrease of in-lieu of sales and use tax revenue is \$730,134.

Year-end projections for the Taxes category indicate that revenue will exceed last year's actual revenue by \$4.7 million but it is important to note that nearly \$7.9 million was borrowed last fiscal year from this category by the State due to the approval to suspend Proposition 1A.

Licenses, Permits and Franchises: Revenue received in this category is the result of franchise agreements with PG&E, AT&T and Comcast and Charter cable companies. Fee revenue is received from AT&T and the cable companies quarterly but the bulk of the revenue comes from PG&E once a year, during the latter half of the County's fiscal year. We are on target to meet our budget of \$957,000 providing the revenue from PG&E remains consistent with last year.

Fines, Forfeitures and Penalties: The revenue in this category comes from penalties assessed and costs associated with delinquent property taxes. Typically, most of the revenue is posted in the second half of the fiscal year, and many times not until the year-end close. Last fiscal year, nearly \$7.9 million was posted by year-end, driven primarily by the continuing collections from foreclosed properties. The budget for the current fiscal year was established prior to the final close and \$6.4 million in penalty revenue was estimated, taking into account a decrease in foreclosure activity. During the first two quarters of this fiscal year, payments on delinquencies are relatively strong but are showing signs of returning to more normal activity and estimates for year-end are projected at \$6.1 million. Even so, there is no recommendation to decrease this source as increases in other areas of discretionary will more than likely make up the difference.

Revenue from Use of Money: Interest earned on the County's pooled cash and collection of rents and leases of County owned property are the sources of revenue in this category. The interest rate earned by funds on deposit in the County treasury is adjusted quarterly and ranged from a high of 2.1% to a low of 1.3% during the previous fiscal year. In comparison, the rate for Fiscal Year 2010-2011 thus far has ranged from 1.4% to 1.2%. Although the rates seem to be steadying at the lower end of last year's range, interest postings through two quarters indicate a stronger showing, possibly indicating an increase to the average daily cash balance.

Intergovernmental Revenue: The main source of revenue in this category is from the one-half cent Sales and Use Tax for local public safety services, also known as Proposition 172. This revenue source supports only the District Attorney, Probation, and Sheriff General Fund budgets. Revenues collected by the State Board of Equalization are apportioned to each county based on proportionate shares of Statewide taxable sales. This apportionment rate (or pool rate) adjusts each year according to how local sales compare with

the sales activity of all other California counties. Stanislaus County's adjusted rate of .012819 for the current fiscal year was issued in January and reflects an increase from the prior year's rate of .012664. This slight increase in the proportionate share of the Statewide revenue pool of sales tax dollars significantly impacts this revenue source. For every million dollars of the sales tax revenue pool, Stanislaus County's share is \$155 more than under the prior rate. Although this appears insignificant, when calculated as part of a statewide pool of \$2.2 billion (the total for last fiscal year) an increase of \$341,000 would be realized. The 2010-2011 Final Budget for this revenue source was established at \$28.8 million, approximately \$100,000 higher than last year's actual revenue. Even with an increase in the pooled rate, our approach is still very cautious as revenue currently received is less than at this time last year. Our year-end projection is conservatively stated at \$28.9 million.

Other sources of revenue in this category include State realignment dollars, Homeowner's property tax relief (HOPTR) revenue and small amounts of Federal Revenue. This is also the category for Williamson Act subvention revenue which is currently not expected to materialize.

Charges for Services: Included in this category are revenues resulting from the recovery of the costs associated with the administration of the supplemental property tax adjustments (SB 813). A budget of \$295,000 was established at the time of the proposed budget which is in line with the \$278,000 actual revenue received by the end of last fiscal year. Adjustments made to the Countywide Cost Applied Plan are also part of this revenue source. The adjustments are determined at the beginning of each year and are received in monthly increments; therefore the year-end actuals will match the budget established in September of 2010.

Miscellaneous Revenue: Minor deposits to Miscellaneous Revenue include unclaimed monies, unclaimed estates and cancelled (or stale-dated) warrants. This category represents less than a quarter of a percent of the overall discretionary budget. No significant changes from the budget are projected in this category.

Other Financing Sources: Interest earned on the Tobacco Endowment Fund is the only revenue expected in this category each year and is deposited before the Final Budget is presented. Therefore, the adjustment made at Final Budget for this revenue traditionally mirrors the actual revenue received. Other revenue income occasionally is received as an operating transfer in. This fiscal year an amount of revenue from prior year's SB 90 claims will be transferred in. These programs with claimable SB 90 costs were absorbed by the General Fund and the SB 90 revenue is now reimbursing those funds

The following chart reflects the Mid-Year Projections for Discretionary Revenue:

Discretionary Revenue Description	Fiscal Year 2009-2010 Actuals	Fiscal Year 2010-2011 Final Budget	Fiscal Year 2010-2011 Projections	Difference between Final Bgt & Projections
Taxes	\$ 96,390,505	\$ 101,593,000	\$ 101,063,034	\$ (529,966)
Licenses, Permits & Franchises	958,324	957,000	957,000	-
Fines, Forfeitures & Penalties	7,886,132	6,425,000	6,100,000	(325,000)
Revenue from Use of Money	1,936,927	2,542,000	2,809,220	267,220
Intergovernmental Revenue	30,323,017	30,371,000	30,474,148	103,148
Charges for Services	(122,136)	(454,000)	(454,000)	-
Miscellaneous Revenues	229,929	166,000	166,000	-
Other Financing Sources	2,881,190	2,308,000	3,051,111	743,111
Total	\$ 140,483,888	\$ 143,908,000	\$ 144,166,513	\$ 258,513

Recommended Budget Adjustment: No adjustments to the overall discretionary budget are recommended at mid-year. Although there are differences among the categories, the total year-end projections are within the established budget. As we near year-end and more of the revenue is posted we will make adjustments with the Third Quarter Report as necessary.

General Fund – Classification of Fund Balance

New classifications of fund balance have been implemented since the beginning of Fiscal Year 2010-2011 in accordance with the Government Accounting Standards Board (GASB) issuance of Statement No. 54. The five classifications of Nonspendable, Restricted, Committed, Assigned and Unassigned have replaced the Designations, Reserves and Undesignated/Unreserved categories. Of the five new classes, Nonspendable, Restricted and Committed are the most restrictive categories and are legally or contractually obligated portions of fund balance. The Unassigned fund balance is the least restrictive and is technically available for any purpose. The Chief Executive Office was granted authorization by the Board of Supervisors to assign portions of the Unassigned fund balance for specific purposes such as debt service, carryover appropriations, contingencies and budget balancing. Assignments made at the time of the Final Budget included increasing the Teeter Plan by \$6,710,876, re-assigning \$829,459 from Debt Service to Contingencies, decreasing Carryover Appropriations by \$797,907, establishing \$4,879,112 as the 75% Carryover Appropriations saved by General Fund departments in 2009-2010 and establishing an amount of \$15,643,578 to assist with the balancing of the 2010-2011 Final Budget.

The Public Defender has requested to use a portion of the funds committed for costs associated with a change of venue capital murder trial. The Board of Supervisors authorized the commitment (formerly a designation) upon approval of the Fiscal Year 2009-2010 Final Budget. The Board's authorization is required to reduce this commitment and it is recommended that \$112,633 be re-classified as Unassigned fund balance to be used toward the costs of the change of venue case.

Several of the Assigned fund balance accounts are used in the balancing of the 2010-2011 budget and it is estimated that re-assignment of funds will be authorized by the Chief Executive Office as year-end approaches. Estimated increases in revenue and projected decreases in expenditures will allow transfers from the Budget Balancing account to the carryover account. Following is a summary of projected year-end balances:

	2010-2011 Final Budget Fund Balance Classifications	Projected Fund Balance as of June 30, 2011	2010-2011 Changes in Fund Balance
Fund Balance - Nonspendable:			
Fund 100 - Fair value adjustment	807,992	807,992	-
Fund 105 - Fair value adjustment	13,578	13,578	-
Fund 107 - Fair value adjustment	11,997	11,997	-
Imprest Cash	91,845	91,845	-
Advances to other funds	500,000	500,000	-
Advances to other governments	311,239	311,239	-
Economic Development advances	3,454,115	3,454,115	-
Teeter receivable	22,233,301	22,233,301	-
Deposits with others	10,000	10,000	-
Prepaid items	220,925	220,925	-
Sub-total	\$ 27,654,992	\$ 27,654,992	\$ -
Fund Balance - Restricted:			
Tax Loss Reserve	4,169,660	4,169,660	-
Sub-total	\$ 4,169,660	\$ 4,169,660	\$ -
Fund Balance - Committed:			
Various Programs and Projects	6,138,282	6,025,649	(112,633)
Capital Acquisition	1,300,000	1,300,000	-
Sub-total	\$ 7,438,282	\$ 7,325,649	\$ (112,633)
Fund Balance - Assigned:			
Contingencies	4,091,493	4,091,493	-
Tobacco Settlement and Securitization	1,876,351	1,876,351	-
Retirement Obligation	2,000,000	2,000,000	-
Teeter Plan	20,055,050	20,055,050	-
Carryover Appropriations (100)	1,949,064	-	(1,949,064)
Carryover Appropriations (105)	23,060	-	(23,060)
Carryover Appropriations (107)	171,800	-	(171,800)
75% Carryover Appropriations (100)	4,879,112	6,181,946	1,302,834
Encumbrances	1,261,520	-	(1,261,520)
Encumbrances-Econ Development	1,395,679	1,395,679	-
Debt Service	10,950,000	10,950,000	-
Budget Balancing	15,643,578	-	(15,643,578)
Sub-total	\$ 64,296,707	\$ 46,550,519	\$ (17,746,188)
Fund Balance - Unassigned			
General Fund (100)	1,134,445	5,090,412	3,955,967
Economic Development Bank (105)	329,809	329,809	-
Community Development Bank (107)	1,392,558	1,392,558	-
Sub-total	\$ 2,856,812	\$ 6,812,779	\$ 3,955,967
Total Fund Balance	\$ 106,416,453	\$ 92,513,599	\$ (13,902,854)

CASH REVIEW

General Fund Overall Cash Position

As of mid-year, the General Fund cash balance is \$32.7 million compared to \$33.6 million for the same period last fiscal year. A combination of events has resulted in the decrease of \$927,219 in cash when compared to the same period last fiscal year.

The beginning cash position for Fiscal Year 2010-2011 was lower by of \$9.2 million from the beginning of last fiscal year. In reviewing revenues and expenditures at mid-year, revenues are pacing slightly ahead of last fiscal year, whereas, expenditures were pacing at the same rate as last fiscal year. The County also usually collects only 25-30% of discretionary revenue by December 31st, resulting in a sharp reduction in cash in the Treasury during the first half of the fiscal year.

	2009-2010	2010-2011	Difference
Beginning Balance	\$65,708,564	\$56,494,909	\$9,213,655
Mid-Year	\$33,587,076	\$32,659,857	\$ 927,219

In addition, in comparing mid-year to projected year-end close of June 30, 2011, the General Fund cash is at \$32.7 million compared to a projected amount of \$47.3 million.

Special Revenue Funds Overall Cash Position

As of mid-year, the Special Revenue Funds cash is at \$73.8 million compared to \$76.6 million for the same period last fiscal year. The primary reason for the \$2.8 million decrease, when compared to the same period last fiscal year, is the decrease of \$8.6 million in the Community Services Agency as a result of a lag in the timing of advances and a lag time associated with the State's reimbursement of claims filed for actual expenditures.

Several other funds had significant changes in their cash position when comparing mid-year this fiscal year to mid-year last fiscal year:

- ◆ The combined cash balance in Behavioral Health and Recovery Services has increased by \$4.5 million as a result of the Department's receipt of three years of funding for the Innovations and Technological Needs projects;
- ◆ The cash balance for Children and Families First Commission decreased by \$3.6 million as part of the Commission's reduction strategy to allow more programs to be operated in the County to promote the development and well being of children ages 0-5;
- ◆ The cash balance for the District Attorney's Office grants has a combined increase of approximately \$1 million compared to mid-year the previous year as a result of the receipt of SB90 reimbursement funds for prior year activities and the unexpected/unbudgeted Enforce Consumer Protection Laws settlements. In addition, in response to the uncertainty of State funding, expenditures for Fiscal Year 2010-2011 have been halted within the Rural Crimes Task Force;

- ◆ The cash balance for the Department of Environmental Resources has a combined increase of \$920,000 as a result of the Departments' change in the schedule of reimbursement for administrative costs. Historically, the Department processed reimbursements near year-end. In Fiscal Year 2010-2011 the Department modified this process to a quarterly schedule resulting in an increase in cash when compared to the same period one year ago;
- ◆ The cash balance for the Health Services Agency – Administration has increased by \$2.1 million compared to the same period last year as a result of funds due to the Administration budget from other Health Services Agency budgets being processed in a more timely manner;
- ◆ The cash balance for the Health Services Agency - Indigent Health Care has decreased by \$1.8 million compared to mid-year the previous year as a result of a decrease in realignment revenue, delayed reimbursement, and an increase in medical expenditures;
- ◆ The cash balance for the Probation Department's Youthful Offenders and JJCPA Programs has increased by \$1.1 million compared to mid-year the previous year as a result of the Department's slower rate of expenditures; and
- ◆ The cash balance for the Public Works' Road & Bridge and Road Projects budgets have a combined increase of \$2.1 million as a result of the timely receipt of Proposition 1B and Public Facility Fee funds for projects that are currently in process.

In addition, in comparing mid-year to projected year-end close of June 30, 2011, the Special Revenue Fund cash is at \$73.8 million compared to a projected amount of \$70 million. The primary reason for this projected \$3.8 million decrease in cash is as a result of the use of fund balance within the Children's and Families First Commission and Clerk-Recorder Department which are projected to decrease \$3.6 million by year-end. The projected \$1.5 million use of fund balance within the Children's and Families First Commission is part of the Commission's reduction strategy to allow more programs to be operated in the County to promote the development and well being of children ages 0-5. The Clerk-Recorder's Fixed Asset Acquisition budget projects a \$2.1 million use of fund balance as a result of the Department's anticipated implementation of several modernization projects.

Capital Projects Funds Overall Cash Position

As of mid-year, the Capital Projects Funds cash position is at \$27.2 million compared to \$29.7 million for the same period last fiscal year. The primary reason for the decrease of \$2.5 million when compared to the same period last fiscal year is the decrease of \$5.1 million in the Redevelopment Agency for construction efforts for the Keyes Storm Drain Project which should be completed by the end of the fiscal year, and an increase of \$1.4 million in the Redevelopment Agency-Housing Set-Aside portion of the tax increment, as determined by the 2006-2007 financial audit findings.

- ◆ The cash balance for the Chief Executive Office-Criminal Justice Facilities Fund increased \$800,000 as a result of increased penalty assessment revenue and interest earnings which were budgeted resulting in a positive contribution to fund balance.

In addition, in comparing mid-year to projected year-end close of June 30, 2011, the Capital Projects Funds cash is at \$27.2 million compared to a projected amount of \$26.5 million. The primary reason for this projected decline in cash is for construction efforts to complete the Keyes Storm Drain Project which is projected to decrease by \$2.1 million by year-end.

Enterprise Funds Overall Cash Position

As of mid-year, the Enterprise Funds cash is at \$8.0 million compared to \$9.6 million at the same period last year. The primary reason for the \$1.6 million reduction when compared to the same period last fiscal year is the decrease of \$1.5 million in the Health Services Agency-Clinics and Ancillary Services budget resulting from the timing of receipt of State and Federal revenues.

Several other funds had significant changes in their cash position when comparing mid-year this fiscal year to mid-year last fiscal year:

- ◆ The cash balance for the Department of Environmental Resources - Fink Road Landfill budget has decreased by \$2.3 million as the result of the majority of the planned Cell No. 5 construction occurring in Fiscal Year 2009-2010;
- ◆ The cash balance for the Department of Environmental Resources - Geer Road Landfill budget has increased by \$1.8 million as the result of the delay in the anticipated capital project planned for Fiscal Year 2010-2011;
- ◆ The cash balance for the Sheriff-Inmate Welfare/Commissary has decreased by approximately \$400,000 as the result of the planned use of fund balance to support inmate programs and Commissary operations; and
- ◆ The cash balance for the Public Works Department - Local Transit System budget has increased by approximately \$800,000 as the result of timing of the receipt of transportation funding.

In addition, in comparing mid-year to projected year-end close of June 30, 2011, the Enterprise Funds cash is at \$8.0 million compared to a projected amount of \$3.6 million. The primary reason for this projected decline in cash of \$4.4 million is in the Fink Road Landfill, as the result of the planned use of fund balance for construction purposes during Fiscal Year 2010-2011.

Internal Service Funds Overall Cash Position

As of mid-year, the Internal Service Funds cash is at \$33.2 million compared to \$36.6 million for the same period last fiscal year. The primary reason for the \$3.4 million decrease in cash, when compared to the same period last fiscal year, is the decrease of approximately \$3.6 million in the Risk Management – Workers' Compensation Self-Insurance Fund, as a result of the increased use of retained earnings in the last two fiscal years to offset costs in this program.

A few other funds had significant changes in their cash position when comparing mid-year this fiscal year to mid-year last fiscal year:

- ◆ The cash balance for Public Works - Morgan Shop has increased by \$508,291 as a result of obtaining Congestion Mitigation and Air Quality grants to fund 100% for the future replacement of vehicles this year;
- ◆ The cash balance for Risk Management – Professional Liability has decreased by \$235,447. This variance is due to the cash transfer to the Health Services Agency and Behavioral Health and Recovery Services to offset charges in the current year;
- ◆ The cash balance for Risk Management – Purchased Insurance has decreased by \$135,762. This variance is due to the increase in staffing and contract costs, coupled with a decrease in administrative fee revenue; and
- ◆ The cash balance for Risk Management – Unemployment Insurance decreased by \$225,678. This variance is due to the usage of approximately \$900,000 in retained earnings in Fiscal Year 2009-2010, which is practically offset by additional revenue received in the current year.

In addition, in comparing mid-year to projected year-end close of June 30, 2011, the Internal Service Funds cash is at \$33.2 million compared to a projected amount of \$31.1 million. The primary reason for this projected decline in cash of \$2.1 million is in the Risk Management - Workers' Compensation Self-Insurance Fund, as a result of the use of \$1.9 million in retained earnings for the remainder of Fiscal Year 2010-2011 to offset costs in this program.

A few other funds had significant changes in their cash position when comparing mid-year this fiscal year to the projected year-end close of June 30, 2011:

- ◆ The cash balance for Risk Management – General Liability is projected to end with an increase of approximately \$700,000 from mid-year. The projection is due to departmental revenue that will continue to be collected through the end of the year and insurance reimbursement revenue;
- ◆ The cash balance for Risk Management – Professional Liability is projected to end with an increase of approximately \$400,000 from mid-year. The projection is due to departmental revenue that will continue to be collected through the end of the year; and
- ◆ The cash balance for Strategic Business Technology is projected to end the year with an approximate decrease of \$900,000 from mid-year. The projection is based on the use of a portion of the cash balance to reduce the Strategic Business Technology Cost Allocation Plan (CAP) charges to other departments and for data center improvements and data storage upgrades.

BUDGET STRATEGY FOR BUDGET YEAR 2011-2012 AND BEYOND

2011-2012 General Fund Budget Strategy

Stanislaus County developed a 30-month strategy beginning Mid-Year 2009-2010 to provide for the organization to restructure, given the significant reductions in revenue available to the County. It is clear that the challenges to the County will continue well beyond the initial 30-month period, as indicated by the current projected General Fund shortfall of \$16.9 million for Budget Year 2011-2012.

For the past several months, the Chief Executive Office Senior Leadership Team has been focused on identifying strategies and solutions that will allow the County to maintain a balanced budget while preserving the programs most critical to the community. This includes the development of strategic budget targets for Budget Year 2011-2012. The General Fund Targeted Reduction Strategy is based on core assumptions that include:

- ◆ Discretionary revenue projected to remain flat from the low level in Fiscal Year 2010-2011;
- ◆ Retirement costs projected to increase by \$14.6 million in the General Fund;
- ◆ Workers' Compensation costs projected increase of \$1.9 million in the General Fund;
- ◆ Health insurance costs projected to remain flat for January 2012;
- ◆ Final use of \$8 million in committed fund balance for a total of \$24 million in one-time funding; and
- ◆ Critical reliance on \$6.3 million for the General Fund (over \$12 million for all funds) in retirement cost increase mitigation from the Stanislaus County Employees Retirement Association (StanCERA) to provide the County the ability to address the two years of remaining Pension Obligation Bond (POB) debt payments for the General Fund or by using Teeter Plan assigned fund balance until savings are realized in Budget Year 2014-2015 from the POB pay-off.

The following table illustrates the projected deficits for the General Fund through Budget Year 2014-2015. The major difference between the two scenarios demonstrates the benefit the County receives in its fiscal recovery due to StanCERA's partial mitigation of retirement costs in Budget Year 2011-2012.

Proposed Use of One-Time Funding

Summary with StanCERA Contribution

	11/12	12/13	13/14	14/15
General Fund "Issued Base"	\$ 172,502,661	\$ 160,373,000	\$ 153,303,000	\$ 153,303,000
Discr Rev	\$ (144,103,000)	\$ (144,103,000)	\$ (144,103,000)	\$ (144,103,000)
One-time	\$ (8,000,000)	\$ -	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
Retirement Assignment	\$ -	\$ -	\$ -	\$ (2,000,000)
POB Savings in 14/15				\$ (6,200,000)
StanCERA Contribution	\$ (6,270,000)	\$ -	\$ -	\$ -
Teeter Assignment	\$ -	\$ (9,200,000)	\$ (9,200,000)	\$ -
Total Resources	\$ (158,373,000)	\$ (153,303,000)	\$ (153,303,000)	\$ (152,303,000)
Addnl Reductions Needed	\$ (14,129,661)	\$ (7,070,000)	\$ -	\$ (1,000,000)
Reductions	\$ (14,129,661)	\$ (7,070,000)	\$ -	\$ (1,000,000)
Annual Impact	\$ (14,129,661)	\$ (21,199,661)	\$ (21,199,661)	\$ (22,199,661)

Summary without StanCERA Contribution

	11/12	12/13	13/14	14/15
General Fund "Issued Base"	\$ 172,502,661	\$ 160,373,000	\$ 152,303,000	\$ 150,303,000
Discr Rev	\$ (144,103,000)	\$ (144,103,000)	\$ (144,103,000)	\$ (144,103,000)
One-time	\$ (8,000,000)	\$ -	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
Retirement Assignment	\$ -	\$ (2,000,000)	\$ -	\$ -
POB Savings in 14/15				\$ (6,200,000)
NO StanCERA Contribution	\$ -	\$ -	\$ -	\$ -
Teeter Assignment	\$ (6,270,000)	\$ (6,200,000)	\$ (5,930,000)	\$ -
Total Resources	\$ (158,373,000)	\$ (152,303,000)	\$ (150,033,000)	\$ (150,303,000)
Addnl Reductions Needed	\$ (14,129,661)	\$ (8,070,000)	\$ (2,270,000)	\$ -
Reductions	\$ (14,129,661)	\$ (8,070,000)	\$ (2,000,000)	\$ -
Annual Impact	\$ (14,129,661)	\$ (22,199,661)	\$ (24,199,661)	\$ (24,199,661)

\$34.6 million one-time funding to offset program reductions

Department Heads were provided with preliminary reduction targets during the October 2010 Department Head meeting in order to provide as much time as possible for the development of department-specific solutions and strategies to eliminate the current structural shortfall. Several strategies/tools from Fiscal Year 2009-2010 and 2010-2011 will continue in the future, including the continuation of the 5% across-the-board pay deduction through Budget Year 2011-2012, the no back-fill policy for State Budget reductions, and the ability for General Fund departments to carry over 75% of their net county cost savings at June 30, 2011.



A Safe Community

COUNTY DEPARTMENTS

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: 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 December 31, 2010, actual revenue collected is \$18.4 million, which represents 42.9% of the estimated annual revenue. This is below the range when compared to the mid-year point of the prior two years when collections were at 46.1% and 44.5% of the final actual revenue. As of December 31, 2010, expenditures are \$68.1 million, representing 45.7% of the budgeted appropriations. Expenditures at the mid-year point of the prior two years were at 48.2% and 48.3% of the final actual expenditures, placing this year below the range.

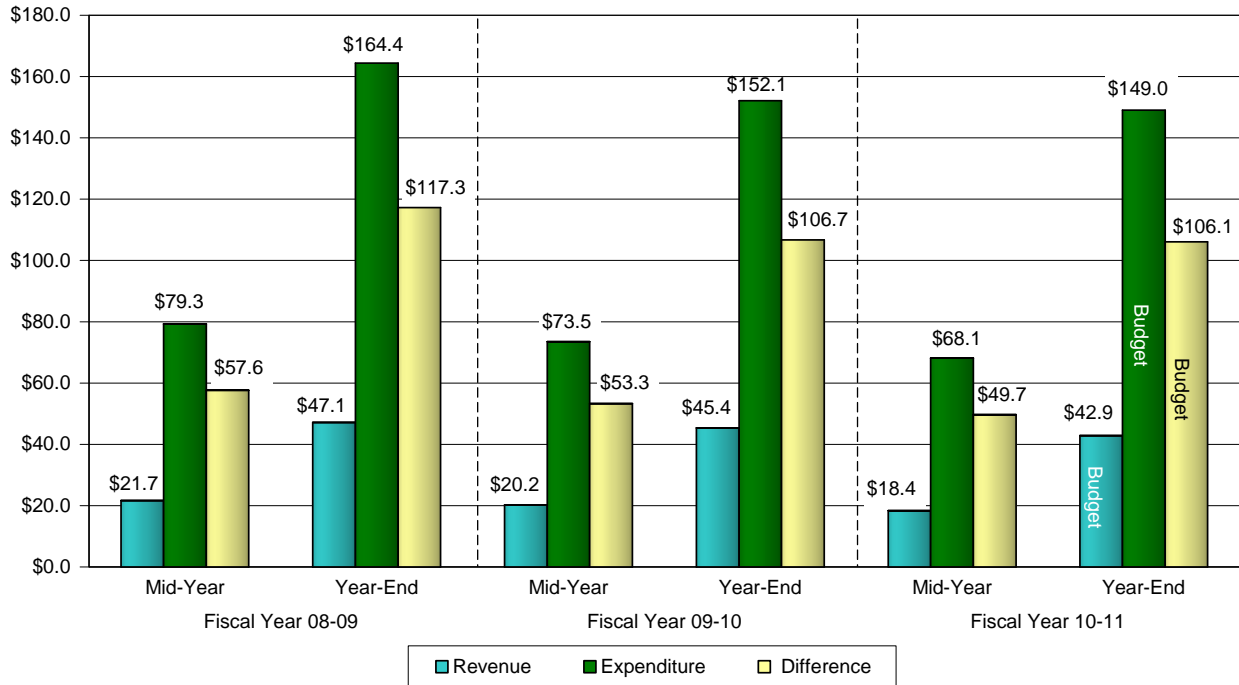
Significant variations this year, compared to the same time period one year ago include:

- ◆ Animal Services – A decrease of approximately \$774,000 in revenue and \$1.6 million in expenditures due to the formation of the Animal Services Joint Powers Agency between the County and the Cities of Modesto, Ceres, Patterson, Hughson and Waterford;
- ◆ Chief Executive Office-Criminal Justice Facilities Fund – A decrease in expenditures of \$294,000 due to the timing of the debt payment for the 12th Street Office and Parking Garage;
- ◆ Probation – A decrease in revenue of approximately \$562,000 in the Field Services and Institutions budgets combined as a result of a delay in revenue received from the State;
- ◆ Sheriff – An overall decrease of approximately \$914,000 in revenue and \$3.5 million in expenditures. Revenue decreases are primarily due to suspended Police Officer Standards Training (POST) Academy operations and a decrease in Court Security and Cal-MMET due to the timing of revenue receipts. Expenditure decreases consisted of a \$762,000 decrease in Ray Simon Training Center due to the suspension of POST Academy operations, reductions in Administration of \$199,000, \$1,448,000 in Operations, \$748,000 in Detention and \$202,000 in Inmate Welfare Jail Commissary due to reductions-in-force (RIF) of personnel in September 2009, June 2010 and January 2011. In addition to RIF's, Detention and Jail Commissary have also realized expenditure savings by closing beds, and

lower inmate counts. Finally a \$261,000 decrease in expenditures in Cal-MMET is due to reductions in Vehicle License Fee allocation and reduced appropriations for 2010-2011.

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 mid-year 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 2010-2011 is \$42.9 million with departmental expenditures budgeted at \$149 million and the difference of \$106.1 million funded through a General Fund contribution and the use of fund balance/retained earnings. Departmental revenue is down by \$1.8 million and expenditures are down by \$5.4 million from Mid-Year 2009-2010.

MID-YEAR ISSUES AND RECOMMENDATIONS

CEO—OFFICE OF EMERGENCY SERVICES/FIRE WARDEN

Office of Emergency Services: The CEO Office of Emergency Services/Fire Warden (OES) budget includes the Emergency Management Performance Grant (EMPG) which requires a dollar-for-dollar match. Salaries and operational expenses included in the OES budget are used as the match for this grant. The Fiscal Year 2009 (FY09) EMPG grant in the amount of \$141,756 was incorporated into the OES Fiscal Year 2009-2010 budget. On January 18, 2011 the California Emergency Management Agency (Cal EMA) identified an additional \$61,325 that was available to Operational Areas (counties) in the Cal EMA Inland Region from the FY09 EMPG. Stanislaus County was approved to receive \$19,120. The funding was matched between April 1, 2010 and June 30, 2010 in support of National Incident Management System (NIMS) compliance activities and maintaining the Stanislaus County Emergency Operations Center. The Department is requesting to increase appropriations and estimated revenue by \$19,120 in support of NIMS compliance activities.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
OES	\$19,120	\$19,120	\$0	Increase in Emergency Management Performance Grant funding for NIMS compliance activities.
Total	\$19,120	\$19,120	\$0	

County Fire Service Fund:

Staffing Request: The Department is requesting to unfund a vacant Staff Services Technician position. Funding for this position is not sustainable into Budget Year 2011-2012. This action supports the Department's budget balancing strategy.

CEO-COUNTY FIRE SERVICE FUND STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
County Fire Service Fund	-1	1717	Staff Services Technician	Unfund vacancy	Unfund vacant position
CEO-County Fire Changes	-1				
Beginning Allocation	5				
Changes in Allocation	-1				
Ending Allocation	4				

Summary of Recommendations: It is recommended to increase appropriations and estimated revenue by \$19,120 in Federal funds for NIMS compliance activities. It is further recommended the staffing change described and outlined in the table above be adopted.

DISTRICT ATTORNEY

Criminal Division: It is anticipated that the General Fund operating budget of the District Attorney's Office will end the year within budgeted appropriations and no adjustments are requested at this time. However, it is important to address critical issues that will present a challenge in future budget years. Significant salary savings have been realized in the current fiscal year through unanticipated position vacancies, but a decrease in revenue offsets the positive effect that cost savings generate. Most significant and troubling is the instability of the Vehicle License Fee (VLF) funding passed through to counties from the California Emergency Management Agency (Cal EMA). While the VLF has continued to be collected by the State throughout this fiscal year, Cal EMA is using these collections to fund previous years' commitments which were based on overly optimistic VLF projections. It is not known how much, if any, revenue will be realized this year from Cal EMA. The costs for programs that rely on VLF revenue are currently being absorbed by the General Fund budget. Vital programs, such as Vertical Prosecution which encompasses Major Narcotics Vendor and Career Criminal prosecutions as well as Child Abuse investigation, are gravely impacted. These cases have become a core service of the District Attorney's Office which cannot be discontinued even if a dedicated revenue source disappears. In fact, these programs have been in place since the mid-1990s but have only been funded with the VLF source since the temporary increase to vehicle license fees was instituted a few years ago. At stake is approximately \$400,000 as the revenue from this source will be left up to the voters if a June ballot measure is approved.

Auto Insurance Fraud: A supplemental grant application approved by the Department of Insurance (DOI) has resulted in an additional award amount for the District Attorney's Auto Insurance Fraud program. The notification and agreement were received at the end of December 2010 and the additional funds will be used to fund personnel and operational costs in the prosecution of those who knowingly commit automobile insurance fraud. The Department is requesting an increase of \$62,042 in appropriations and estimated revenue to reflect the additional award amount.

Real Estate Fraud: The Real Estate Fraud budget is funded from a fee levied by the County on real estate transactions and from a contribution of General Fund county match dollars. An increase in the fee structure in Fiscal Year 2009-2010 and an increase in real estate activity has improved the revenue picture in this budget. The District Attorney is requesting an increase of \$15,000 in appropriations and estimated revenue to cover overtime costs that have resulted because of increased activity. It is also anticipated that some portion of the county match funds may be returned to the General Fund at year-end.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
DA-Auto Insurance Fraud	\$62,042	\$62,042	\$0	Increase appropriations and estimated revenue to reflect supplemental grant application increase approved by the Department of Insurance
DA-Real Estate Fraud	\$15,000	\$15,000	\$0	Increase appropriations and estimated revenue to reflect increased fees to fund overtime costs
Total	\$77,042	\$77,042	\$0	

Summary of Recommendations: It is recommended to increase appropriations and estimated revenue by \$77,042 to reflect an increase to the grant awarded to the Auto Insurance Fraud program and to reflect increased fee collection in the Real Estate Fraud budget.

GRAND JURY

As reported as part of the 2010-2011 Proposed Budget, the 9% budget reduction eliminated costs for the criminal grand jury and reducing funding for Civil Grand Jury fees. These are the statutory fees paid to the grand jurors for meeting attendance. With those reductions, they projected that funds for jury fees would be exhausted by 2010-2011 mid-year.

Third quarter fees (January-March), will be funded by transferring funds from Salaries & Employee Benefits where additional funds are available due to the carryover from Fiscal Year 2009-2010. However, they will not be able to cover jury fees through for the last quarter of this fiscal year ending June 30, 2011. Grand Jurors do have the option of waiving these fees and this shortfall has been discussed with the Civil Grand Jury foreperson along with the possibility of waiving the fees for the remainder of the fiscal year. The foreperson met with the 19-member panel to discuss the possibility of waiving fourth quarter fees. The panel declined to waive the fees. Therefore, they are requesting an increase in appropriations of \$3,973.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Appropriations for Contingencies	
Grand Jury	\$3,973	\$0	\$3,973	Increase appropriations to fund civil grand jury fees for the fourth quarter of Fiscal Year 2010-2011. Funded by a transfer from Appropriations for Contingencies.
Total	\$3,973	\$0	\$3,973	

Summary of Recommendations: It is recommended to increase appropriations by \$3,973 in the Grand Jury budget. This increase will be funded through a transfer from Appropriations for Contingencies.

PROBATION

The Chief Probation Officer has requested that the Auditor-Controller and the Chief Executive Officer be given the authority to process future Department requests to transfer appropriations among the three budget units of Administration, Field Services and Institutional Services in order to ensure these budgets end the year in a positive position.

On January 26, 2010 the Probation Department received approval from the Board of Supervisors to apply for and accept an Alcohol and Other Drugs Grant from the State Office of Traffic Safety. The Department received grant funding of \$30,000 which will pay for enhanced supervision services to probationers at highest risk of repeating drunk driving offenses. The Probation Department is requesting that the Field Services budget be increased in both appropriations and estimated revenue by \$30,000.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Probation - Field Services	\$30,000	\$30,000	\$0	Increase appropriations and estimated revenue due to State Office of Traffic Safety grant funding
Total	\$30,000	\$30,000	\$0	

Staffing Request: The Department is requesting to unfund one vacant Accounting Technician position. Funding for this position is not sustainable into Budget Year 2011-2012. This action supports the Department's budget balancing strategy.

PROBATION DEPARTMENT STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Administration	-1	11052	Accounting Technician	Unfund vacancy	Unfund vacant position
Probation Changes	-1				
Beginning Allocation	230				
Changes in Allocation	-1				
Ending Allocation	229				

Summary of Recommendations: It is recommended to increase appropriations and estimated revenue by \$30,000 in the Probation - Field Services budget due to grant funding received from the State Office of Traffic Safety. It is recommended that the Auditor-Controller and the Chief Executive Officer be given the authority to process future Department requests to transfer appropriations among the three budget units of Administration, Field Services and Institutional Services in order to ensure these budgets end the year in a positive position. It is further recommended the staffing change described and outlined in the table above be adopted.

PUBLIC DEFENDER

The Public Defender appeared before the Board of Supervisors on November 2, 2010 during the presentation of the First Quarter Financial Report. At that time the Board approved a reduction of \$34,337 in both appropriations and estimated revenue to the Public Defender's budget, as well as the transfer of \$50,000 from the Public Defender-Indigent Defense fund to the Public Defender's budget to cover costs for investigator services. At that time the Board of Supervisors requested the Public Defender come back at mid-year to share budget projections and recommendation's for solutions.

Slightly more than 51% of the Stanislaus County Public Defender Budget has been spent or encumbered as of December 31, 2010. In the Department's First Quarter Budget Report the Public Defender projected a year-end deficit of approximately \$140,000. Since then the Department has worked with the Integrated County Justice Information System (ICJIS) Commission to use a portion of the ICJIS fund balance to offset \$30,000 in charges that the office would have paid in the 2010-2011 Fiscal Year. The Department has also instituted a variety of cost cutting measures, including reducing the amount spent on training, not replacing office equipment, and not renewing service agreements on copying and printing equipment. Taking into consideration these cost reductions the Department now projects that without additional changes in staffing levels the deficit at year-end will be approximately \$50,000. The transfer of an additional \$50,000 to the

Public Defender's budget from the Indigent Defense Fund would correct the projected shortfall for the current fiscal year and insure that the Department can continue to provide representation in every case the court directs.

The deficit identified above is largely attributable to the salary costs of the office being higher than budgeted. The increased salary cost that the Department faces is caused by annual step increases and promotions.

The work done by the Public Defender's Office are mandated by the both the Federal and State constitutions and the law requires the County pay the cost of the services provided.

The fund that Stanislaus County has designated for the payment of costs associated with the cases that the Public Defender cannot accept is called the Indigent Defense Fund (IDF). Over the last several years as the budget of the Stanislaus Public Defender's Office has been reduced this fund has increased. In part this was because of several high profile murder and gang cases which represented unusually high costs. Most if not all of those cases have now concluded and the rate of expenditure from this fund over the first half of the fiscal year is lower than it has been in several years. Approximately \$200,000 of the costs the fund incurred during the first half of the fiscal year were associated with one capital murder case that has now settled. Since the case has settled, the rate of expenditure from the fund has dropped and should remain down for the next several months. The Department projects that the IDF will end the 2010-2011 Fiscal Year with a savings of at least \$150,000.

The California Legislature has authorized the increase of registration fees that defendants are assessed when they are represented by the Public Defender or other appointed counsel. That fee has been \$25 since its adoption in 2006. The legislature has now amended the enabling legislation and the fee has risen to \$50. This increase will result in greater revenue. The actual amount of increased revenue should be apparent in the next few months as the increased fees are collected by the Treasurer-Tax Collector – Revenue Recovery Department.

The Public Defender requests the transfer of \$50,000 from the IDF to the Public Defender's budget. This transfer should allow the Department to end this fiscal year with a balanced budget. In the event the Indigent Defense fund costs are projected to exceed appropriation prior to year-end any shortfall will be added to the Public Defenders 2011-2012 target reductions, up to the total recommended transfer of \$100,000, which includes the already approved transfer of \$50,000 in first quarter.

The Public Defender has also received a tentative general fund contribution for Budget Year 2011-2012. Under that budget the Department would need to reduce expenditures by approximately \$500,000 next budget year. Compounding the problem of the proposed \$500,000 reduction is the structural deficit that was solved this fiscal year by a transfer of funds from the IDF and the deferral of ICJIS costs will not be available next year.

The recommended adjustments for the Public Defender is projected to only resolve the Departments current years budget deficit.

Indigent Defense: At mid-year a little more than half the Indigent Defense Fund (IDF) has been spent. For the first time in more than five years that the IDF is projected to end the 2010-2011 Fiscal Year with a savings in appropriations.

During the first half of the year the Public Defender Indigent Fund expended approximately \$200,000 in costs associated with the Columbus Allen, Jr. II high profile capital murder case. In October of 2009 a change of venue motion was granted in the case and the matter was transferred to Sacramento County for trial. The Stanislaus County Board of Supervisors set aside funds during the 2009-2010 Final Budget to pay potential exposures associated with a change in venue for a capital murder trial. On August 2, 2010, Columbus Allen entered a plea of guilty. Appointed Counsel reviewed the attorney and expert fee claims in this matter at the request of the Public Defender. The amount of money spent on attorney and expert witnesses directly connected to the change of venue motion totaled \$112,633. It is recommended that appropriations be increased in this budget by \$112,633, as needed, to offset these costs funded by the monies set aside by the Board of Supervisors for this purpose.

In analyzing the Public Defender-Indigent Defense budget, the Chief Executive Office believes that this budget will end the year with savings in expenditures to fund the transfer of \$50,000 in appropriations to the Public Defender budget. This recommendation along with the approved recommendation from First Quarter will total \$1000,000 being transferred to Public Defender to meet the Departments budget shortfall.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Public Defender	\$50,000	\$0	\$50,000	Increase appropriations to fund anticipated shortfall at year-end
Public Defender - Indigent Defense	(\$50,000)	\$0	(\$50,000)	Transfer of appropriations to Public Defender's budget
Public Defender - Indigent Defense	\$112,633	\$0	\$112,633	Increase up to \$112,633 in appropriations as needed at year end, funded from Fund Balance
Total	\$112,633	\$0	\$112,633	

Summary of Recommendations: It is recommended to transfer \$50,000 in appropriations from the Public Defender – Indigent Defense budget to the Public Defender's budget to meet the funding shortfall in Fiscal Year 2010-2011. It is also recommended that up to \$112,633 in appropriations be increased as needed at year-end in the Public Defender-Indigent Defense fund to ensure the budget remains in a positive position. Funding for this increased appropriation will come from funds set aside in Fiscal Year 2009-2010 Final Budget from fund balance – committed for potential exposures associated with a change in venue for a capital murder trial. In the event year-end projections for the Public Defender – Indigent Defense exceed appropriations for the remainder of the 2010-2011 Fiscal Year any shortfall of up to \$100,000 will be carried forward as part of the Public Defenders 2011-2012 reductions.

SHERIFF DEPARTMENT

The Sheriff has requested that the Auditor-Controller and the Chief Executive Officer be given the authority to process future Department requests to transfer appropriations among the four budget units of Administration, Detention, Operations and Contract Cities in order to ensure these budgets end the year in a positive position. It is recommended that appropriations transfers among the budgets of Administration, Detention and Operations be granted. Since the Contract Cities budget is based on contracted

reimbursement of costs incurred by the cities of Hughson, Patterson, Riverbank and Waterford it is recommended that transfers of appropriations be granted only from the city budgets to the budgets of Administration, Detention and Operations. This would allow unused net county cost in the Contract Cities budget to be used where needed but would also guard against increases to the spending authority of the cities without specific approval.

Contract Cities: The Sheriff's Department is requesting an increase of \$123,236 in both appropriations and estimated revenue that will benefit three specific areas. 1) \$30,000 in additional grant revenue is expected from the Office of Traffic Safety Selective Traffic Enforcement Program for the City of Riverbank. The grant is intended to reduce the number of crashes involving alcohol, speed, running red lights and other collision factors. Enforcement operations will be conducted during overtime hours so the appropriations increase is requested in overtime wages. The total grant awarded is \$50,000 but only \$20,000 was included in the Adopted Final Budget. This request reflects the remainder of the award. 2) In October the City of Waterford was awarded \$1,528 from the Office of Traffic Safety for the Click It or Ticket Mini-Grant Program. This grant is for seat belt enforcement operations which will also be conducted during overtime hours, necessitating an increase to overtime wage appropriations. 3) Revenue of \$100,000 has been allocated to the City of Hughson from the Supplemental Law Enforcement Services Fund (SLESF) for the 2010-2011 Fiscal Year. The City uses this revenue to fund extra patrol during proactive patrol operations, special events, festivals and traffic enforcement details as well as to continue an ongoing record maintenance and purging project. The Adopted Final Budget only included \$8,292 in estimated revenue and appropriations; the remaining \$91,708 in salary and benefit appropriations is requested to fully reflect the funding amount. It is recommended that the total increase of \$123,236 in appropriations and estimated revenue be approved for the programs in Riverbank, Waterford and Hughson.

Operations: The Department is requesting a transfer of \$66,000 in appropriations from the Services and Supplies category to Fixed Assets to purchase a new engine for the Cessna 206 fixed wing airplane. The purchase will be funded by High Intensity Drug Trafficking Areas (HIDTA) revenue as the aircraft is used in flight missions to assist in major drug operations. The HIDTA funds can be used for services, supplies, equipment and overtime costs directly related to high level narcotics investigation and suppression. The funds cannot be used for general personnel costs. Board of Supervisors authority is required for fixed asset transfers greater than \$10,000; it is recommended that the authority for this transfer be granted.

Vehicle Theft: The Sheriff is requesting an increase in appropriations and estimated revenue of \$13,000 for the purchase of 1,300 vehicle theft deterrent devices for a Stanislaus County Auto Theft Taskforce (StanCATT) club giveaway event. In total, the Department will purchase 2,000 devices; the cost of 700 of these devices can be absorbed into existing budgeted appropriations. The purchase of the remaining 1,300 devices is being funded by increased revenue of \$3,000 from the National Insurance Crime Bureau and \$10,000 from the Modesto Police Department. It is recommended that this request be approved.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Sheriff Contract Cities	\$123,236	\$123,236	\$0	Increase appropriations for overtime and FICA to reflect funding increases. Increase DUI Grant Revenue for the Riverbank DUI grant allocation, the Waterford Click It or Ticket Grant, and to reflect the full \$100,000 of the Hughson SLESF funding
Sheriff Operations	(\$66,000)	\$0	(\$66,000)	Transfer from Services and Supplies to Fixed Assets for engine replacement on fixed wing aircraft
Sheriff Operations	\$66,000	\$0	\$66,000	Transfer to Fixed Assets from Services and Supplies for engine replacement on fixed wing aircraft
Sheriff Vehicle Theft	\$13,000	\$13,000	\$0	Increase appropriations for Services and Supplies to account for the purchase of vehicle theft deterrent devices. Increase Miscellaneous Revenue to account for reimbursements from the National Insurance Crime Bureau and Modesto Police Department to offset the vehicle theft device purchase.
Total	\$136,236	\$136,236	\$0	

Staffing Requests: The Department is requesting to delete one vacant Undersheriff position as part of the department's budget balancing strategy. The Department is also requesting to double-fill the Supervising Public Administrator position for a maximum of eight weeks. The current Supervising Public Administrator is retiring on May 6, 2011 after holding the position for ten years. The Department has conducted a recruitment to fill the position, and is requesting to double-fill the position to allow for on-the-job training between the incumbent and her replacement. This action will allow for a smooth transition and provide continuity of service for this mandated position. The Department has sufficient existing appropriations to fund the double fill.

SHERIFF DEPARTMENT STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Administration	-1	8330	Undersheriff	Delete position	Delete vacant position
Sheriff Changes	-1				
Beginning Allocation	510				
Changes in Allocation	-1				
Ending Allocation	509				
SHERIFF DEPARTMENT TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Operations	1	2279	Supv Public Administrator	Double fill position	Double fill up to 8 weeks

Summary of Recommendations: It is recommended to increase appropriations and estimated revenue by \$136,236 in the Sheriff's departmental budget. \$123,236 in the Contract Cities budget for the cities of

Riverbank, Waterford and Hughson will be fully funded by Office of Traffic Safety grant revenue and by SLESF revenue. \$13,000 in the Vehicle Theft budget is funded with revenue from the National Insurance Crime Bureau and from the Modesto Police Department. Additionally, it is recommended to transfer \$66,000 into fixed asset appropriations in the Operations budget. Finally, it is recommended to authorize appropriations transfers among the Administration, Detention and Operations budgets and to authorize transfers out of the Contract Cities budget to ensure each budget is balanced by year-end. It is further recommended the staffing changes described and outlined in the table above be adopted.

SUMMARY

Overall, for A Safe Community appropriations are recommended to increase by \$379,004 and estimated revenue is expected to increase \$262,398 funded by \$112,633 of fund balance and a transfer of \$3,973 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 December 31, 2010, actual revenue is \$155.4 million, which represents 34.8% of the estimated annual revenue. This is within the range when compared to the mid-year point of the prior two years when collections were 34.8% and 36.1% of the final actual revenue. As of December 31, 2010, expenditures are \$193.2 million, representing 42.6% of the budgeted appropriations. Expenditures at the mid-year point of the two prior years were 40.4% and 42.4% of the final annual expenditures, placing this year's expenditures above the range.

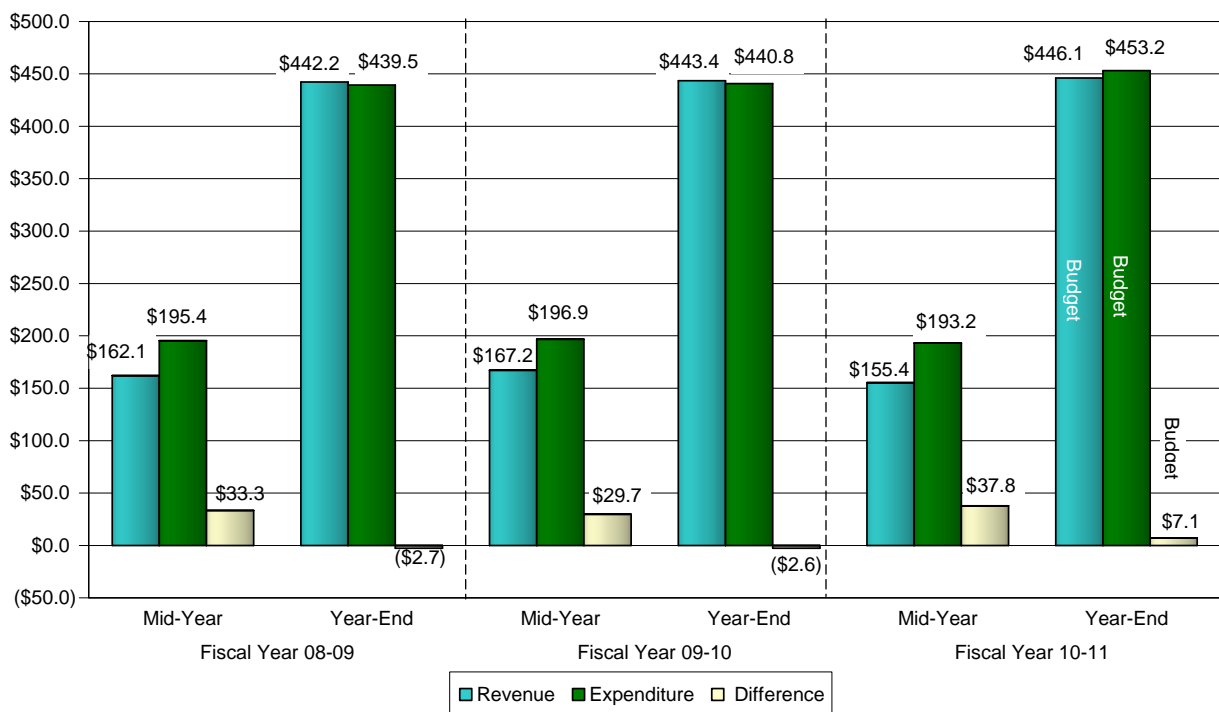
Significant variations this year, compared to the same time period one year ago include:

- ◆ Area Agency on Aging – An increase expenditures and revenue of \$300,000 primarily as a result of the transfer of the Multipurpose Senior Services Program (MSSP) from the Community Services Agency effective July 2010;
- ◆ Behavioral Health and Recovery Services – A decrease in revenue of \$8.4 million primarily as a result of increased Mental Health Services Act funding for Prevention and Early Intervention in 2009-2010, and a decrease in expenditures of \$1.4 million as a result of the reduction in audit liability accounts and a delay in contract payments;
- ◆ Children and Families Commission – A decrease in revenue of \$1.6 million primarily as a result of a decrease in taxes collected due to the downturn in the economy and a federal tax imposed on tobacco products last year;
- ◆ Community Services Agency – A decrease in revenue of \$2.1 million primarily as a result of a reduction in State and Federal Child Care funding; and

- ◆ Health Services Agency – A decrease in expenditures of \$1.4 million primarily as a result of increased costs in Fiscal Year 2009-2010 associated with the planned implementation of the new Electronic Medical Records system.

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 mid-year 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 funding for the departments assigned to the Board of Supervisors priority area of A Healthy Community for Fiscal Year 2010-2011 is \$446.1 million with departmental expenditures budgeted at \$453.2 million and the difference of \$7.1 million funded through fund balance/retained earnings. Both revenue and expenditures are down, with revenue collections decreasing by \$11.8 million and expenditures decreasing by \$3.7 million from Mid-Year 2009-2010.

MID-YEAR 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.

Area Agency on Aging: As part of the Mid-Year Financial Report, the Department is requesting to increase appropriations by \$71,738 and estimated revenue by \$37,330 due to increases in Federal Older Americans Act funding for senior services and programs for direct service provider contracts for senior programs in the community. The Department is also requesting to increase the use of department fund balance by \$34,408 to reimburse the State for a one-time audit exception that occurred in Fiscal Year 2003-2004 for which sufficient fund balance has been set aside in anticipation of the audit finding.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Area Agency on Aging	\$71,738	\$37,330	\$34,408	Increase appropriations and estimated revenue due to increases in Federal Older Americans Act funding, and increase the use of department fund balance to reimburse the State for a one-time audit exception.
Total	\$71,738	\$37,330	\$34,408	

Summary of Recommendations: It is recommended to increase appropriations by \$71,738 and estimated revenue by \$37,330, resulting in an increase in the use of departmental fund balance by \$34,408.

BEHAVIORAL HEALTH AND RECOVERY SERVICES

Behavioral Health and Recovery Services: When the State adopted the Fiscal Year 2010-2011 Budget, Governor Schwarzenegger vetoed all State funding for the Severely Emotionally Disturbed (SED) program and declared the mandate suspended, although the underlying statutes remain in effect.

Enacted in 1975, the Federal Individuals with Disabilities Education Act (IDEA) requires States to provide a free appropriate public education (FAPE) to children with disabilities to meet each child's unique needs and prepare him or her for further education, employment, and independent living. Included in this requirement is a provision for positive behavioral interventions and supports as indicated by the student's Individual Education Plan (IEP). In 1984, California enacted Assembly Bill (AB) 3632. This legislation created an unfunded mandate by requiring that the services be provided by the County Mental Health Department through an agreement with the local Office of Education. In 2004, voters enacted Proposition 1A which specified that when there is no funding for a mandate, that mandate must be suspended. Suspension of the mandate shifts financial responsibility for ensuring the requirements of AB 3632 and IDEA back to the Department of Education. BHRS is in the process of negotiating an agreement with the Stanislaus County Office of Education (SCOE) for continued funding of the program.

In the interim, BHRS continues to provide services to approximately 400 students, including five in residential placement. Prior to the mandate suspension, the cost of placement was shared 40% by the State and 60% by the County through a General Fund contribution to the Community Services Agency (CSA) as the appointed claiming authority. As part of the State budget process, the State General Funds

used to support this program were eliminated from the budget, thus creating an unfunded mandate on the County. With the passage of the State Budget on October 8, 2010, the Community Services Agency's requirement to reimburse facilities for residential care ended. This has created an unfunded burden on BHRS, pending a final Court decision and execution of an agreement with the SCOE. The legality of the Governor's action is the subject of several Court actions, including the *County of Sacramento v. State of California*, which has been expanded to include several other counties. In November 2010, the Board of Supervisors authorized Stanislaus County to join this suit.

The Department is requesting to decrease estimated revenue by \$868,166 due to the expiration of State advanced funding received in prior years and inadvertently posted as earned revenue in Fiscal Year 2009-2010, which will result in the use of \$868,166 of department fund balance. Additionally, the Department is requesting to increase appropriations and estimated revenue by \$224,404 through a transfer from the Chief Executive Office- Mandated County Match budget to fund placement costs for SED youth through the remainder of this fiscal year. BHRS will continue to pursue a contractual remedy with the Office of Education.

The Department is requesting to increase appropriations and estimated revenue by \$416,667 for Federal Financial Participation (FFP) and pass through funding from the CSA for a new children's wraparound program to be administered by a community provider. Additionally, as part of the 2010-2011 Adopted Final Budget, Behavioral Health and Recovery Services (BHRS) contracted with the Community Services Agency for services provided by the Center for Human Services for the Kinship Guardianship Program. At this time, final State allocations have been received and as a result, the Department is requesting to increase one-time pass through appropriations and estimated revenue by \$31,680 to reflect the final State allocations to this program.

It is also requested to increase estimated revenue by \$480,061 for increases in the Children's System of Care contractor Federal Financial Participation (FFP). The Department is also requesting to decrease estimated revenue by \$435,550 as a result of decreased FFP rate collected for the administration of the Medi-Cal program. The Department is requesting to decrease estimated revenue by \$236,519 as a result of a decrease in Early Periodic Screening, Diagnosis and Treatment (EPSDT) revenue over previously budgeted estimates. It is also requested to decrease estimated revenue \$12,438 to reflect a decrease in pass through funding from the Community Services Agency (CSA) Supportive and Therapeutic Options Program (STOP). With the Board's approval of these recommendations, the Department will increase its use of fund balance by an additional \$204,446 with no net county cost.

Managed Care: The Department is requesting a decrease in appropriations of \$420,117 as a result of a decrease in the anticipated bed days for Uninsured clients at Doctors Behavioral Health Center. The Department is requesting a decrease in estimated revenue of \$55,784 to reflect updated Quality Assurance Federal Financial Participation (FFP) Medi-Cal revenue projections, based on a reduction in utilization review activity. The Department is also requesting an increase in estimated revenue of \$408,121 to reflect the increase in the State Managed Care allocation. These budget adjustments will result in an increase of \$772,454 in department fund balance.

Stanislaus Recovery Center: The Department is requesting an increase in appropriations of \$82,400 to fully fund Parks for grounds maintenance charges as projected through year-end. The Department is also requesting an increase in appropriations of \$47,465 to correct the inadvertent underfunding of Stanislaus Recovery Center agreements. The Department is requesting an increase in estimated revenue of

\$252,415 from the Federal Substance Abuse Prevention and Treatment Block Grant. The Department is also requesting a decrease in estimated revenue of \$122,550 in the agreement between Behavioral Health & Recovery Services and the Community Services Agency for Child Welfare Services clients at Stanislaus Recovery Center.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Behavioral Health & Recovery Services	\$0	(\$868,166)	\$868,166	Decrease in estimated AB3632 revenue
Behavioral Health & Recovery Services	\$224,404	\$224,404	\$0	Increase in County Match to fund placement costs for SED youth associated with AB3632
Behavioral Health & Recovery Services	\$416,667	\$416,667	\$0	Increase in appropriations and funding for Children's Wrap Around program
Behavioral Health & Recovery Services	\$31,680	\$31,680	\$0	One time increase in pass through funding from the Community Service Agency (CSA) for Kinship Supportive Services Program
Behavioral Health & Recovery Services	\$0	\$480,061	(\$480,061)	Increase in Children's System of Care contractor FFP
Behavioral Health & Recovery Services	\$0	(\$435,550)	\$435,550	Decrease in estimated administration Federal Fund Participation (FFP) revenue
Behavioral Health & Recovery Services	\$0	(\$236,519)	\$236,519	Decrease in estimated Early Periodic Screening Diagnosis & Treatment revenue
Behavioral Health & Recovery Services	\$0	(\$12,438)	\$12,438	Decrease in pass through funding from CSA for Supportive and Therapeutic Options Program (STOP)
BHRS Managed Care Services	(\$420,117)	\$0	(\$420,117)	Decrease in appropriations to pay for Uninsured bed days at Doctors Behavioral Health Center
BHRS Managed Care Services	\$0	(\$55,784)	\$55,784	Decrease in estimated Quality Assurance Federal Fund Participation (FFP) revenue
BHRS Managed Care Services	\$0	\$408,121	(\$408,121)	Increase in Mental Health Managed Care Allocation
BHRS Stanislaus Recovery Center	\$82,400	\$0	\$82,400	Add appropriations to pay for Parks Department services not previously budgeted
BHRS Stanislaus Recovery Center	\$47,465	\$0	\$47,465	Add appropriations for contracted customer meals and contracted engineering services
BHRS Stanislaus Recovery Center	\$0	\$252,415	(\$252,415)	Increase Substance Abuse Prevention and Treatment block grant
BHRS Stanislaus Recovery Center	\$0	(\$122,550)	\$122,550	Decrease in funding from CSA for Child Welfare Services clients
Total	\$382,499	\$82,341	\$300,158	

Staffing Requests: The Department is requesting to unfund the following vacant positions: two Behavioral Health Specialist II and four Clinical Services Technician II. Funding for these positions is not sustainable into Budget Year 2011-2012. This action supports the Department's budget balancing strategy.

The Department is further requesting to restore one unfunded Accountant III position. This position will be funded using budgeted salary savings and is needed to more closely monitor program budget expenditures and revenues during these challenging economic times. The Department is also requesting to restore one

unfunded Clinical Psychologist position and reclassify upward to a Psychiatrist. The Department currently utilizes a Personal Services Contract for Psychiatrist services that will be ending.

The Department is requesting to restore one unfunded Mental Health Clinician III position and reclassify upward to a Manager II. In an effort to streamline activities and avoid duplication of services, the Manager II position will replace two existing funded Program Coordinator positions in the Alcohol and Drug Services Program and the Integrated Forensic Team Program. No new funding will be needed to support the Manager position. The Department is also requesting to reclassify downward one Manager IV position to a Manager II. This position is currently under-filled and this will properly classify the position with the duties performed.

The Chief Executive Office previously received a request to complete a classification study of a Manager IV position in the Public Guardian Office. The study has been completed and based on the job duties and level of responsibility a recommendation to reclassify the position downward is being made.

The Department is further requesting to transfer one Psychiatric Nurse II position from Behavioral Health and Recovery Services to Mental Health Services Act. This technical adjustment will align the position with current job assignments.

BEHAVIORAL HEALTH AND RECOVERY SERVICES STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Alcohol & Drug Services	-1	4021	Behavioral Health Specialist II	Unfund vacancy	Unfund vacant position
BHRS	1	1782	Accountant III	Restore unfunded position	Restore vacant position
	1	623	Mental Health Clinician III	Restore unfunded position/ reclassify upward	Manager II
	1	6367	Clinical Psychologist	Restore unfunded position/ reclassify upward	Psychiatrist
Stanislaus Recovery Center	-1	898	Behavioral Health Specialist II	Unfund vacancy	Unfund vacant position
	-4	375, 562, 9971, 9972	Clinical Services Technician II	Unfund vacancies	Unfund vacant positions
BHRS Changes	-3				
Beginning Allocation	339				
Changes in Allocation	-3				
Ending Allocation	336				
BEHAVIORAL HEALTH AND RECOVERY SERVICES TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
BHRS	-1	1922	Psychiatric Nurse II	Transfer out	Transfer to MHSA
BHRS	1	8097	Manager IV	Reclassify downward	Manager II
Public Guardian	1	11176	Manager IV	Reclassify downward	Manager II

Summary of Recommendations: It is recommended to increase appropriations by \$382,499 and estimated revenue by \$82,341 which includes an increase in County Match of \$224,404. This results in the use of \$300,158 in department fund balance. It is further recommended the staffing changes described and outlined in the table above be adopted.

CHILD SUPPORT SERVICES

The Adopted Final Budget for Fiscal Year 2010-2011 included appropriations of \$15,733,181 for the Department of Child Support Services budget, funded from departmental revenue of \$15,699,000, and \$34,181 in department fund balance.

As part of the Mid-Year Financial Report, the Department is requesting to increase appropriations and estimated revenue by \$28,555 due to an increase in State allocation to improve department server room infrastructure and to replace inefficient network switches. The Department developed a plan and analyzed costs associated with the implementation of a server virtualization project and has partnered with the Community Services Agency (CSA) to co-locate and share space within the CSA Facility Data Center. The investment in this project will have no additional impact to the General Fund and will provide future server capacity growth while minimizing the overall space required resulting in a more efficient infrastructure.

The Department is also requesting to decrease appropriations and estimated revenue by \$22,000 to reflect reduced interest income from the amount originally budgeted in the Adopted Final Budget for Fiscal Year 2010-2011, which will result in an overall increase of \$6,555 at the mid-year.

The Department's final request is to transfer existing appropriations of \$156,350 from Salaries and Benefits to Fixed Assets for the purchase of an X-Ray security scanning machine for main reception customers accessing the secured unit; to purchase a customer service kiosk for providing alternate methods and venues to customers to make payments and access payment information as needed; to purchase a storage unit for the server virtualization project; to replace a van that has outlived its useful service life that is used to perform mandated public outreach activities; and to complete minor building maintenance repairs within the Unit. Per existing policy, Board approval is required for an addition or deletion of an appropriation for fixed assets over \$10,000. Approval of this transfer will have no impact on the General Fund.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance	
Child Support Services	\$28,555	\$28,555	\$0	Increase appropriations and estimated revenue due to increases in the State allocation for two Information Technology (IT) projects.
Child Support Services	(\$22,000)	(\$22,000)	\$0	Decrease appropriations and estimated revenue to reflect reduced interest income from the amount originally approved in the Adopted Final Budget for Budget Year 2010-2011.
Child Support Services	(\$156,350)		(\$156,350)	Transfer existing appropriations from Salaries and Benefits to Fixed Assets for security scanning equipment, a customer service kiosk, server virtualization equipment , to replace an outreach van, and minor building repairs.
Child Support Services	\$156,350		\$156,350	Transfer to Fixed Assets from Salaries and Benefits for security scanning equipment, a customer kiosk, server virtualization equipment , to replace an outreach van, and minor building repairs.
Total	\$6,555	\$6,555	\$0	

Staffing Requests: The Department is requesting to delete the following two vacant positions: one Attorney V and one Legal Clerk III. Deleting these vacant positions supports the Department's budget balancing strategy by reducing annual salary and benefit costs.

CHILD SUPPORT SERVICES STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Child Support Services	-1	1827	Attorney V	Delete position	Delete vacant position
	-1	3088	Legal Clerk III	Delete position	Delete vacant position
Child Support Changes	-2				
Beginning Allocation	167				
Changes in Allocation	-2				
Ending Allocation	165				

Summary of Recommendations: It is recommended to increase appropriations and estimated revenue by \$6,555, and to transfer \$156,350 from Salaries and Benefits to Fixed Assets for security scanning equipment, a van and building repairs. It is further recommended the staffing changes described and outlined in the table above be adopted.

COMMUNITY SERVICES AGENCY

The Community Services Agency continues to see increases in General Assistance and cash aid caseloads, a direct result of the current economic downturn and high unemployment rate. These increases can currently be funded in the current fiscal year through the one-time use of all existing departmental fund balance. If the growth trends continue, the Department anticipates a significant General Fund match exposure in Budget Year 2011-2012. Overall, the Department is requesting a reduction in appropriations of \$2,981,120 primarily as the result of the 2010-2011 State Budget process. The Governor vetoed funding

for the Seriously Emotionally Disturbed (SED) Children program residential care costs, as well as a portion of Child Care program funding. Caseload reductions in the Child Care program also contributed to the overall budget reduction for the Department.

Services and Support: At Mid-Year, the Department is requesting a decrease to the Child Care estimated revenue and appropriations of \$3,581,344. Current year State and Federal allocations have been reduced due to declining caseloads in subsidized child care programs, as a result of fewer employed participants in this bad job market. In addition, the State's elimination of the Stage 3 Child Care program on December 31, 2010 affected 235 families who lost Stage 3 Child Care services. Stage 3 Child Care is available for former CalWORKs recipients after transitioning off of aid. Approximately 125 families, 250 children, were transferred to Stage 2 services. Stage 2 Child Care is available to current CalWORKs recipients or former recipients up to two years after they are no longer eligible for aid. The Department projects that the current year Stage 2 funding will support this ongoing Stage 2 caseload.

As part of the Fiscal Year 2010-2011 Final Budget, the Multipurpose Senior Services Program (MSSP) was transferred from CSA to Area Agency on Aging (AAA). At this time, the Department is requesting a reduction of \$364,415 in appropriations and estimated revenue in recognition of the program change.

The Department is requesting a decrease of \$61,063 in appropriations and estimated revenue to reflect CalFresh (formerly known as Food Stamps) outreach and nutrition services, reduced contract levels.

The Department is requesting to transfer appropriations of \$12,533 to the CSA In-Home Supportive Services Public Authority Administration budget to support the full year County share of cost of staffing and support.

The Department is requesting a decrease of \$11,485 in estimated revenue to reflect the decreased usage of Connected by 25 Initiative Stuart Grant funds. This will allow an extension of these grant funds into Budget Year 2011-2012 to provide continued support for education, training, housing, permanency and personal/social asset development for youth transitioning from Foster Care.

A \$25,000 increase in estimated revenue from the CSA County Children's Fund budget is requested to implement the Child Abuse Prevention Counsel (CAPC) recommendation of providing \$25,000 as local match to support clean and sober living environment services for Children's programs.

To ensure counties can meet the high demand for CalFresh (formerly known as Food Stamps) benefits, the adopted State Budget includes the California Welfare Directors Association (CWDA) proposal that waives the required County Match of CalFresh above the current CalWORKs/Food Stamps Maintenance of Effort (MOE). This waiver will allow counties access to a greater draw down of State and Federal CalFresh funds without having to pay the normally required county share of funding, as long as the county is meeting its CalWORKs/Food Stamps MOE entirely in the CalFresh program. Based on the current understanding of eligible costs that count toward MOE, CSA meets this requirement and has planned for access to previously unattainable CalFresh allocation funds. It is important to note that a collaborative effort between the California Department of Social Services (CDSS) and CWDA is currently underway to implement the Food Stamp MOE Waiver. It is possible that changes to the County MOE requirements could occur as a result of this process implementation which could equate to an estimated \$3.6 million exposure in the CSA budget. The Department will continue to monitor this project closely and report back to the Board of Supervisors if needed at Third Quarter to remain within the current year budget.

County Children's Fund: The CSA County Children's Fund budget provides for education and support services for the prevention, intervention and treatment of child abuse and neglect, and is funded by revenues from birth certificate sales, local donations and children's license plates fees. The Child Abuse Prevention Council (CAPC) provides recommendations for the use of these funds.

Current year recommendations of CAPC include dedicating existing appropriations to amend the term of the previously six (6) month funded sole source contracts to twelve (12) months as follows: Haven Women's Center; Center for Human Services – Hutton House and Behavioral Health and Recovery Services – Parents United. CAPC further recommends the use of \$25,000 as local match to support clean and sober living environment services for Children's programs in the CSA Services and Support budget.

Implementation of this CAPC recommendation represents the first phase in a five (5) year spending plan that will leverage Children's programs in the CSA Services and Support budget. The recommendation for Budget Years 2011-2012 through 2014-2015 would dedicate all CSA County Children's Fund resources to provide local match for sober living and other Children's program core contract services. This will allow for the redirection of more flexible funding streams, such as but not limited to, Promoting Safe and Stable Families (PSSF) and Child Abuse Prevention, Intervention and Treatment (CAPIT), Federal and State funds that do not require local match, to reinstate Differential Response services for children in our community over age six. Differential Response (DR) services are provided by Family Resource Centers (FRC). DR services provide an alternative to a child welfare agency response to reports of child abuse and neglect based on the assessed safety and risk reported. The FRCs promote child abuse/neglect prevention and early intervention programs through flexible, customized responses that consider the needs, resources and circumstances of the family. All DR service contracts will be fully supported within the CSA Services and Support budget and submitted to the Board of Supervisors for approval in each respective annual County budget process.

General Assistance: The Department is requesting a mid-year increase in appropriations of \$294,481 for the CSA General Assistance (GA) budget, attributed to the on-going Employables program caseload growth due to the continuing economic downturn. The Employables program provides work assignments to participants in a number of hours that, when multiplied by minimum wage, equals the amount of assistance they are provided. Participants cannot remain on the Employables program for more than three months in a 12-month period. Additionally, although Unemployment Insurance was extended, the Employables program caseload is expected to grow as the unemployed exhaust their full 99 weeks of unemployment insurance. To offset this increase, the Department is also requesting to transfer in \$243,248 in estimated revenue from the CSA Public Economic Assistance budget, and to increase estimated revenue by \$51,233 from a prior year claim for reimbursement to the State for Qualified Alien designation for eligible GA Foster Care Youth.

With approval of these requests, the GA budget is balanced at mid-year with no addition of dollars. Should existing trends continue, County General Fund exposure is projected at \$654,698 in Budget Year 2011-2012 and \$1,166,894 in Budget Year 2012-2013.

In-Home Supportive Services Public Authority Administration: This budget supports the In-Home Supportive Services (IHSS) Public Authority, a separate legal entity created by the Board of Supervisors that exercises public and essential government functions and has all powers necessary and convenient to carry out the provider components of IHSS. The Department is requesting an increase in appropriations of \$23,710 funded by \$11,177 in State and Federal funding and a transfer in of \$12,533 from the CSA

Services and Support budget. This increase is primarily due to the addition of a new consulting services contract.

Public Economic Assistance: The Department is requesting to increase appropriations by \$949,665 and estimated revenue by \$808,965 in State and Federal funding for increased caseloads in CalWORKs, Foster Care, Adoptions Assistance and the Cash Assistance Program for Immigrants (CAPI).

The Department is requesting an increase in estimated revenue of \$41,807 to reflect actual earnings and trends in current year Child Support collections revenue. The Department also requests an increase in estimated revenue of \$111,670 in realignment funding transferred from the CSA - Seriously Emotionally Disturbed budget, to reflect the State elimination of funding and suspension of the program mandate.

The Department is requesting to transfer out appropriations of \$243,248 to support the CSA - General Assistance budget. The resulting use of \$230,471 in departmental fund balance allows the Department to cover local match requirements in mandated Agency programs in this and other CSA budgets, without impact to the County General Fund.

The Public Economic Assistance fund is balanced at mid-year. Should existing trends continue, County General Fund exposure is projected at \$1,351,115 in Budget Year 2011-2012 and \$2,585,382 in Budget Year 2012-2013.

Seriously Emotional Disturbed Children (SED): The State Budget as enacted on October 8, 2010 included a veto action by the Governor that eliminated the State's 40% share of cost for the Seriously Emotionally Disturbed Children (SED) program and removed the mandate for SED as a non-federal foster care program. In alignment with the State Budget action, and consistent with California Department of Social Services instructions, the Department is requesting to close-out the CSA - Seriously Emotional Disturbed Children budget at mid-year.

The Department is requesting an appropriation decrease of \$522,935 to align with the services paid through September 30, 2010, offset by a decrease in estimated revenue of \$233,273 in State funding. Realignment revenue for SED was originally established through a transfer from the CSA - Public Economic Assistance budget, so as part of the SED close-out the Department requests that estimated revenue of \$111,670 be returned to the CSA - Public Economic Assistance budget to support the mandated Foster Care program. The Department is requesting to increase estimated revenue by \$46,412 from the settlement and closure of pending legal action. Finally, the Department requests to return unused County Match funding of \$224,404 to the CEO – Mandated Match budget.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
CSA-Services and Support	(\$3,581,344)	(\$3,581,344)	\$0	Decrease appropriations and estimated revenues for Child Care Stage 1, 2 and 3 to reflect reduced funding as a result of declining caseloads and the elimination of Stage 3 effective 12/31/10.
CSA-Services and Support	(\$364,415)	(\$364,415)	\$0	Decrease appropriations and estimated revenue for Multipurpose Senior Services Program (MSSP) costs resulting from transfer of program costs to Area Agency on Aging.
CSA-Services and Support	(\$61,063)	(\$61,063)	\$0	Decrease appropriations and estimated revenues to meet Food Stamp Outreach and Enrollment program contract levels.
CSA-Services and Support	\$12,533	\$0	\$12,533	Increase Operating Transfer Out to CSA IHSS Public Authority Administration for county share of cost.
CSA-Services and Support	\$0	(\$11,485)	\$11,485	Decrease estimated revenues to reflect reduced usage of Connected by 25 Initiative/Stuart Grant funds.
CSA-Services and Support	\$0	\$25,000	(\$25,000)	Increase Operating Transfer In from CSA County Childrens Fund to support Children's programs.
CSA - County Children's Fund	\$25,000	\$0	\$25,000	Increase Operating Transfer Out to CSA Services and Support to reflect the recommended CAPC Plan to support Children's programs.
CSA-General Assistance	\$294,481	\$0	\$294,481	Increase Appropriations due to caseload growth.
CSA-General Assistance	\$0	\$51,233	(\$51,233)	Increase Prior Year Revenue to reflect the retroactive claim reimbursement from CDSS allowable through regulations governing State Qualified Alien designation of GA Foster Care Youth.
CSA-General Assistance	\$0	\$243,248	(\$243,248)	Increase Operating Transfer In from CSA Public Economic Assistance.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
CSA - IHSS Public Authority Administration	\$23,710	\$11,177	\$12,533	Increase in State and Federal funding to sustain 12 months operations.
CSA - IHSS Public Authority Administration	\$0	\$12,533	(\$12,533)	Increase Operating Transfer In from CSA Services and Support to fully fund county share requirements.
CSA-Public Economic Assistance	\$949,665	\$808,965	\$140,700	Increase in State and Federal funding for increased caseloads in CalWORKs, Foster Care, Adoptions Assistance and Cash Assistance Program for Immigrants (CAPI).
CSA-Public Economic Assistance	\$0	\$41,807	(\$41,807)	Increase Child Support Revenues to reflect actual earnings/trends.
CSA-Public Economic Assistance	\$0	\$111,670	(\$111,670)	Transfer of Realignment due to close-out of CSA Seriously Emotionally Disturbed budget.
CSA-Public Economic Assistance	\$243,248	\$0	\$243,248	Increase Operating Transfer Out to CSA General Assistance.
CSA-Seriously Emotional Disturbed Children	(\$522,935)	(\$233,273)	(\$289,662)	Decrease appropriations and State revenues to actuals due to SED mandate suspension.
CSA-Seriously Emotional Disturbed Children	\$0	(\$111,670)	\$111,670	Decrease Realignment Revenue - due to SED mandate suspension.
CSA-Seriously Emotional Disturbed Children	\$0	\$46,412	(\$46,412)	Increase estimated revenue from the settlement and closure of pending legal action.
CSA-Seriously Emotional Disturbed Children	\$0	(\$224,404)	\$224,404	Return unused County Match due to SED mandate suspension.
Total	(\$2,981,120)	(\$3,235,609)	\$254,489	

Staffing Requests: The Department is requesting to unfund the following vacant positions: one Social Worker IV, three Family Services Specialist II, one Administrative Clerk III, three Administrative Clerk II, one Supervising Account/Administrative Clerk II, and one Application Specialist III. Funding for these positions is not sustainable into Budget Year 2011-2012. This action supports the Department's budget balancing strategy.

The Chief Executive Office previously received a request to complete a classification study of three Account Clerk II positions. The study has been completed and based on the job duties and responsibilities of the position; a recommendation to reclassify the position is being made.

COMMUNITY SERVICES AGENCY DEPARTMENT STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Services and Support	-1	174	Social Worker IV	Unfund vacancy	Unfund vacant position
	-3	1037, 1053, 10730	Family Services Specialist II	Unfund vacancies	Unfund vacant positions
	-1	10906	Administrative Clerk III	Unfund vacancy	Unfund vacant position
	-3	3294, 3498, 8900	Administrative Clerk II	Unfund vacancies	Unfund vacant positions
	-1	2228	Supervising Account Administrative Clerk II	Unfund vacancy	Unfund vacant position
	-1	9213	Application Specialist III	Unfund vacancy	Unfund vacant position
CSA Changes	-10				
Beginning Allocation	863				
Changes in Allocation	-10				
Ending Allocation	853				
COMMUNITY SERVICES AGENCY DEPARTMENT TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Services and Support	3	9205, 9206, 9207	Account Clerk II	Reclassify upward	Account Clerk III

Summary of Recommendations: It is recommended to decrease appropriations by \$2,981,120 and estimated revenue by \$3,235,609, funded by \$254,489 in department fund balance. It is further recommended the staffing changes described and outlined in the table above be adopted.

HEALTH SERVICES AGENCY

Overall, the Health Services Agency is in a positive fiscal position at the mid-year point; however, the Department is projecting a shortfall in the Medically Indigent Adult (MIA) program as a result of changes in patient liability and increased utilization. The Department continues to face challenges brought about by the economic downturn and State budget crisis while managing "today's new normal" with the anticipation of potentially significant changes "tomorrow." Projects to identify and implement efficiencies are underway in the Public Health Division and in the Indigent Health Care Program. Participation in the Valley Consortium for Medical Education is ongoing, including exploration and development of additional residencies in Orthopedics and Emergency Medicine.

Emergency Medical Services Discretionary Fund: The Department is requesting an increase in estimated revenue of \$86,991 from additional funding from fines and fees collected by the courts, and an increase in appropriations of \$8,936 to fully fund administrative costs associated with the increased level of revenue. This will result in the reduction in use of departmental fund balance by \$78,055.

Indigent Health Care Program: As part of the Fiscal Year 2010-2011 Final Budget, the HSA Indigent Health Care Program (IHCP) budget anticipated an exposure of \$2.3 million based on increased utilization and program changes pertaining to patient liability approved by the Board on March 30, 2010. At this time, the Department continues to project it will not be able to maintain the required level of services to qualified Medically Indigent Adults (MIA) nor meet the County's mandated Welfare and Institutions (W&I) Code Section 17000 requirements without additional funding. The Department is finalizing its cost of living study and will return to the Board in the near future for a public hearing on any recommended changes to the MIA program. The Department intends to request additional appropriations for this program at that time, in accordance with any approved program adjustments.

Indigent Health Care Program Emergency Medical Services Hospitals: The Department is requesting an increase in appropriations and estimated revenue of \$135,287 for increased payments to hospitals for uncompensated emergency medical services, funded by fines and fees collected by the courts (Maddy fees).

Indigent Health Care Program Emergency Medical Services Physicians: The Department is requesting an increase in appropriations and estimated revenue of \$302,935 for increased payments to physicians for uncompensated emergency medical services, funded by fines and fees collected by the courts (Maddy fees).

Public Health: The HSA Public Health budget is projected to end the year within the budgeted appropriations. The Department is requesting to move \$45,000 currently budgeted under Services and Supplies to the Fixed Assets account to purchase communication equipment for the Public Health Women, Infants & Children (WIC) program in the Public Health Budget.

HSA Public Health Division had also established several trust funds that were approved by the Board in 2009 to comply with the accounting standards and regulations for the State's Emergency Preparedness grants. The State required the County to establish these trust funds to assure that the funds would be used only for CDC Emergency Preparedness expenditures. However, the operational activities required to receive this funding are performed and the expenses are incurred in the Public Health Budget. The Department is requesting to incorporate the below listed Emergency Preparedness funds to roll-up into Public Health Budget to increase efficiencies in the budgeting and fiscal reporting process for the Public Health Division.

Fund 1436 Communicable Disease Control (CDC) Base Fund
Fund 1437 Communicable Disease Control (CDC) H1N1 Fund
Fund 1438 Hospital Preparedness Program (HPP) Base Fund

The Agency is also requesting to dissolve the Hospital Preparedness H1N1 Fund budget. The grant associated with this budget has ended and the Department is requesting to transfer any remaining fund balance to the Hospital Preparedness Program Base Fund to be expended on like activities in the current fiscal year.

The Agency previously established the California Children Services (CCS) trust fund to receive private donations to be used for the Medical Therapy Unit related expenditures. As part of the Agency's efforts to streamline the budgeting and fiscal reporting process, the Department is requesting to roll-up this fund into the Public Health Budget.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
HSA EMS Discretionary Fund	\$8,936	\$86,991	(\$78,055)	Additional revenue from fines and fees collected by the courts and increased administrative costs associated with increased revenue.
HSA IHCP EMS Hospitals	\$135,287	\$135,287	\$0	Increased payments to hospitals for uncompensated emergency medical services funded by fines and fees collected by the courts.
HSA IHCP EMS Physicians	\$302,935	\$302,935	\$0	Increased payments to physicians for uncompensated emergency medical services funded by fines and fees collected by the courts.
HSA Public Health	(\$45,000)	\$0	(\$45,000)	Reclass Miscellaneous Expenditure Appropriations To Equipment Expense For Public Health Women, Infants & Children (WIC) Program.
HSA Public Health	\$45,000	\$0	\$45,000	Reclass Miscellaneous Expenditure Appropriations To Equipment Expense For Public Health Women, Infants & Children (WIC) Program.
Total	\$447,158	\$525,213	(\$78,055)	

Staffing Requests: The Department is requesting to unfund the following vacant positions: one Accountant I, one Family Practice Physician, one Nursing Assistant, one Senior Nurse Practitioner, two Staff Nurse II, three Staff Nurse III, one Administrative Clerk II and one Assistant Public Health Officer. Funding for these positions is not sustainable into Budget Year 2011-2012. This action supports the Department's budget balancing strategy. The Department is also requesting a classification study of a Staff Services Analyst (Safety) position. A recommendation to study the position is being made.

HEALTH SERVICES AGENCY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Administration	-1	3037	Accountant I	Unfund vacancy	Unfund vacant position
Clinics and Ancillary Services	-1	7822	Family Practice Physician	Unfund vacancy	Unfund vacant position
	-1	10155	Nursing Assistant	Unfund vacancy	Unfund vacant position
	-1	6854	Senior Nurse Practitioner	Unfund vacancy	Unfund vacant position
	-2	2033, 9604	Staff Nurse II	Unfund vacancies	Unfund vacant positions
	-3	1881, 6629, 7940	Staff Nurse III	Unfund vacancies	Unfund vacant positions
Public Health	-1	9596	Administrative Clerk II	Unfund vacancy	Unfund vacant position
	-1	10571	Assistant Public Health Officer	Unfund vacancy	Unfund vacant position
H.S.A. Changes	-11				
Beginning Allocation	492				
Changes in Allocation	-11				
Ending Allocation	481				
HEALTH SERVICES AGENCY TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Administration	1	11742	Staff Services Analyst	Classification study	Study

Summary of Recommendations: It is recommended to increase appropriations by \$447,158 and estimated revenue by \$525,213 resulting in a decrease of \$78,055 in the use of departmental fund balance, and includes a transfer of \$45,000 from Services and Supplies to Fixed Assets for equipment in the WIC program. It is further recommended the staffing changes described and outlined in the table above be adopted.

SUMMARY

Overall, appropriations and estimated revenue for A Healthy Community are recommended to decrease 2,073,170 and \$2,584,170 respectively, funded by \$511,000 of departmental fund balance.



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 supporting a local economy that promotes, protects, and sustains our agricultural economies while providing for more diversified economic opportunities that will strengthen our local economy and provide for a better, more stable, quality of life for our residents. Supporting job creation, providing a wide range of employment and training services, 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 special 1/8 cent sales tax and a contribution from the General Fund.

DEPARTMENTAL REVENUES AND EXPENDITURES

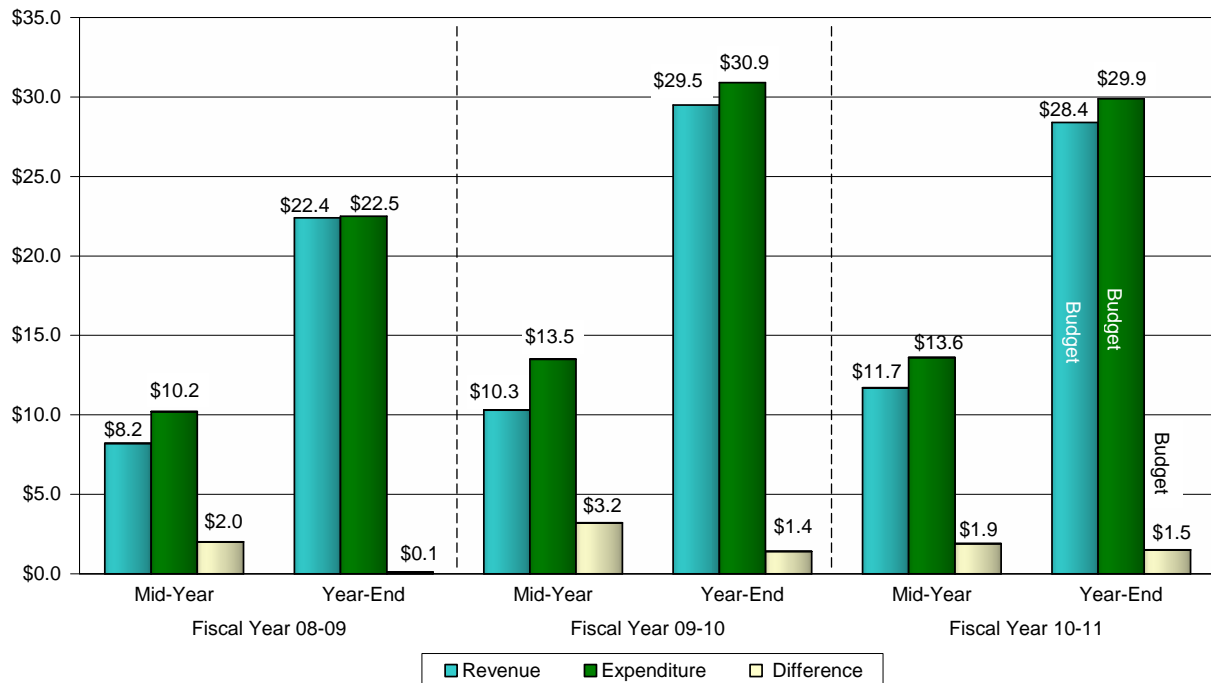
For the departmental budgets that are part of the Board of Supervisors priority area of A Strong Local Economy as of December 31, 2010, actual revenue collected is \$11.6 million, which represented 41% of the estimated annual revenue. This is above the range when compared to the mid-year point of the prior two years when collections were 31.1% and 35.1% of the final actual revenue. As of December 31, 2010, expenditures are \$13.6 million, representing 45.5% of the budgeted appropriations. Expenditures at the mid-year point of the prior two years were 38.4% and 38.6% of the final actual expenditures, placing this year's expenditures above the range.

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

- ◆ Alliance Worknet and Alliance StanWORKs – A combined increase of \$1.3 million in revenue and \$660,000 in expenditures compared to mid-year of the prior year as a result of the increase in CalWORKs Employment Services funding and growth of the Department's temporary employment services and Welfare-to-Work programs; and
- ◆ Library – A decrease in expenditures of approximately \$470,000 compared to the same period last year is due to the Department's efforts to reduce expenses through reduced staffing and the delayed purchase of books, materials, and supplies in anticipation of reduced revenue.

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 mid-year 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 Economic 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 2010-2011 is \$28.4 million with departmental expenditures budgeted at \$29.9 million and the difference of \$1.5 million funded through the use of General Fund contributions and fund balance. Department revenue is up by \$1.4 million and expenditures are up \$1 million from mid-year 2009-2010.

MID-YEAR ISSUES AND RECOMMENDATIONS

ALLIANCE WORKNET

The Alliance Worknet has requested to increase appropriations in response to enhanced services and increased funding from the Community Services Agency CalWORKs Employment Services funds. These funds are used to provide temporary employment and welfare-to-work services to the community in light of the current period of high unemployment. The Department has achieved a level of effectiveness with the subsidized employment programs resulting in a \$1,927,497 projected increase in revenue. The Department will utilize these funds to provide employment services to additional eligible residents.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Alliance Worknet - StanWORKS	\$1,927,497	\$1,927,497	\$0	Increase in Community Services Agency CalWORKs Employment Services fund for temporary employment and welfare-to-work services.
Total	\$1,927,497	\$1,927,497	\$0	

Summary of Recommendations: It is recommended to increase estimated revenue and expenditures in the amount of \$1,927,497 to be funded by increased department revenue.

LIBRARY

The Library has requested to increase appropriations by \$198,835 for employee retirement costs and an increase in health care costs, utilities and operating costs and an upgrade to the main software system. An increase in revenue of approximately \$502,168 is due to an increase of prior year sales tax collections, additional funding from the State literacy contract, a USDA grant for facility improvements and donations from Friends of the Library Groups. The Library mid-year adjustments will result a net increase in revenue that will be used to reduce the amount of fund balance needed to bridge the budget gap this fiscal year by \$303,333. On-going savings are necessary in order to offset the known increases in benefit costs and other operating costs in the upcoming years.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Library	\$0	\$470,468	(\$470,468)	Prior year sales tax received in Fiscal Year 2010-2011
Library	\$0	\$16,700	(\$16,700)	Additional funding from State for literacy contract and USDA grant for facility improvements
Library	\$0	\$15,000	(\$15,000)	Donations from Friends of the Library Groups
Library	\$100,000	\$0	\$100,000	Increase due to health care cost and adjustments to retirement costs
Library	\$98,835	\$0	\$98,835	Increase appropriations for operating expenses with additional revenue received
Total	\$198,835	\$502,168	(\$303,333)	

Staffing Requests: The Department is requesting to unfund the following vacant positions: one Librarian III and one Library Assistant II. Due to the challenging economic situation, the Library must continue to minimize its operating expenses in order to cope with the shortfall in revenue and the cost of doing business. The Library has streamlined work processes and will use existing staff to cover the duties of the two vacancies.

LIBRARY DEPARTMENT STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Library	-1	102	Librarian III	Unfund vacancy	Unfund vacant position
	-1	9613	Library Assistant II	Unfund vacancy	Unfund vacant position
Library Changes	-2				
Beginning Allocation	72				
Changes in Allocation	-2				
Ending Allocation	70				

Summary of Recommendations: It is recommended to increase revenue in the amount of \$502,168 and expenditures in the amount of \$198,835. It is recommended the staffing changes described and outlined in the table above be adopted.

SUMMARY

Overall, appropriations and estimated revenue for A Strong Local Economy are recommended to increase by \$2,126,332 and \$2,429,665 respectively resulting in the use of \$303,333 in departmental fund balance. The increase in appropriations and estimated revenue is attributable primarily to increased funding in the Alliance Worknet StanWORKs budget to provide enhanced temporary employment services.



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 which generates approximately \$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 Department 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

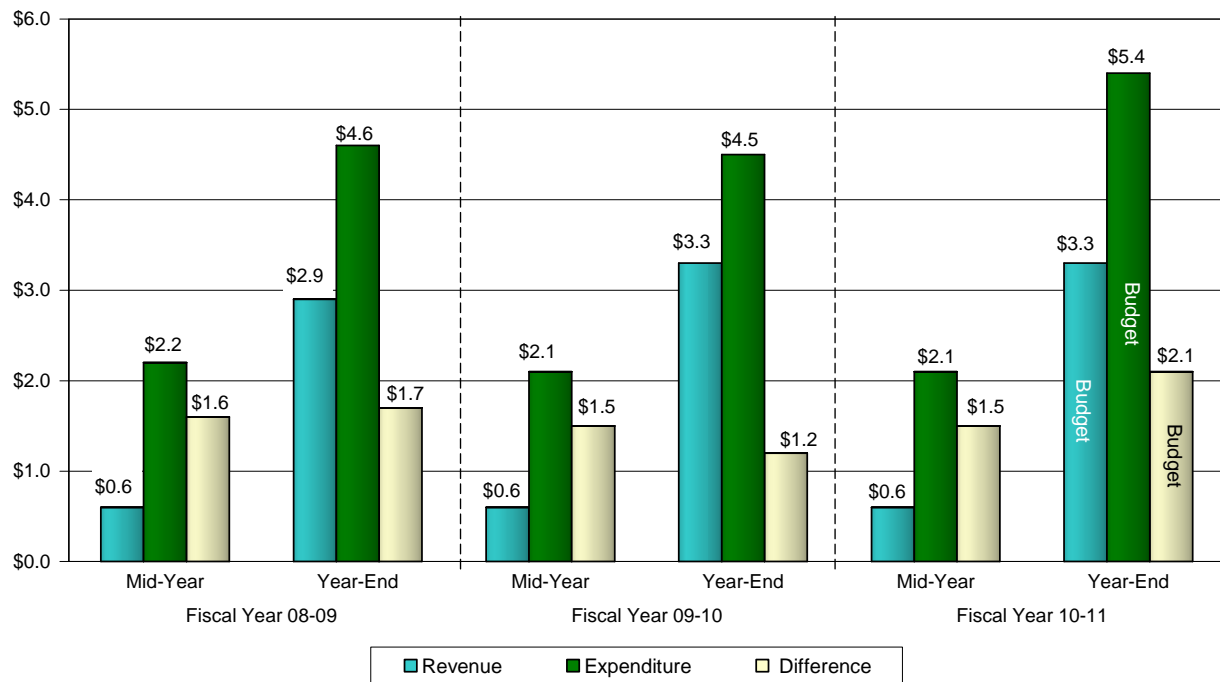
For the departmental budgets that are part of the Board of Supervisors priority area of A Strong Agricultural Economy/Heritage as of December 31, 2010 actual revenue collected is \$637,637, which represents 19.3% of the estimated annual revenue. This is within the range when compared to the mid-year point of the prior two years when collections were 20.7% and 18.2% of the final actual revenue. As of December 31, 2010, expenditures are \$2.1 million, representing 39% of the budget appropriations. Expenditures at the mid-year point of the prior two years were 47.8% and 46.7% 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 – The increase in revenue of approximately \$41,255 is due to new contracts for the Asian Citrus Psyllis (ACP) and the European Grape Vine Moth (EGVM). Expenses are up \$37,438 due to GIS support expenses not incurred in the prior year.

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 mid-year 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 2010-2011 is \$3.3 million, with departmental expenditures of \$5.4 million. The difference of \$2.1 million is funded through the use of fund balance. Department revenue and expenditures are in line with last fiscal year at the mid-point of the year.

MID-YEAR ISSUES AND RECOMMENDATIONS

The Agricultural Commissioner's Office has requested an increase in revenue and appropriations in the amount of \$58,008 as a result of increased funding from the State's contract for monitoring agricultural pests. This increased funding will cover contracted pest detection services for the expanded pest trapping season.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Agricultural Commissioner	\$58,008	\$58,008	\$0	Increase the Pest Detection contract in order to lengthen the trapping season per the request of the California Department of Food and Agriculture
Total	\$58,008	\$58,008	\$0	

Summary of Recommendations: It is recommended to increase revenue and appropriations in the amount of \$58,008 to be funded by the increased State funding for pest contract.

SUMMARY

Overall, appropriations and estimated revenue for A Strong Agricultural Economy/Heritage are recommended to increase \$58,008. This increase in revenue is the result of an increase in State funding.



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 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 December 31, 2010, actual revenue collected is \$45 million, which represents 43% of the estimated annual revenue. This is higher than the range when compared to the mid-year point of the prior two years when collections were 27.6% and 36.6% of the final actual revenue. As of December 31, 2010, expenditures are \$43.7 million, representing 32.7% of the budgeted appropriations. Expenditures at the mid-year point of the prior two years were 27.3% and 28% of the final actual expenditures, placing this year's expenditures higher than the range.

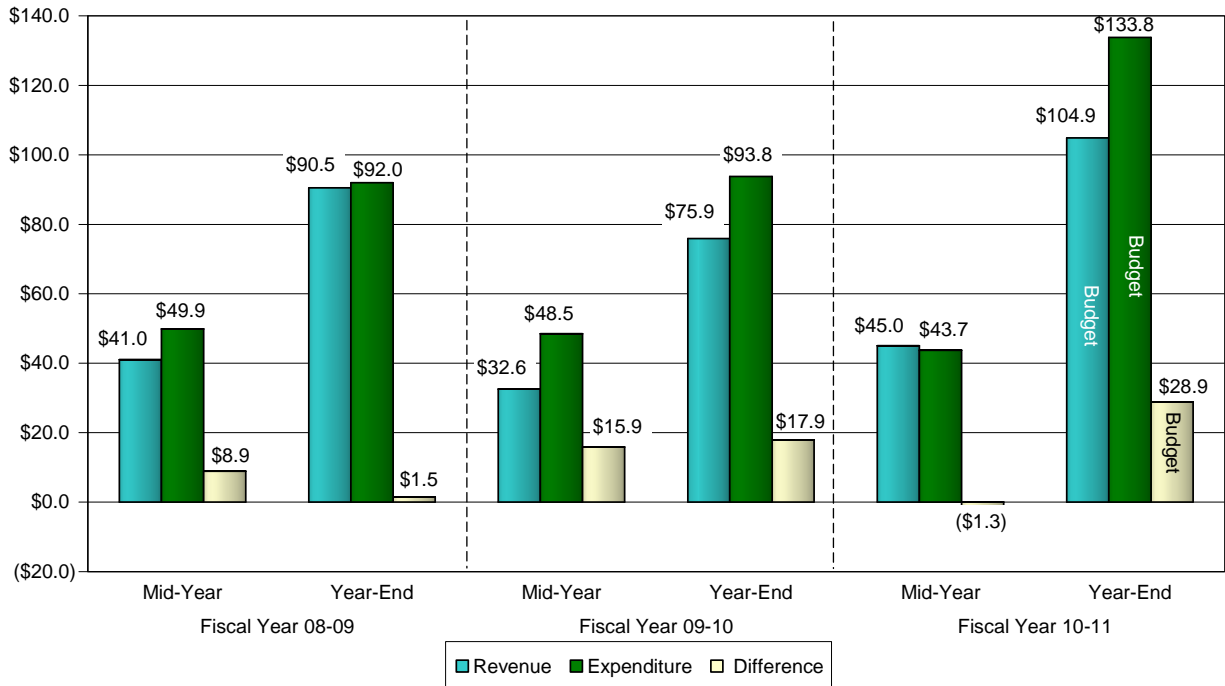
Significant variations this year, compared to the same time period one year ago include:

- ◆ Department of Environmental Resources – An increase in revenue compared to the same period last year in the amount of \$320,000 due to the Department's modified reimbursement schedule. In previous years, costs were transferred as part of year-end procedures. The Department has transitioned to a quarterly reimbursement process to more accurately reflect costs;
- ◆ Department of Environmental Resources - Fink Road Landfill – A decline in expenditures compared to mid-year of the prior year in the amount of \$2 million due to the majority of the planned Cell No. 5 construction occurring in Fiscal Year 2009-2010;
- ◆ Department of Environmental Resources - Geer Road Landfill – An increase in revenue compared to the same period last year in the amount of \$1.7 million due to the anticipated capital project planned for Fiscal Year 2010-2011;

- ◆ Department of Environmental Resources - Waste-to-Energy Program – An increase in expenditures of \$3.2 million compared to mid-year of the prior year due to a significant reduction in the price of electricity sold to Pacific Gas & Electric, resulting in the program’s increased operating expenditure;
- ◆ Planning and Community Development - Redevelopment – A decrease of \$8.4 million in expenditures compared to mid-year of the prior year due to completion of major portions of the Keyes and Empire Infrastructure projects within Fiscal Year 2009-2010;
- ◆ Planning and Community Development Department Special Revenue Grants – A decrease of \$3.5 million in revenue and \$3.3 million in expenditures compared to the same period last year as a result of the Fiscal Year 2009-2010 grant award from the Neighborhood Stabilization Program in support of community development programs including housing rehabilitation and down-payment assistance;
- ◆ Department of Public Works - Local Transit – An increase of \$539,000 in revenue and \$330,000 in expenditures compared to mid-year of the prior year due to the timing of receipt of Transportation Development Act (TDA) funds and the purchase of new electronic fare boxes for all buses; and
- ◆ Department of Public Works - Road and Bridge – An increase in revenue of \$13.4 million and \$5.4 million in expenditures compared to the same period last year due to the receipt of Federal American Recovery and Reinvestment Act (ARRA) funding and Public Facility Fee funds. In addition, the Department’s delay of 2009-2010 projects in response to the fiscal uncertainty in the State budget until Fiscal Year 2010-2011 resulted in an increase in expenditures compared to the previous fiscal year.

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 mid-year 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 2010-2011 is \$104.9 million with departmental expenditures budgeted at \$133.8 million and the difference of \$28.9 million funded through the use of General Fund contributions and fund balance/retained earnings. Department revenue is up by \$12.4 million and expenditures are down \$4.8 million from mid-year 2009-2010.

MID-YEAR ISSUES AND RECOMMENDATIONS

ENVIRONMENTAL RESOURCES

Staffing Requests: The Department anticipates approximately \$600,000 in additional expenses due to retirement and workers' compensation cost increases as well as a \$100,000 decrease in General Fund contribution. The Department evaluated its programs to determine which programs were mandated as well as funded versus non-funded. Due to the decrease in the County's discretionary revenue over the last several years, the Code Enforcement Program, which costs over \$1.5 million annually to operate, has had its General Fund contribution reduced to an estimated \$232,247.

In response, a reorganization is recommended to reduce expenses to the Department for this program by approximately \$775,650 which will result in significant reductions to the Code Enforcement Program. The Department will continue to respond to requests for zoning enforcement assistance; however, other department staff will be handling the verification of complaints. This may result in an increase in response time for complaints. The Department is requesting to delete the following filled positions: one Manager IV and three Zoning Enforcement Officers. The deletions will result in a reduction-in-force action effective July 2, 2011.

The Department is further requesting to unfund the following vacant positions: one Manager III, one Administrative Clerk III, one Senior Environmental Health Specialist, one Senior Resource Management Specialist and two Landfill Equipment Operator II. Due to increasing retirement costs and workers' compensation insurance costs as well as decreasing General Fund revenue, the department is unfunding these positions in order to realize salary and benefit savings. This action supports the department's budget balancing strategy.

The Department is also requesting to reclassify downward the following positions: one Environmental Health Specialist III to a Zoning Enforcement Officer, one Hazard Material Specialist III to a Zoning Enforcement Officer, and one Hazard Material Specialist III to an Environmental Technician. These positions are currently being under-filled and this will properly align the positions with the duties performed.

ENVIRONMENTAL RESOURCES STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Environmental Resources	-1	9826	Manager IV	Delete filled position	Delete position/Reduction-in-Force Effective 7/02/11
	-3	1251, 7094, 9829	Zoning Enforcement Officer	Delete filled positions	Delete positions/Reduction-in-Force Effective 7/02/11
	-1	3113	Administrative Clerk III	Unfund vacancy	Unfund vacant position
	-1	2190	Senior Environmental Health Specialist	Unfund vacancy	Unfund vacant position
	-1	2090	Senior Resource Management Specialist	Unfund vacancy	Unfund vacant position
Landfill	-1	1489	Manager III	Unfund vacancy	Unfund vacant position
	-2	3817, 3949	Landfill Equipment Operator II	Unfund vacancies	Unfund vacant positions
DER Changes	-10				
Beginning Allocation	92				
Changes in Allocation	-10				
Ending Allocation	82				
ENVIRONMENTAL RESOURCES TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Environmental Resources	1	1004	Environmental Health Specialist III	Reclassify downward	Zoning Enforcement Officer
	1	919	Hazard Material Specialist III	Reclassify downward	Zoning Enforcement Officer
	1	1035	Hazard Material Specialist III	Reclassify downward	Environmental Technician

Summary of Recommendations: It is recommended the staffing changes described and outlined in the table above be adopted.

PARKS AND RECREATION

Staffing Request: Due to increasing retirement and workers' compensation insurance costs, as well as decreasing General Fund revenue, the Department is requesting to unfund one vacant Park Maintenance

Worker II position in order to realize salary and benefit savings. This action supports the Department's budget balancing strategy.

PARKS AND RECREATION STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Parks and Recreation	-1	3954	Park Maintenance Worker II	Unfund vacancy	Unfund vacant position
Parks & Recreation Changes	-1				
Beginning Allocation	22				
Changes in Allocation	-1				
Ending Allocation	21				

Summary of Recommendations: It is recommended the staffing change described and outlined in the table above be adopted.

PLANNING AND COMMUNITY DEVELOPMENT

Building Permits Division: The Planning and Community Development Department has requested to increase appropriations and estimated revenue as a result of increased funding for inspection services. The City of Oakdale has requested building inspection services and entered into a contract with the Department. Estimated revenues and expenditures related to this contract and other miscellaneous sources are estimated at \$90,296. This increase in estimated revenue allows the Department to fill a Building Inspector III position to fulfill the contract requirements and supervision duties.

Redevelopment Agency: The Planning and Community Development Department has requested to increase appropriations to fund the transfer of Housing Fund Share funding to Planning Redevelopment Agency – Housing Set Aside from the Redevelopment Agency for housing rehabilitation, down payment assistance, and administrative services. These funds are based on tax increment which is determined after the fiscal year is closed. The Fiscal Year 2010-2011 Final Budget included \$1,680,000 in anticipated funding within the Redevelopment Agency – Housing Set Aside budget unit. Working with the Auditor-Controller, the Department anticipates a higher-than-estimated tax increment, requiring a transfer of \$408,906 to the Redevelopment Agency – Housing Set Aside budget unit.

Redevelopment Agency – Housing Set Aside: The Planning and Community Development Department has requested to increase revenue as a result of the \$408,906 transfer in Housing Fund Share funding to Redevelopment Agency – Housing Set Aside from the Redevelopment Agency for housing rehabilitation, down payment assistance, and administrative services.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Planning - Building Permits	\$90,296	\$90,296	\$0	Increase appropriations and estimated revenue as a result of a contract with the City of Oakdale for building inspection services.
Planning & Community Development - Redevelopment Agency	\$408,906	\$0	\$408,906	Increase appropriations to fund the transfer of Housing Fund Share funds for rehabilitation, down payment, and administrative services.
Planning & Community Development - Redevelopment Agency Housing Set Aside	\$0	\$408,906	(\$408,906)	Increase revenue as a result of the transfer of Housing Fund Share funds for rehabilitation, down payment, and administrative services.
Total	\$499,202	\$499,202	\$0	

Staffing Requests: The Department is requesting to unfund three vacant Administrative Clerk III positions. Funding for these positions is not sustainable into Budget Year 2011-2012. This action supports the Department's budget balancing strategy.

PLANNING AND COMMUNITY DEVELOPMENT STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Building Permits	-1	8769	Administrative Clerk III	Unfund vacancy	Unfund vacant position
Planning	-2	3143, 3669	Administrative Clerk III	Unfund vacancies	Unfund vacant positions
Planning Changes	-3				
Beginning Allocation	32				
Changes in Allocation	-3				
Ending Allocation	29				

Summary of Recommendations: It is recommended to increase appropriations and revenue \$499,202 for building inspection services and a cash transfer from the Redevelopment Agency Capital Projects fund to the RDA Housing Set-Aside fund. It is further recommended the staffing changes described and outlined in the table above be adopted.

PUBLIC WORKS

Morgan Shop: The Public Works Department has requested to increase appropriations by \$90,000 for the purchase of an above-ground tank to store and pump bio-fuel used in alternative fueled vehicles. The Department has recently purchased bio-fuel heavy vehicles with a Congestion Mitigation and Air Quality grant. Having a fueling tank on sight will provide the Department with an efficient fueling source.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Public Works - Morgan Shop	\$90,000	\$0	\$90,000	Increase appropriations for the purchase of an above ground tank to store and pump Bio-Diesel fuel to be funded by retained earnings.
Total	\$90,000	\$0	\$90,000	

Staffing Request: The Chief Executive Office received a request in the 2009-2010 First Quarter Report to complete a classification study of two Transportation Project Coordinator positions. During the study one of the positions became vacant and this position was deleted. The study of the remaining single allocated position has been completed and based on the job duties and responsibilities of the position, a recommendation to downward classify the position to Staff Services Coordinator is recommended. Additionally, the Transportation Project Coordinator classification is recommended to be deleted. These actions are effective April 23, 2011.

PUBLIC WORKS DEPARTMENT TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITION	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Engineering	1	2148	Transportation Project Coordinator	Reclassify downward/ Delete Classification	Staff Services Coordinator

Summary of Recommendations: It is recommended to increase appropriations by \$90,000 to be funded by the use of fund balance for the purchase of an above ground bio-fuel tank. It is further recommended the staffing change described and outlined in the table above be adopted.

SUMMARY

Overall, appropriations and estimated revenue for the Board of Supervisors priority area of A Well-Planned Infrastructure System are recommended to increase by \$589,202 and \$499,202 respectively funded by \$90,000 retained earnings. The increase is attributable primarily to a \$408,906 increase in tax increment to fund the transfer of Housing Fund Share funding for housing rehabilitation, down payment assistance, and administrative services.



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, Board of Supervisors, Chief Executive Office, 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. A large portion of the Clerk-Recorder is funded through charges for services provided. The General Services Agency and Strategic Business Technology's primary funding source is charging other County departments for the services they provide.

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 December 31, 2010, actual revenue collected is \$50 million, which represents 44.5% of the estimated annual revenue. This is below the range when compared to the mid-year point of the prior two years when collections were 45.9% and 46.4% of the final actual revenue. As of December 31, 2010, expenditures are \$75.1 million, representing 42.1% of the budgeted appropriations. Expenditures at the mid-year point of the prior two years were 49.1% and 47.3% of the final actual expenditures, placing this year's expenditures below the range.

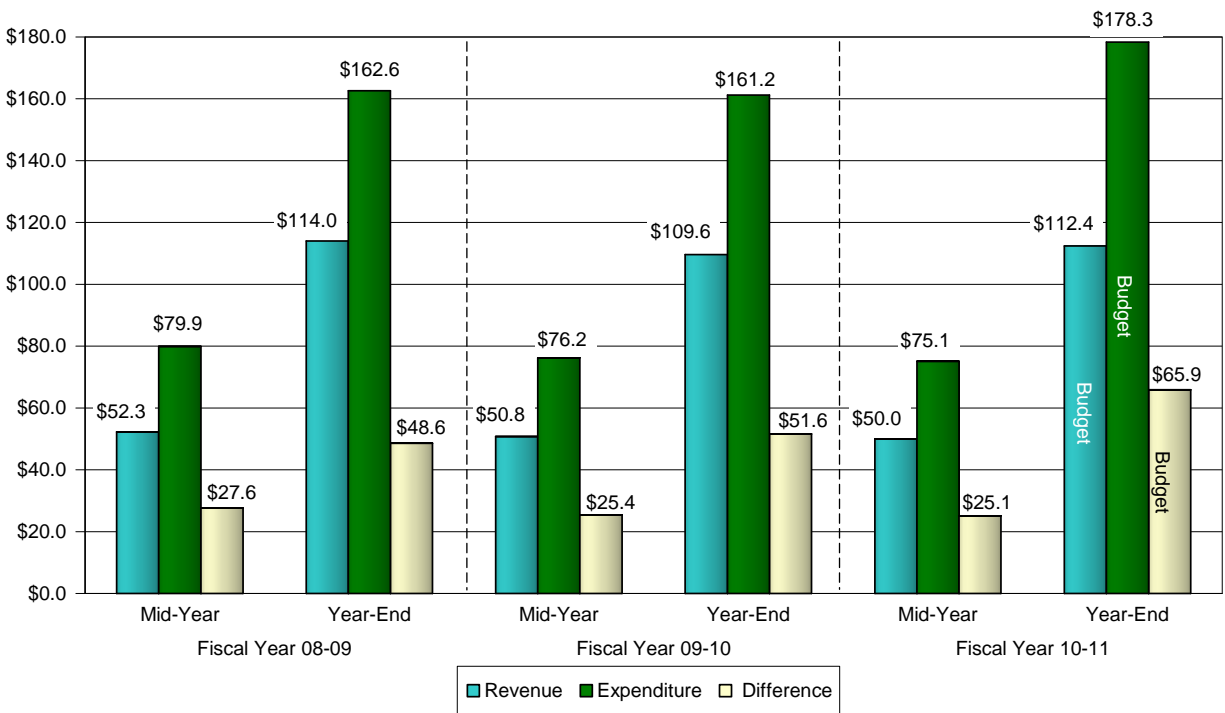
Significant variations this year, compared to the same time period one year ago include:

- ◆ Chief Executive Office – Debt Service Fund - A \$2.7 million decrease in revenue due to the timing of the allocation in Public Facility Fees and Criminal justice Facilities Fees;
- ◆ Chief Executive Office – Risk Management General Liability Fund - A \$0.9 million increase in revenue due to an insurance check that was received for the preliminary Honor Farm settlement in the first half of the fiscal year;
- ◆ Chief Executive Office – General Fund Contribution to Other Programs - A \$4.3 million increase in expenditures is due to the establishment of this budget to fund those programs for which no State or Federal mandate exists. These programs were previously funded through the General Fund Match and Support budget;

- ◆ Chief Executive Office – Mandated County Match - A \$5.5 million decrease in expenditures is primarily due to the General Fund revenue allocation for County Match being separated into two legal budgets, Mandated County Match and General Fund Contributions to Other Programs. The Mandated County Match budget includes funding for those programs that have a State or Federal requirement for local dollars as match in order to receive State or Federal funding. Programs that receive General Fund revenue based on contractual obligations and Board of Supervisors policy decisions, and contributions to outside agencies have been moved to the new budget.
- ◆ Clerk-Recorder – Elections Division – A \$1 million increase in revenue due to SB90 reimbursement of the 2008/2009 Presidential General Elections and the 2008/2009 Special Election.

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 mid-year 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 2010-2011 is \$112.4 million and total budgeted expenditures are \$178.3 million with a difference of \$65.9 million funded through the use of General Fund contributions and the use of fund balance/retained earnings. Revenue is down by \$0.8 million and expenditures are down by \$1.1 million from mid-year 2009-2010.

MID-YEAR ISSUES AND RECOMMENDATIONS

AUDITOR-CONTROLLER

Due to budget shortfalls in the Auditor-Controller's Office, the Auditor is no longer retaining staff in the Internal Audit Division. The number of employees in the division has been reduced from six to two in recent years. With projected General Fund contribution decreasing further for Budget Year 2011-2012, the Auditor-Controller is assessing and focusing on critical services. The two remaining employees in the division can more effectively provide core or mandated services to the County in other Auditor-Controller divisions.

The Auditor-Controller is aware of the significant value the Internal Audit Division provides to the County. As the Department focuses on the core services provided to the County, they have been required to make choices that do not jeopardize these services such as the monthly financial reporting, annual financial report and audit, property tax calculations and apportionments, payroll processing and reporting requirements, the county cost plan and other mandated State requirements.

Some of the functions currently being performed by the Internal Audit Division will continue to be performed in the Auditor-Controller's Office. These functions are:

- ◆ Quarterly Treasury Statement of Assets review as required by California State Code Section 26922;
- ◆ Fiscal year end verification of imprest cash balances performed on an annual basis;
- ◆ Cash losses that may occur during the year; and
- ◆ Instances of potential financial fraud that the Auditor-Controller's Office becomes aware of.

In addition, the Auditor-Controller's Office will perform more limited procedures when reviewing purchasing card activity on an annual basis than what has been currently performed by the Internal Audit Division. Results of the most recent series of purchasing card audits covering Fiscal Year 2009-2010 transactions reflects that the majority of Departments are in compliance with the County Purchasing Card and Travel Policies. A sample of purchasing card transactions will be determined on a county wide basis based upon a risk assessment of these transactions. One report will be issued detailing the objective and scope along with any findings and recommendations noted by the Department. The Auditor-Controller and Chief Executive Officer will continue to communicate to the various County Departments and related agencies the importance of compliance with the County Purchasing Card and Travel Policies.

Staffing Requests: The Department is requesting to unfund the following vacant positions due to budget constraints: one Manager IV, one Accountant III, one Accountant I, and two Account Clerk III. The Chief Executive Office previously received a request to complete a classification study of an Accountant II in the Property Tax Division. The study has been completed and based on the complexity of the job duties and level of responsibility a recommendation to reclassify the position to an Accountant III is being made.

AUDITOR-CONTROLLER DEPARTMENT STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Auditor-Controller	-1	1662	Manager IV	Unfund vacancy	Unfund vacant position
	-1	10660	Accountant III	Unfund vacancy	Unfund vacant position
	-2	2993, 3049	Account Clerk III	Unfund vacancies	Unfund vacant positions
	-1	2198	Accountant I	Unfund vacancy	Unfund vacant position
Auditor Changes	-5				
Beginning Allocation	43				
Changes in Allocation	-5				
Ending Allocation	38				

AUDITOR-CONTROLLER DEPARTMENT TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Auditor-Controller	1	2164	Accountant II	Reclassify upward	Accountant III

Summary of Recommendations: It is recommended that the Auditor Controller continue to assist Departments in identifying solutions to ensure compliance with the County Purchasing Card and Travel Policies. It is further recommended the staffing changes described and outlined in the table above be adopted.

CHIEF EXECUTIVE OFFICE

Appropriations for Contingencies: It is requested to decrease appropriations by \$3,973 to transfer funds to the Grand Jury budget in order to fully fund Civil Grand Jury fees.

Mandated Match: It is requested to decrease appropriations by \$224,404 to reflect the return of unused match funds from the Community Services Agency Seriously Emotionally Disturbed (SED) Children budget. This return of funds is a result of the State Budget elimination of funding and suspension of the mandate to provide services for SED youth.

It is requested to increase appropriations by \$224,404 to fund contract costs for placement services related to the SED program in the Behavioral Health and Recovery Services budget. This budget is responsible to provide treatment for SED youth through the use of Federal funds and as such has entered into agreements for residential placement services that must be fulfilled.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
CEO Appropriations for Contingencies	(\$3,973)	\$0	(\$3,973)	Use of Appropriations for Contingencies to fund Civil Grand Jury fees
CEO Mandated Match	(\$224,404)	\$0	(\$224,404)	Return of unused match from CSA Seriously Emotionally Disturbed Children (SED) budget
CEO Mandated Match	\$224,404	\$0	\$224,404	Fund BHRS for residential placement costs for SED youth
Total	(\$3,973)	\$0	(\$3,973)	

Staffing Requests: The Chief Executive Office - Operations and Services has initiated a budget reduction strategy to align current staffing levels with General Fund revenue projections for Budget Year 2011-2012. The resulting analysis concluded that this budget would need to reduce staffing from 41 budgeted full-time positions in Fiscal Year 2010-2011, to 34 budgeted full-time positions in Budget Year 2011-2012, reducing costs by approximately \$964,000. The Department is recommending the staffing changes with the 2010-2011 Mid-Year Budget in order to establish current year cost savings to carry forward into next fiscal year.

In December 2010, employees in the Department were informed of the pending staffing recommendations and provided an opportunity to apply for alternative vacant positions in other County departments. The advanced planning and successful placement of Department employees has reduced the planned number of reductions-in-force from 4 positions to 2 positions.

The recommendations include the deletion and reduction-in-force of one Manager III and one Confidential Assistant III; downgrading two Manager III positions to Confidential Assistant IV and one Confidential Assistant IV position to Confidential Assistant III; deletion of two vacant Confidential Assistant III positions; and unfunding one vacant Chief Information Officer position and two vacant Deputy Executive Officer positions. The reduction in staff will require remaining staff to focus on core mandated functions related to Human Resources, Operations and Services, Capital Projects and Clerk of the Board. Economic Development, Organizational Performance and the Chief Information Officer functions will be significantly reduced or eliminated.

The Chief Executive Office- Risk Management Division has initiated a budget reduction strategy to align current staffing levels with General Fund revenue projections for Budget Year 2011-2012. The resulting analysis concluded that the Division would need to reduce staffing from 14 budgeted full-time positions in Fiscal Year 2010-2011, to 10 budgeted full-time positions in Budget Year 2011-2012, reducing costs approximately \$220,000 annually. The Division is recommending the staffing changes with the 2010-2011 Mid-Year Budget in order to establish current year cost savings to carry forward in next fiscal year.

In December 2010, employees in the Division were informed of the pending staffing recommendations and provided an opportunity to apply for alternative vacant positions in other County departments. The advanced planning and successful placement of Division employees has resulted in the department no longer needing a reduction-in-force of existing employees.

The recommendations include the unfunding of one Confidential Assistant IV position; unfunding two vacant Confidential Assistant II positions and one vacant Confidential Assistant III position; downgrading one Manager II position to Confidential Assistant V; and block-budgeting one Manager II position to a Manager I/II/III. Remaining staff will focus on core mandated functions related to OSHA compliance, safety training, employee leave of absence administration, workers' compensation claims, health insurance administration and general liability claims filed against the County. Each of these areas will be impacted by the staffing reductions through a reduction in the overall level of service provided, including: increased wait times for customer requests; elimination of on-call services after normal business hours; elimination of non-mandated training functions; and reduced support for department safety programs.

CHIEF EXECUTIVE OFFICE STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Operations and Services	-1	4027	Manager III	Delete filled position	Delete position/Reduction-in-Force Effective 4/23/11
	-1	11484	Confidential Assistant III	Delete filled position	Delete position/Reduction-in-Force Effective 4/23/11
	-2	8161, 8694	Confidential Assistant III	Delete positions	Delete vacant positions
	-1	9854	Chief Information Officer	Unfund vacancy	Unfund vacant position
	-2	1580, 1592	Deputy Executive Officer	Unfund vacancies	Unfund vacant positions
Risk Management Division	-1	11308	Confidential Assistant IV	Unfund vacancy	Unfund vacant position
	-1	1727	Confidential Assistant III	Unfund vacancy	Unfund vacant position
	-2	1806, 1812	Confidential Assistant II	Unfund vacancies	Unfund vacant positions
CEO Changes	-11				
Beginning Allocation	55				
Changes in Allocation	-11				
Ending Allocation	44				
CHIEF EXECUTIVE OFFICE TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Operations and Services	2	7827, 10251	Manager III	Reclassify downward	Confidential Assistant IV
	1	9678	Confidential Assistant IV	Reclassify downward	Confidential Assistant III
Risk Management Division	1	6226	Manager II	Reclassify downward	Confidential Assistant V
	1	9037	Manager II	Reclassify upward/Block budget position	Manager III

Summary of Recommendations: It is recommended to decrease appropriations by \$3,973 from Appropriations for Contingencies to fully fund the Civil Grand Jury fees. Use of Appropriations for Contingencies requires a four-fifths vote of the Board of Supervisors. It is further recommended the staffing changes described and outlined in the table above be adopted.

CLERK-RECORDER – ELECTIONS DIVISION

The Clerk-Recorder- Registrar of Voters has identified a potential exposure in the Elections Division for a special election. The Governor has indicated that a Special Election will be called sometime before the end of the 2010-2011 Fiscal Year to ask voters to extend temporary tax increases on vehicles, sales and income to assist with the State Budget crisis. If a Special Election is scheduled in the current fiscal year, the Clerk Recorder – Elections Division would need additional appropriations of approximately \$600,000 to conduct the election. Once a Special Election is called, the Department will bring a separate agenda item to the Board of Supervisors for consideration.

GENERAL SERVICES AGENCY

The General Services Agency (GSA) is comprised of five divisions: Administration, Central Services, Facilities Maintenance, Fleet Services, and Purchasing. GSA Administration is a General Fund division within the General Services Agency and provides support to GSA through payroll, accounting, budgeting, and personnel services. All other divisions provide services to Stanislaus County Departments.

Administration: The Adopted Final Budget for Fiscal Year 2010-2011 included appropriations of \$478,520 for the Administration budget, funded from departmental revenue of \$32,391, and Net County cost of \$446,129.

As part of the Mid-Year Financial Report, the Department is requesting to increase appropriations by \$24,238 in the Administration budget through a transfer of appropriations from the Purchasing budget to fund an unanticipated cashout. Approval of this request will have no additional impact on the General Fund.

Purchasing: The Purchasing Division's total year-end carryover savings from Fiscal Year 2009-2010 was \$51,685 in appropriations. The Department is requesting to decrease appropriations by \$24,238 in the Purchasing budget and transfer existing appropriations to the Administration budget to fund an unanticipated cashout.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
General Services Agency - Administration	\$24,238	\$0	\$24,238	Increase appropriations through a transfer from the existing appropriations in the Purchasing budget.
General Services Agency - Purchasing	(\$24,238)	\$0	(\$24,238)	Decrease appropriations in the Purchasing budget and transfer existing appropriations to the Administration budget to fund an unanticipated cashout.
Total	\$0	\$0	\$0	

Staffing Requests: The General Services Agency has met with customer departments to determine the level of services required in Budget Year 2011-2012. In an effort to control overhead, the Department eliminated a Manager IV and Building Services Supervisor position in the 2010–2011 Final Budget. These reductions were in response to customer requests to reduce service levels by the Third Quarter, in preparation for additional reductions anticipated in Budget Year 2011-2012.

The Facilities Maintenance Division is recommending reducing positions in both janitorial and maintenance staff to properly address the current revenue shortfall and to prepare for the continued decrease of requested services. The Department is requesting to delete the following vacant positions: one Maintenance Engineer II, one Maintenance Engineer III, and two Housekeeper/Custodian. The Department is also requesting to delete the following filled positions in the Facilities Maintenance Division: five Maintenance Engineer II, one Maintenance Engineer III, one Supervising Janitor, one Senior Custodian, and one Housekeeper/Custodian. The deletions will result in a reduction-in-force action effective April 23, 2011. Savings as a result of these reductions are estimated to be \$98,879 in Fiscal Year 2010-2011 and \$609,541 in Budget Year 2011-2012. As a result of these reductions the Department will not be able to provide the same level of service as in previous years. Preventative maintenance will continue to be performed; however response time in all but emergency situations may be lengthened. Departments are aware of this, and have requested the reduced services to achieve budget savings that will allow them to maintain their core functions.

The Department is further requesting to delete one filled Equipment Services Technician position in the Fleet Services Division. The deletion will result in a reduction-in-force action effective April 23, 2011. The

Department is also requesting to reclassify upward one vacant Administrative Clerk II position to a Storekeeper I. The Storekeeper position will assume some of the duties previously assigned to the Administrative Clerk II position, in addition to tracking materials inventory and procuring needed parts.

The Department is also requesting to reclassify downward one Storekeeper II position to a Storekeeper I in Central Services. The position is currently being under-filled and this will properly classify the position with the duties performed.

GENERAL SERVICES AGENCY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Facilities Maintenance Division	-1	3823	Housekeeper/Custodian	Delete filled position	Delete position/Reduction-in-Force Effective 4/23/11
	-1	2098	Senior Custodian	Delete filled position	Delete position/Reduction-in-Force Effective 4/23/11
	-1	2059	Supervising Janitor	Delete filled position	Delete position/Reduction-in-Force Effective 4/23/11
	-2	3921, 3990	Housekeeper/Custodian	Delete positions	Delete vacant positions
	-5	3834, 3873, 3989, 3996, 11376	Maintenance Engineer II	Delete filled positions	Delete positions/Reduction-in-Force Effective 4/23/11
	-1	6954	Maintenance Engineer II	Delete position	Delete vacant position
	-1	3889	Maintenance Engineer III	Delete filled position	Delete position/Reduction-in-Force Effective 4/23/11
	-1	6967	Maintenance Engineer III	Delete position	Delete vacant position
Fleet Services Division	-1	12295	Equipment Services Technician	Delete filled position	Delete position/Reduction-in-Force Effective 4/23/11
GSA Changes	-14				
Beginning Allocation	67				
Changes in Allocation	-14				
Ending Allocation	53				
GENERAL SERVICES AGENCY TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Central Services	1	2277	Storekeeper II	Reclassify downward	Storekeeper I
Fleet Services Division	1	11741	Administrative Clerk II	Reclassify upward	Storekeeper I

Summary of Recommendations: It is recommended to transfer appropriations of \$24,238 from the GSA Purchasing budget to the Administration budget to fund an unanticipated cashout funded from existing appropriations in the Purchasing budget generated from 75% prior year carryover appropriations. It is further recommended the staffing changes described and outlined in the table above be adopted.

STRATEGIC BUSINESS TECHNOLOGY

Staffing Request: The Department is requesting to restore one vacant unfunded Manager IV position. This position is necessary to meet the current and future operating needs of Strategic Business Technology. Currently, the Manager IV performing a majority of the responsibilities of this position is assigned to the Chief Executive Office but funded through SBT and ICJIS. This individual will transfer to the SBT position. No increase in appropriations is required.

STRATEGIC BUSINESS TECHNOLOGY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Strategic Business Technology	1	1610	Manager IV	Restore unfunded position	Restore vacant position
SBT Changes	1				
Beginning Allocation	24				
Changes in Allocation	1				
Ending Allocation	25				

Summary of Recommendations: It is recommended the staffing change described and outlined in the table above be adopted.

SUMMARY

Overall, appropriations for Efficient Delivery of Public Services are recommended to decrease by \$3,973 from Appropriations for Contingencies to fund the Civil Grand Jury fees. Use of Appropriations for Contingencies requires a four-fifths vote of the Board of Supervisors.

DEPENDENT LIGHTING DISTRICTS AND COUNTY SERVICE AREAS

As part of the 2010-2011 Final Budget, spending plans were estimated and appropriations were approved for the dependent lighting districts and County Service Areas (CSA's) governed by the Board of Supervisors to allow them to operate in the fiscal year. Year-end analysis reveals that, due to unexpected repairs and additional services provided, some of these districts need an increase in appropriations to pay the final expenditures for this year.

Special Districts receive revenue from property taxes and/or special assessments. The funds can only be used for the purpose for which they were collected and only those residents who benefit from services provided by a special district pay for them. Listed below are the districts governed by the Board of Supervisors requiring an adjustment in the current Fiscal Year and requested as part of the mid-year process.

Dependent Lighting Districts

Fund	District Name	Original Budget 2010-2011	Budget Adjustment Requested	Total Adjusted Budget
1850	Airport Neighborhood	\$16,779	\$1,221	\$18,000
1852	Country Club – A	\$2,115	\$85	\$2,200
1853	Country Club – B	\$587	\$113	\$700
1854	Crows Landing	\$2,396	\$104	\$2,500
1855	Deo Gloria	\$3,054	\$46	\$3,100
1861	Golden State	\$1,052	\$4,000	\$5,052
1865	North McHenry	\$6,971	\$16,529	\$23,500
1866	North Oaks	\$2,585	\$65	\$2,650
1869	Peach Blossom	\$560	\$40	\$600
1871	Richland	\$5,226	\$574	\$5,800

1873	Sunset Oaks	\$10,308	\$792	\$11,100
Total		\$51,633	\$23,569	\$75,202

Summary of Recommendations: It is recommended to increase the Dependent Lighting Districts by \$23,569 to more accurately reflect the revised estimated costs of services provided to these districts. There are sufficient fund balances in all but two of the lighting districts to cover the requested increased appropriations. The two districts without sufficient fund balance are North McHenry and Golden State.

The North McHenry Lighting district is projected to have a negative cash balance of approximately \$25,000 by June 30, 2011. This is the result of five years of a continuing structural deficit. Recent vandalism of lighting standards has also driven up the deficit. North McHenry is the sole lighting district that does not have a formula in place to determine the annual assessment. The assessment is a fixed amount which requires a Proposition 218 vote to increase. The approved assessment is insufficient to cover the annual operations and maintenance costs of the district. A meeting was held with property owners in September to explain the situation and provide the options of: 1) increase the assessment, 2) shut off lights. As a result of these meetings, the Department is in the process of conducting a Proposition 218 vote. Property owners are being given the opportunity to vote on an increased assessment based on annual operations/maintenance costs and the recovery of the existing deficit, and a methodology for determining the annual assessment. If the ballot procedure fails, the Department plans to turn off some of the existing lights, and leave them off until the existing deficit has been recovered (approximately 5 years). When the deficit has been recovered, the available funding will be evaluated and the level of lighting increased up to an amount supported by the existing assessment.

Golden State Lighting District's fund balance as of December 31, 2010 was \$1,187. The requested increase in appropriations is due to a vehicle accident that resulted in extensive damage to one of the light standards. On receipt of the accident report, the Department will pursue reimbursement from the vehicle owner. If reimbursement is not forthcoming, the District's fund balance in June 2011 is projected to be in a deficit of approximately \$3,500. This lighting district has an approved formula for calculating the annual assessment, and therefore, any deficit will be factored into the assessment for Budget Year 2011-2012 .

BUDGET SCHEDULE

The following schedule is recommended for the final 2010-2011 quarterly financial reporting and for the 2011-2012 Proposed Budget:

- ◆ March 11, 2011 Issue 2011-2012 Proposed Budget Instructions to Departments
- ◆ April 11, 2011 Department's Proposed Budget Submittals due to Chief Executive Office
- ◆ May 3, 2011 Third Quarter Financial Report to the Board of Supervisors
- ◆ May 27, 2011 2011-2012 Proposed Budget available to the Public
- ◆ June 7, 8, 9, 2011 Proposed Budget Presentation and Public Hearing to the Board of Supervisors
- ◆ September 13, 14, 15, 2011 2011-2012 Final Budget Presentation and Public Hearing to the Board of Supervisors

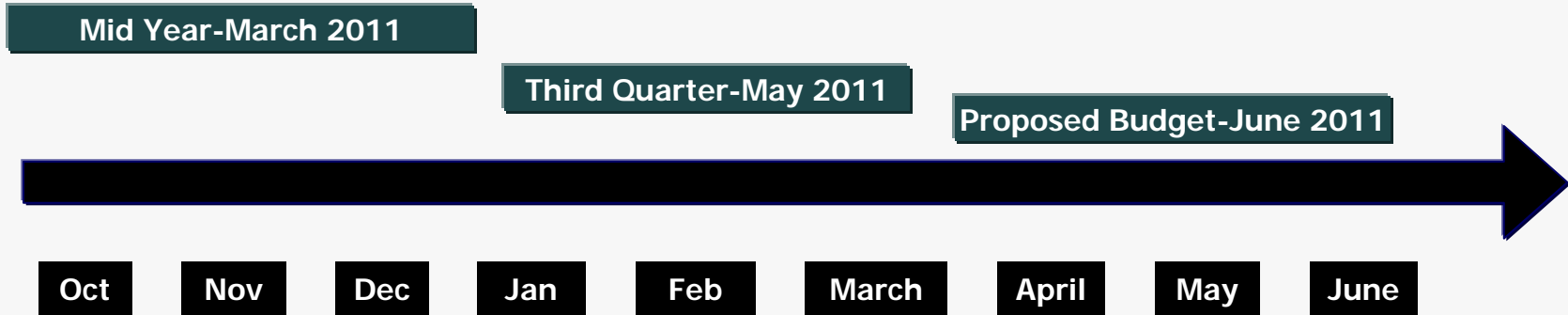


Stanislaus County
Mid-Year Report



Richard W. Robinson

Fiscal Reporting



Fiscal Challenges

- Challenges to the County will continue beyond the initial 30-month period
- Despite significant program reductions to date, which include a staffing reduction of 987 positions since Final Budget 2007-2008



Fiscal Challenges

- Projected General Fund shortfall of \$28 million for Budget Year 2011-2012
- Strategy needs to extend to Budget Years 2012-2013, 2013-2014, and 2014-2015 to avoid deficit spending

Fiscal Challenges

Core assumptions include:

- Discretionary revenue declined \$36.6 million from \$180.8 million in 2007-2008 to a low of \$144.2 million in 2010-2011 and is projected to remain flat
- Retirement costs will continue to increase up to \$14.6 million in 2011-2012 without StanCERA mitigation

Fiscal Challenges

- Workers' Compensation costs to departments projected to increase \$1.9 million in the General Fund due to the depletion of retained earnings

Fiscal Challenges

- Final \$8 million of \$24 million of Reserves that was initially committed in 2009-2010 for 3 years
- Proposed the Use of \$18.4 million in Teeter Reserves- beginning 2011-2012 or 2012-2013 depending on StanCERA support



Fiscal Challenges

- Requesting \$12 million (\$6.3 million for the General Fund) in retirement cost increase mitigation from the Stanislaus County Employees Retirement Association (StanCERA)



Fiscal Challenges

- Continuation of the 5% across-the-board pay reduction through Budget Year 2011-2012
- No back-fill policy for State Budget reductions
- General Fund departments carry over 75% of their net county cost savings as of June 30, 2011

Fiscal Challenges

- General Fund departments carry over 100% of remaining fund balance carried over from FY 2009-2010
- Identified minimum mandated match funding exposures

Fiscal Challenges

- Identified discretionary programs for potential elimination of county funding
- Issued targeted reductions up to 30% for non-public safety programs; and up to 17% for public safety programs due to unprecedented discretionary revenue loss

Proposed Use of One Time Funding

Proposed Use of One-Time Funding

Summary with StanCERA Contribution

	11/12	12/13	13/14	14/15
General Fund "Issued Base"	\$ 172,502,661	\$ 160,373,000	\$ 153,303,000	\$ 153,303,000
Discr Rev	\$ (144,103,000)	\$ (144,103,000)	\$ (144,103,000)	\$ (144,103,000)
One-time	\$ (8,000,000)	\$ -	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
Retirement Assignment	\$ -	\$ -	\$ -	\$ (2,000,000)
POB Savings in 14/15	\$ -	\$ -	\$ -	\$ (6,200,000)
StanCERA Contribution	\$ (6,270,000)	\$ -	\$ -	\$ -
Teeter Assignment	\$ -	\$ (9,200,000)	\$ (9,200,000)	\$ -
Total Resources	\$ (158,373,000)	\$ (153,303,000)	\$ (153,303,000)	\$ (152,303,000)
Addnl Reductions Needed	\$ (14,129,661)	\$ (7,070,000)	\$ -	\$ (1,000,000)
Reductions	\$ (14,129,661)	\$ (7,070,000)	\$ -	\$ (1,000,000)
Annual Impact	\$ (14,129,661)	\$ (21,199,661)	\$ (21,199,661)	\$ (22,199,661)

Summary without StanCERA Contribution

	11/12	12/13	13/14	14/15
General Fund "Issued Base"	\$ 172,502,661	\$ 160,373,000	\$ 152,303,000	\$ 150,303,000
Discr Rev	\$ (144,103,000)	\$ (144,103,000)	\$ (144,103,000)	\$ (144,103,000)
One-time	\$ (8,000,000)	\$ -	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
Retirement Assignment	\$ -	\$ (2,000,000)	\$ -	\$ -
POB Savings in 14/15	\$ -	\$ -	\$ -	\$ (6,200,000)
NO StanCERA Contribution	\$ -	\$ -	\$ -	\$ -
Teeter Assignment	\$ (6,270,000)	\$ (6,200,000)	\$ (5,930,000)	\$ -
Total Resources	\$ (158,373,000)	\$ (152,303,000)	\$ (150,033,000)	\$ (150,303,000)
Addnl Reductions Needed	\$ (14,129,661)	\$ (8,070,000)	\$ (2,270,000)	\$ -
Reductions	\$ (14,129,661)	\$ (8,070,000)	\$ (2,000,000)	\$ -
Annual Impact	\$ (14,129,661)	\$ (22,199,661)	\$ (24,199,661)	\$ (24,199,661)

\$34.6 million one-time funding to offset program reductions

Mid-Year Goals

- Determine fiscal performance of the County Budget for the first 6 months of the fiscal year
- Identify outstanding budget issues
- Make adjustments to end the fiscal year in a positive financial position
- Look ahead to the coming fiscal year

Mid-Year Report

The 2010-2011 Mid-Year Financial Report is organized by the seven Board of Supervisors Priorities of:

A Safe Community;

A Healthy Community;

A Strong Local Economy;

Effective Partnerships;

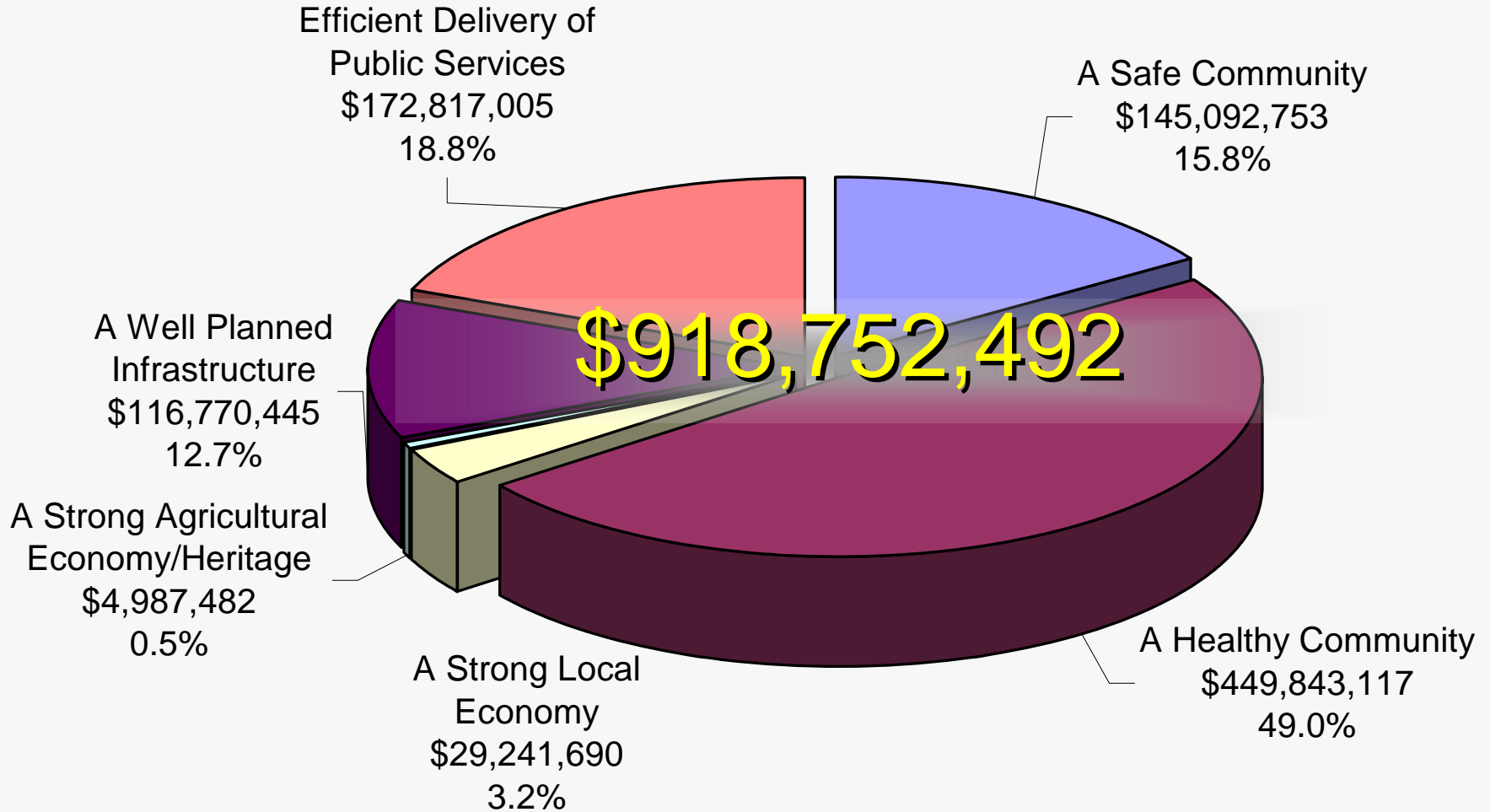
A Strong Agricultural Economy/Heritage;

A Well-Planned Infrastructure System; and

Efficient Delivery of Public Services



Final Budget by Priority



Mid-Year Budget Adjustments by Priority

Board Priority	Mid-year Legal Budget	Appropriations Increase/ (Decrease)	Departmental Revenue Increase/ (Decrease)	Fund Balance/Retained Earnings/Appropriations for Contingencies Increase/(Decrease)
A Safe Community	\$ 149,031,051	\$ 379,004	\$ 262,398	\$ 116,606
A Healthy Community	453,162,584	(2,073,170)	(2,584,170)	511,000
A Strong Local Economy	29,889,333	2,126,332	2,429,665	(303,333)
A Strong Agricultural Economy/Heritage	5,407,982	58,008	58,008	-
A Well-Planned Infrastructure System	133,805,572	589,202	499,202	90,000
Efficient Delivery of Public Services	178,310,498	(3,973)	-	(3,973)
TOTAL	\$ 949,607,020	\$ 1,075,403	\$ 665,103	\$ 410,300



Discretionary Revenue

Discretionary Revenue Description	Fiscal Year 2009-2010 Actuals	Fiscal Year 2010-2011 Final Budget	Fiscal Year 2010-2011 Projections	Difference between Final Bgt & Projections
Taxes	\$ 96,390,505	\$ 101,593,000	\$ 101,063,034	\$ (529,966)
Licenses, Permits & Franchises	958,324	957,000	957,000	-
Fines, Forfeitures & Penalties	7,886,132	6,425,000	6,100,000	(325,000)
Revenue from Use of Money	1,936,927	2,542,000	2,809,220	267,220
Intergovernmental Revenue	30,323,017	30,371,000	30,474,148	103,148
Charges for Services	(122,136)	(454,000)	(454,000)	-
Miscellaneous Revenues	229,929	166,000	166,000	-
Other Financing Sources	2,881,190	2,308,000	3,051,111	743,111
Total	\$ 140,483,888	\$ 143,908,000	\$ 144,166,513	\$ 258,513

No change recommended to Discretionary Revenue



Safe Community

Overall, increase appropriations by \$379,004 and estimated revenue by \$262,398, funded by \$3,973 from Appropriations for Contingencies and \$112,633 of fund balance/retained earnings:

District Attorney: Auto Insurance Fraud grant and Real Estate Fraud fees - \$77,042

Grand Jury: Civil Grand Jury fees - \$3,973



Safe Community

Probation: State Office of Traffic Safety
checkpoint grant - \$30,00

Sheriff: Primarily Supplemental Law
Enforcement Services Fund (SLESF) for the
City of Hughson - \$136,236



Safe Community

Public Defender – transfer \$50,000 from the Indigent Defense fund for funding shortfall in FY 2010-2011 and increase appropriations in Indigent Defense up to \$112,633 for change of venue costs for a high profile murder case



Healthy Community

Overall, decrease appropriations by \$2,073,170 and estimated revenue by \$2,584,170, funded by an additional \$511,000 of fund balance/retained earnings:

Area Agency on Aging and

Veteran Services: Federal Older Americans Act funding - \$71,738 in appropriations and \$37,330 in estimated revenue for senior programs



Healthy Community

Behavioral Health and Recovery Services:

- Federal Financial Participation (FFP) funding for the Children's System of Care - \$382,499 in appropriations and \$82,341 in estimated revenue
- Residential placement costs for Seriously Emotionally Disturbed (SED) youth – an additional \$224,404 in County Match



Healthy Community

Child Support Services: increased State allocation for IT projects - \$6,555

Community Services Agency: reductions in child care caseloads – (\$2,981,120) in appropriations and (\$3,235,609) estimated revenue



Healthy Community

Health Services Agency – increased payments to hospitals and physicians for uncompensated emergency medical services (\$447,158 in appropriations and \$525,213 in estimated revenue)



Strong Local Economy

Overall, increase appropriations by \$2,126,332 and estimated revenue by \$2,429,665 resulting in decreased use of \$303,333 of fund balance/retained earnings:

Alliance Worknet: increase in State and Federal CalWORKs Welfare-to-Work program funding from CSA - \$1,927,497

Library: staffing costs and increased prior year sales tax revenue - appropriations of \$198,835 and estimated revenue by \$502,168



Strong Agricultural Economy/Heritage

Overall, increase appropriations and estimated revenue by \$58,008 due to increased funding from State pest trapping contracts for the Agricultural Commissioner



Well Planned Infrastructure System

Overall, increase appropriations by \$589,202 and estimated revenue by \$499,202, funded by \$90,000 of fund balance/retained earnings



Well Planned Infrastructure System

Planning – transfer of RDA funds for rehabilitation, down payment and administrative services to RDA Housing - \$499,202



Well Planned Infrastructure System

Public Works: above ground bio-fuel tank at Morgan Shop - \$90,000 from fixed assets

Environmental Resources – Reduction in Force (RIF) of four positions in the Code Enforcement Division



Efficient Delivery of Public Services

Appropriations for Contingencies: Civil Grand Jury fees - (\$3,973)

Mandated Match - transfer appropriations of \$224,404 from CSA to BHRS for placement costs of SED youth;

General Services Agency - transfer appropriations of \$24,238 from Purchasing to GSA Admin for termination cash-out costs.



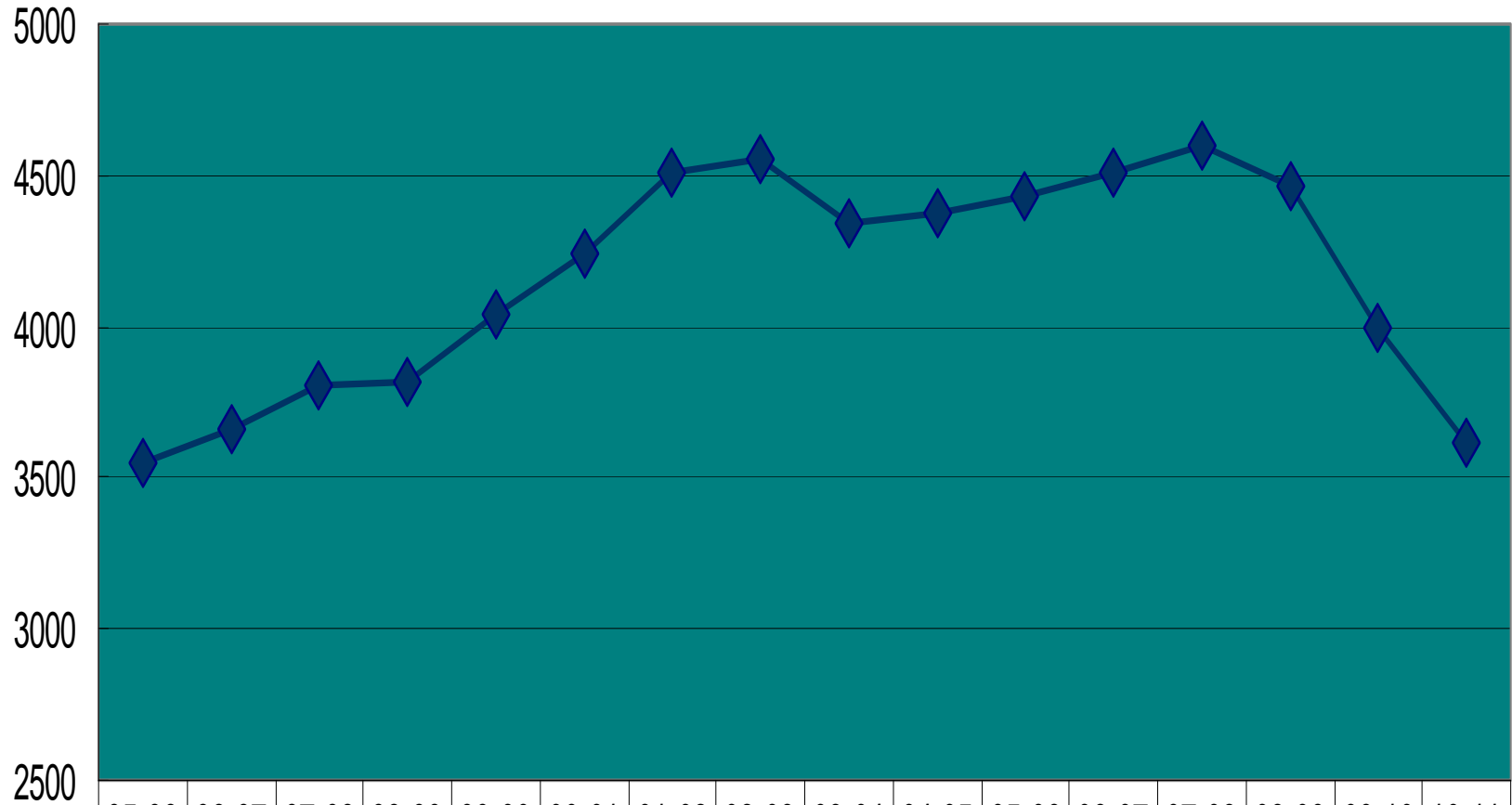
Staffing Recommendations

TOTAL CURRENT AUTHORIZED POSITIONS	3,690
Reductions-in-Force	-16
Unfund Vacant Positions	-53
Restore Unfunded Positions	4
Delete Vacant Positions	-9
Total Changes to Position Allocation Report	-74
RECOMMENDED AUTHORIZED POSITIONS	3,616



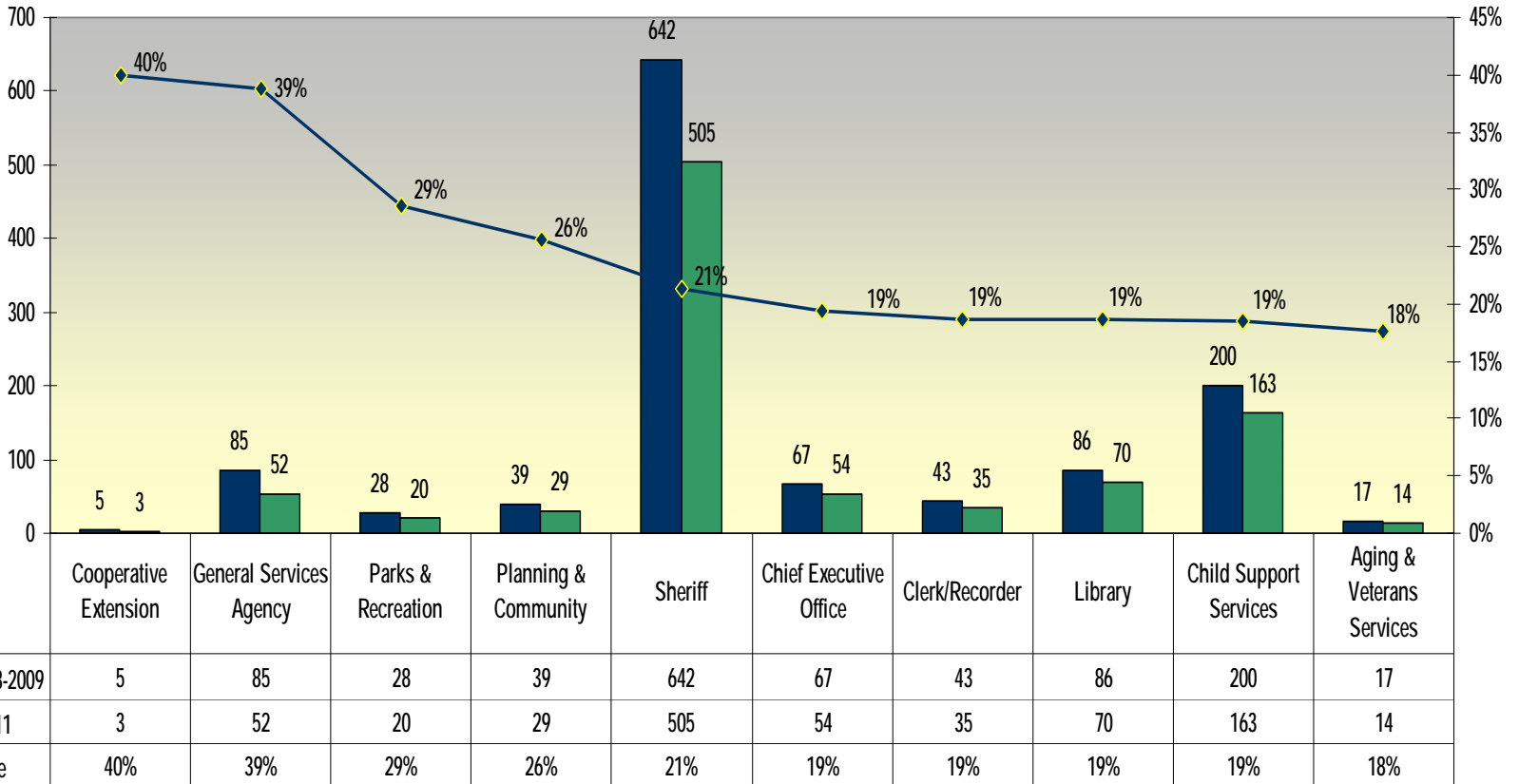
RECLASSIFICATIONS BY DEPARTMENT	Classification	Request	Recommendation
Auditor-Controller	•Accountant II	•Reclassify Upward	Accountant III
Behavioral Health and Recovery (BHRS)- BHRS and Public Guardian	•Manager IV •Manager IV	•Reclassify Downward •Reclassify Downward	Manager II Manager II
Chief Executive Office – Operations and Services and Risk Management	•(2) Manager III •Confidential Assistant (CA) IV •Manager II •Manager II	•Reclassify Downward •Reclassify Downward •Reclassify Downward •Reclassify Upward/Block Budget	CA IV CA III CA V Manager III
Community Services Agency- Services and Support	• (3) Account Clerk II (Acct Clerk)	• Reclassify Upward	(3) Acct Clerk III
Environmental Resources	•Environ Health Specialist III •Hazardous Material Specialist III •Hazardous Material Specialist III	•Reclassify Downward •Reclassify Downward •Reclassify Downward	(2) Zoning Enforcement Officer Environ Tech
General Services Agency – Central Services and Fleet Services	•Storekeeper II •Administrative Clerk II	•Reclassify Downward •Reclassify Upward	Storekeeper I Storekeeper I
Health Services Agency - Administration	•Staff Services Analyst	•Classification study	Study
Public Works - Engineering	•Transportation Project Coordinator	•Reclassify downward/Delete Classification	Staff Services Coordinator

Staffing Trends



	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11
◆ Staffing	3554	3659	3808	3814	4044	4236	4510	4550	4346	4379	4429	4509	4603	4459	3990	3616

Actual Changes in Staffing



Looking Ahead

Exposures:

- State Budget:
 - Potential loss of Vehicle License Fees (VLF) funding for public safety departments
 - Clerk-Recorder Elections Office anticipates special statewide election in June 2011
 - Elimination of AB 3632 funding for seriously emotionally disturbed youth (SED)
 - Potential loss of funding for 2010-2011 as part of SB863; long term viability of Williamson Act threatened



Looking Ahead

Exposures:

- In-Home Supportive Services
- Medically Indigent Adult (MIA) program

Looking Ahead

Exposures:

- Caseload growth in cash aid programs – CalWORKs, Foster Care, and Adoptions Assistance
- Increased caseload growth in General Assistance

Budget Reporting Schedule 2010-2011

March 11, 2011	Issue Proposed Budget Instructions
April 11, 2011	Proposed Budget Submittals Due
May 3, 2011	Third Quarter Report to the Board
May 27, 2011	Proposed Budget Available to Public
June 7, 2011	Proposed Budget Hearings
* June 8 and 9 if needed	
September 13, 2011	Final Budget Hearings

Office Closures 2011-2012

- July 1, 2011
- September 2, 2011
- November 21-25, 2011
 - * November 21-23 Furlough days, 24-25th Holiday
- December 26 -January 1
 - * December 27-30 Furlough days, December 26 and January 1 Holiday
- April 2, 2012



Office Closures 2011-2012 - Alternate Schedule

- District Attorney, Public Defender and Clerk-Recorder to observe Court Holidays: October 10, February 2 and March 30, 2011
- Public Works, Risk Management, Sheriff, SBT, Treasurer-Tax Collector, Environmental Resources and Parks to close on various days
- Exceptions to closures include 24- hour operations and clinics



Recommendations

- 1. Accept the Chief Executive Officer's Mid-Year Financial Report for Fiscal Year 2010-2011.**
- 2. Authorize the Chief Executive Officer and the Auditor-Controller to make the necessary adjustments as recommended in the Mid-Year Financial Report.**

Recommendations

- 3. Authorize the use of \$3,973 in Appropriations for Contingencies as recommended in the Mid-Year Report by 4/5 Vote of the Board of Supervisors.**
- 4. Direct the Auditor-Controller to release up to \$112,633 of Committed Fund Balance and reclassify as Unassigned Fund Balance to be used by the Public Defender's Office for costs associated with a change in venue capital murder.**

Recommendations

5. Direct the Chief Executive Officer to implement a budget reduction strategy for the Proposed Budget for Budget Year 2011-2012 and continuing through Budget Year 2014-2015.

Recommendations

- 6. Amend the Salary and Position Allocation Resolution to reflect the recommendations as part of the Mid-Year Financial Report, as outlined in the Staffing Impacts section and detailed in Attachment A to be effective the start of the March 12, 2011 pay period.**

Recommendations

7. Approve the reduction-in-force of ten filled positions in the General Services Agency budget and two filled positions in the Chief Executive Office effective April 23, 2011.
8. Approve the reduction-in-force of four filled positions in the Environmental Resources budget effective July 2, 2011.

Recommendations

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

10. Approve the Chief Executive Officer's countywide office closure schedule detailed in Attachment D.

Recommendations

11. Approve the office closures for the Clerk-Recorder, District Attorney, and Public Defender on October 10, 2011, February 13, 2012, and March 30, 2012 to coincide with Court holidays detailed in Attachment D.

Recommendations

12. Approve an effective date of April 23, 2011 for the downward reclassification of a Confidential Assistant IV (position #9678), Manager II (position #6226), and Manager III (position# 10251) positions in the Chief Executive Office.

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This page is dedicated to Budgets and Capital Improvement Plans.

- ⋮ [Recommended Final Budget Addendum Fiscal Year 2010-2011](#)
[PDF - 268 pages]
- ⋮ [Table of Contents](#)
[PDF - 4 pages]
- ⋮ [Board of Supervisors](#)
[PDF - 1 page]

2010-2011 Budgets

- [Recommended Proposed Budget, Budget Year 2010-2011](#)

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Questions

Public comments



Stanislaus County
Mid-Year Report



BOARD OF SUPERVISORS

2011 APR 26 P 12:36

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: SUZI SEIBERT
CLERK TO THE BOARD OF SUPERVISORS

FROM:  SHANNEN LOVE
CONTRACTS ADMINISTRATION

DATE: APRIL 25, 2011

SUBJECT: FULLY EXECUTED CONTRACT

=====

Enclosed for your record is the fully executed copy of the following Agreement:

- ◆ Yosemite Community College District/Behavioral Health and Recovery Services – STAY Leadership Conference Speaker, effective May 7, 2011 – BOS #2011-131, March 1, 2011, Board Agenda # B-12

If you have any questions regarding this document, please call me at 558-1430.

Thank you.



**COUNTY OF STANISLAUS
COMMUNITY SERVICES AGENCY
AGREEMENT TO PROVIDE
STAY LEADERSHIP CONFERENCE SPEAKER
MAY 7, 2011**

This AGREEMENT FOR INDEPENDENT CONTRACTOR SERVICES (the "Agreement") is made and entered into jointly by and between the COUNTY OF STANISLAUS ("County") Community Services Agency and BEHAVIORAL HEALTH AND RECOVERY SERVICES and YOSEMITE COMMUNITY COLLEGE DISTRICT ("Contractor"), a public education entity on May 7, 2011.

The mission of Stanislaus County to children is to promote family responsibility. It is our commitment to provide children and their families with access to essential resources and effective strategies to become contributing and interdependent members of the community. Collaboration between agencies in partnership with the community is the most effective means of providing services. These services are to be provided in a manner that is culturally sensitive, promotes a sense of self-worth, and protects the safety of children, families and community.

RECITALS

WHEREAS, the County has a need for a speaker at the STAY 2nd Annual Youth Leadership Conference; 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 Payments of all services provided in accordance with the provisions of this Agreement are 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 Either party without cause may terminate this Agreement 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 insureds 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 insureds, 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; the County must approve lesser ratings in writing.
- 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 insureds 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. Both Contractor and County understand 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. Contractor shall determine all terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law.
- 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. County can appoint an independent public accountant.
- 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-profits.
- 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.

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: Bryan Justin Marks
435 College Ave
Modesto, CA 95353

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, Contractor shall make reimbursement to the damaged party.

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 County placed reliance 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 must adhere to the False Health Care Claims Policy approved by the Stanislaus County Board of Supervisors on May 8, 2007, as located at <http://www.co.stanislaus.ca.us/BOS/Agenda/2007/20070508/B07.pdf> 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: 4/12/11

Dated: 3/28/11

**COUNTY OF STANISLAUS
BEHAVIORAL HEALTH AND
RECOVERY SERVICES**

COUNTY PURCHASING DEPARTMENT

By: Madelyn Schlaepfer
~~Denise Hunt, RN, MFT~~
MADELYN SCHLAEPFER, Ph. D, CEAP

By: [Signature]

Purchasing Agent

Title: Director

Title: _____

Dated: 4-8-11

Dated: 4.21.11

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

COUNTY OF STANISLAUS

By: [Signature]

Approved per BOS Item #: 2011-131

Title: Deputy County Counsel

Dated: 3/1/11

Dated: 3/7/11

**YOSEMITE COMMUNITY COLLEGE DISTRICT
AGREEMENT TO PROVIDE
STAY LEADERSHIP CONFERENCE SPEAKER
MAY 7, 2011**

I. SCOPE OF WORK:

Contractor shall enter into an agreement with Garibaldi Enterprises, Inc. to provide the key note speaker for the STAY leadership conference on May 7, 2011.

- A. The Speaker shall provide inspiration for our foster youth and give them purpose and direction. The Speaker shall encourage our foster youth to strive for educational and personal success that will allow them to channel their abilities in a positive direction.
- B. The presentation at the STAY 2nd Annual Youth Leadership Conference being held on May 7, 2011, from 10:00 a.m. to 3:30 p.m., at the Modesto Junior College East Campus, Media and Performing Arts Center; 435 College Avenue, Modesto, CA. Attendance is open to Transitional Aged Youth in the community. The presentation is to be a minimum of one (1) hour.

II. COMPENSATION:

Contractor 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 7, 2011, shall not exceed \$5,000.
 - 2. This is a fixed rate, per unit of service Agreement.
 - 3. Stanislaus Community Services Agency shall contribute \$2,500 and Stanislaus County Behavioral Health and Recovery Services shall contribute \$2,500.
- B. Contractor shall make no charge to the recipient and shall collect no share of cost.
- C. This Agreement shall be effective May 7 2011.
- D. 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.
- 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 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.

F. 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.

G. Billings:

1. Contractor shall submit billings, in a County specified format, prior to May 7, 2011.

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: service provided, date of service 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 Contractor 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.

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE COUNTY OF STANISLAUS AND
THE STANISLAUS SHERIFF'S MANAGEMENT ASSOCIATION**

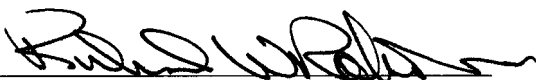
This agreement is entered into between the County of Stanislaus and the Stanislaus County Sheriff's Management Association (SCSMA) representing the Lieutenant and Custodial Lieutenant's Bargaining Unit.

Pursuant to the Employee relations Ordinance of the County and Section 3500 et seq. of the Government Code, the duly authorized representatives of the County and the SSMA, having met and conferred in good faith concerning the issues of wages, hours and terms and conditions of employment as herein set forth, declare their agreement to the provisions of this Memorandum of Understanding.

FOR THE COUNTY:




Dick Montieth, Chair
Board of Supervisors



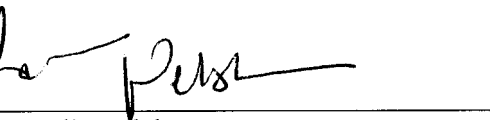
Richard W. Robinson
Chief Executive Officer



Jody Hayes
Deputy Executive Officer

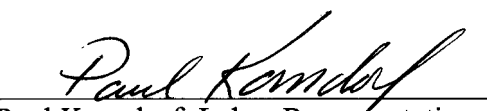


Bill Heyne
Undersheriff

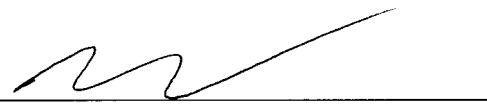


Brandi Welsh
Management Consultant

SSMA:



Paul Konsdorf, Labor Representative
Goyette and Associates



Darrell Freitas
President

DATE SIGNED March 17, 2011

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ATTACHMENTS

A -PERFORMANCE BASED PAY PROCESS GUIDELINES

B -REDUCTION-IN-FORCE POLICY

C -HEALTH INSURANCE AGREEMENT, JANUARY 1, 2011

D -AGREEMENT BETWEEN THE COUNTY OF STANISLAUS AND THE STANISLAUS COUNTY SHERIFF'S MANAGEMENT ASSOCIATION EXTENSION OF CURRENT MEMORANDUM OF UNDERSTANDING

1. EMPLOYEES COVERED

This agreement covers the wages, hours, terms and conditions of employment for the term of the agreement for those employees in the classification of Lieutenant and Custodial Lieutenant.

2. TERM OF THE AGREEMENT

The agreement shall remain in full force and effect for a forty (40) month period commencing on March 1, 2009 and ending at midnight on June 30, 2012. The parties may agree to extend the term of this agreement while meeting and conferring is in progress over renewal of the agreement. Unless otherwise agreed to by parties all changes are effective upon ratification of the union and approval by the Board of Supervisors.

3. NO STRIKE

The SSMA, its members and representatives, agree that it and they shall not engage in, authorize, sanction or support any strike, slowdown, stoppage of work, curtailment of production, concerted refusal of overtime work, refusal to operate designated equipment (provided such equipment is safe and sound) or refusal to perform customary duties.

4. NON-DISCRIMINATION/FAIR REPRESENTATION

A. The parties agree that the provisions of this agreement shall be applied without favor or discrimination based upon race, ancestry, religion, color, age, national origin, political affiliation or belief, disability (includes persons with AIDS or those with a record of or regarded as having a substantially limiting impairment), or medical condition (cancer related), pregnancy related condition, sex, marital status or sexual orientation. The parties agree to recognize, respect, and support the County's commitment to nondiscrimination in employment as set forth in the County's Equal Opportunity Employment Program. The SSMA agrees to encourage its members to assist in the promotion of that program.

B. The SSMA agrees to acknowledge its responsibility to fairly represent all employees in the bargaining unit without regard to race, ancestry, religion, color, age, national origin, political affiliation or belief, disability (includes persons with AIDS or those with a record of or regarded as having a substantially limiting impairment), medical condition, (cancer related), pregnancy related condition, sex, marital status or sexual orientation, job classification, or employment status and in compliance with State laws. County acknowledges and agrees that it shall not discriminate or take adverse action against employees on the basis of their choice of SSMA representation.

Nothing in this section shall give rise to a separate grievance outside of the EEO grievance process.

5. SAFETY PROGRAM SUPPORT

The SSMA agrees to support the County's safety and loss control efforts. The parties agree to strive to reduce the number of industrial injuries among employees and maintain a safe place of employment and to encourage employees to perform their work in a safe manner.

6. COUNTY RIGHTS

Stanislaus County retains the exclusive right, except as expressly stated herein, to operate and direct the affairs of the departments of County government and all of their various aspects, including, but not limited to the right to direct the work force; to plan, direct and control all of the operations and services of the County; to determine the methods, means, organization, and schedule by which such operations and services are to be conducted; to assign and transfer employees within the various departments; to hire, promote, suspend, demote, discharge, reprimand, and evaluate employees; to relieve employees from duty due to lack of work or other legitimate reasons set forth in the County Reduction-In-Force Policy; to change or eliminate existing methods, equipment, or facilities in order to maintain or increase the efficiency of governmental operations; and to exercise complete control and discretion over its organization and the technology of performing its work. Nothing contained herein shall be construed to preclude meeting and conferring between employer and employee regarding the practical consequences that decisions on these matters may have on wages, hours, terms, and conditions of employment.

7. COMPENSATION

A. Salary

All employees in the SCSMA will receive a five percent (5%) deduction in salary starting on the July 3, 2010 workday and ending on the June 30, 2012 workday in accordance with the provisions of the extension of the current memorandum of understanding (Attachment D).

Prior Increases during the term of the MOU

Effective the first full pay period following Board approval on May 9, 2009 the classifications of Lieutenant and Custodial Lieutenant shall receive a salary increase of three percent (3.0%).

The parties have agreed to increase the current salary band for the Custodial Lieutenant Classification by five percent (5%) effective the first full pay period following Board approval on May 9, 2009. This increase will not automatically apply to existing employees within the salary band and will only increase compensation upon an employee reaching the top end of the salary band and receiving a performance evaluation supporting an increase.

B. Pay for Performance Process

The Pay for Performance process for bargaining unit members will be consistent with the guidelines approved by the Board of Supervisors on June 22, 2010.

The current agreement provides for a process for employees to receive up to two and one half percent (2.5%) in bonus compensation each year based on an annual performance evaluation. The parties have agreed to suspend this benefit starting July 1, 2009 and continuing during the term of the agreement ending on June 30, 2012, consistent with current recommendations for other County management employees. The parties have also agreed to reinstate this performance based bonus program if this benefit is reinstated during the term of the agreement for unrepresented County management employees.

C. Salary on Promotion

The County shall continue to guarantee a five percent (5%) minimum salary increase on promotion in accordance with the existing County Code provisions. In addition to the five percent (5%) minimum salary increase on promotion, Lieutenants are given an additional 3.75% base pay when promoted from Sergeant to compensate for the loss of retirement pick up.

D. Overtime

Lieutenants are designated as “exempt” from the overtime requirements of the FLSA. Lieutenants may be asked to perform duties outside regularly scheduled duty hours, without additional compensation as part of their job requirements. The County has the right to require employees covered by this Memorandum to work outside regular duty hours as necessary.

E. Advanced POST Certificate

Those individuals possessing an Advanced POST Certificate will receive the County POST Advanced Certificate premium of five percent (5.0%) of base salary. POST Certificate pay is non-cumulative.

F. Retirement

1. Members of the bargaining unit employed prior to January 1, 2011 shall receive, upon retirement, three percent (3%) of base salary at age fifty (50) as outlined in Government Code Section 31664.1, including the highest consecutive twelve (12) months as designated by the employee calculated on the single highest twelve (12) consecutive months.
2. The parties agree to reopen the Tier Two retirement plan for all newly hired members of the bargaining unit effective January 1, 2011. Safety Tier Two benefits include the two percent (2%) at age fifty (50) retirement benefit per Government Code Section 31664 and final average compensation calculated on the highest thirty-six (36) consecutive months. This agreement will not impact vested retirement benefits for current employees.

Employees who are rehired/reinstated with the County after the implementation of Tier Two on January 1, 2011 and have met the necessary membership criteria to be placed in their former retirement tier shall be eligible for placement in that former tier. In general, current legal standards allow rehired employees the opportunity to reinstate into their former retirement tier as long as the individual member either has left their individual retirement contributions on deposit since their prior period of County service or they have elected and completed the redeposit of withdrawn retirement contributions plus applicable interest. The membership tier will depend on the employees/member's individual circumstances and prior retirement selections. Employees who are rehired/reinstated with the County after January 1, 2011 are encouraged to confirm their membership status and retirement tier reinstatement options with StanCERA.

3. Employees who are members of the Stanislaus County Employee's Retirement Association who have thirty (30) years of County service will cease to make employee contributions into the retirement system.

Management employees, shall, upon approval, be limited in their vacation cash out, or conversion to deferred compensation, to an amount which will not exceed the amount of vacation time earned in a calendar year period. The amount of vacation that can be earned in any given year period will include Special Vacation Time defined in Stanislaus County Ordinance Section 3.36.020(D) will include all holiday time that converts to vacation time; this vacation time, if cashed out or converted to deferred compensation, other than the lump sum final payoff upon termination, shall, consistent with the Ventura decision, be included with the calculation of final compensation for retirement purposes, consistent with the employee's applicable retirement tier; and, consistent with the application of the recent California Supreme Court decision in the Ventura case, "Old Holiday" time that continues to be on employee accrual balances, shall not be included as part of the final compensation for retirement purposes if cashed out according to current policy.

G. Special Assignment Pay Provisions

Members of the bargaining unit shall be eligible for additional compensation as provided herein. The additional compensation shall continue based on the results of annual reappointments made by the Sheriff.

1. Special Pay Assignments

- Assignments receiving special pay shall be made or renewed at the pleasure of the Sheriff. These decisions shall not be subject to the

grievance procedure.

- Assignments may be set for a period of one (1) year, and are removable by the Sheriff only, without appeal for non-renewal.
- Anniversary date of the assignment is the date the employee was assigned to the current special pay assignment.

2. Removal/Transfer from Special Pay Assignments

- Removal or a standard transfer at the conclusion of the term is not subject to appeal.
- Involuntary removal from special pay assignments during the term of the assignment or removal for disciplinary reasons is subject to appeal and may be appealed under the applicable procedures set forth in the Memorandum of Understanding or under the procedures in the Public Safety Officers Procedural Bill of Rights Act (POBR).
- Removal from special pay assignments for business or operational reasons during the term of the assignment is not subject to appeal.
- The assignment pay shall continue until the conclusion of the term of the assignment. (See *White v. City of Sacramento*)
- In all cases, upon the request of the employee, a meeting may be scheduled with the Sheriff to review the facts regarding non-renewal of appointments.
- Voluntary removal by the employee is not precluded.

3. Temporary Assignments

- Temporary assignments for business or operational reasons are subject to the special pay provision. The term of these assignments is up to ninety (90) days.
- Temporary training assignments for less than ninety (90) days are not subject to special pay.
- Temporary assignments of experienced personnel for less than standard assignment periods are permitted and shall be subject to special pay.

4. Additional compensation in the amount of two and one-half percent (2.5%) of base pay shall be paid for the following assignments: Air Support Unit, Bomb Team, Canine Unit, Detective Unit, Dive Squad, POSSE and SWAT. Additional compensation in the amount of five percent (5%) of base pay shall be paid for the assignment of Chief.

5. Additional compensation in the amount of two and one-half percent (2.5%) shall be paid for Lieutenants assigned to manage the Field Training Officer (FTO) program (no more than one Lieutenant and one Custodial Lieutenant), effective the first full pay period following Board approval on April 22, 2008.

5. The additional compensation as described herein may be earned by one (1) incumbent for as many special pay assignments as the Sheriff assigns and approves.
6. Such assignment pay shall not be paid: (a) during periods of absences for disability leaves (including, without limitation, 4850 leave); (b) unpaid leaves of absence; or (c) any time during which the employee is unable to perform the assignment for a full pay period.

8. HOLIDAY/VACATION TIME PROVISIONS

A. County Holiday Policy

The parties recognize that only the immediate days of mourning or holiday declared by the President and Governor shall be considered County holidays in addition to the specific list of holidays already present in the County Code:

New Year's Day, January 1st
 The third Monday in January, Martin Luther King Day
 The third Monday in February, Washington's Birthday
 The last Monday in May, Memorial Day
 Independence Day, July 4th
 First Monday in September, Labor Day
 Veterans Day, November 11th
 Thanksgiving Day
 The day after Thanksgiving Day
 Christmas Eve, December 24th (four (4) hours only)
 Christmas Day, December 25th

Employees shall be considered "working the holiday" based upon the start date of their shift.

B. Combining Optional Holiday Time with Vacation

The parties recognize that on December 31, 1983, any optional holiday time was combined with vacation benefits. The rate of accrual of vacation hours was increased on January 1, 1984 by sixteen (16) hours of "special" vacation time each calendar year in lieu of optional holiday time. See subdivision G of this section for vacation accrual rates.

Optional holiday time on the books as of December 31, 1983 for an employee was "frozen" on the books and may be:

1. Taken as time off,
2. Cashed out with the approval of the employee, the department head and the

3. County Auditor-Controller, or
Shall be cashed out upon the employee's termination.

C. Vacation Credit for Holidays

1. Exceptions to when equivalent vacation time is credited are as follows:
 - a. New hires or employees who return from leave of absence shall receive vacation credit for a holiday if the first day worked is on or before the holiday.
 - b. Terminated or discharged employees, or those beginning an unpaid leave of absence, shall accrue vacation credit for a holiday if the last day for which pay is received falls after the holiday, or if the last day worked falls on the holiday.
 - c. Employees on disciplinary suspension without pay shall not receive vacation credit for a holiday occurring during the period without pay.
 - d. Employees taking time off without pay shall not accrue the holiday if they are on an unpaid status during the major portion of the pay period.
2. Employees who are required to attend training on a holiday shall receive equivalent vacation time credit on an hour for hour basis.

D. Vacation Accumulation Maximum

Vacation time in the amount not to exceed a maximum of 800 hours plus one calendar year accruals shall be carried over on employee accrual balances from year to year.

The parties agree that, employees who have reached the maximum vacation accumulation shall not accrue any additional vacation time. Accrual of vacation time shall again commence in the pay period that the employee's vacation time has fallen below the maximum. It is the policy of the County that the employees take at least their normal vacation each year; provided, however, that for reasons deemed sufficient by their department head, an employee may, with the consent of the department head, take less than the normal vacation time with a correspondingly longer vacation the following year.

Employees, who are nearing the vacation accumulation maximum of eight hundred (800) hours, or their general or special limit pursuant to County ordinance 3.36.010 (12/23/95), shall receive notification from the department. Employees are encouraged to request vacation upon receiving this notice pursuant to department procedures.

Failure by the employee to make a good faith effort to request vacation in accordance with departmental procedures will result in vacation accrual stoppage at 800 hours plus one calendar year accruals.

If the employee does make a good faith effort to request vacation time and the request is denied by the department, or the approved vacation is canceled, or cannot be utilized by reason of subpoena or other required duties of the department, the employee shall receive up to eighty (80) hours of vacation cash out. It is understood employees may have to request vacation time outside of high use times, i.e. holiday seasons and summer months.

E. Limited Cash Conversion

The parties agree that employees may request conversion into cash payments not more frequently more than twice in any twelve (12) month period. The cash out payment is limited to budget constraints. For retirement purposes see section 7-F.

F. Vacation Accumulation Rate

The parties agree that consistent with the County Code the following vacation accumulation rates are in effect during the term of the agreement:

3.08 hours per pay period (ten (10) days a year) for the first through completion of the second year of continuous services.

4.62 hours per pay period (fifteen (15) days a year) for the third year through and including the tenth year of continuous service.

6.16 hours per pay period (twenty (20) days a year) for the start of the eleventh year through and including the twentieth year of continuous service.

7.70 hours per pay period (twenty-five (25) days a year) for the twenty-first (21st) year of continuous service and thereafter until separation from County service.

In addition, thirty-two (32) hours additional vacation is credited to each employee's vacation accumulation in January of each year. Those employees hired during the months of January through November will receive the full 32 hours of vacation credit. Those management employees hired during the month of December will receive this additional 32 hours vacation credit only if they work the majority of the working days in that month.

G. Management Leave

Forty (40) hours of management leave shall be available for management employees each calendar year. This time is intended to recognize the additional uncompensated

time worked by management employees. This management leave requires department approval before it can be taken, and if not taken, cannot be carried over to the following calendar year and is not subject to cash out.

H. Time Bank

Effective January 1, 2005 every member shall contribute eight (8) hours from Management leave. January 1st of each subsequent year, every employee covered by this agreement shall contribute an equal amount of hours, or portions thereof, from vacation to create a bank of two hundred fifty (250) hours to be used for SSMA business. The unused hours in any year shall be carried over to the next year. However, the maximum number of hours in the time bank shall be capped at three hundred (300) hours. The time bank shall not be subject to cash out nor shall it be returned to contributing employees.

The time bank shall be used for SSMA business and shall be approved in advance by the SSMA president. SSMA shall endeavor to provide reasonable and timely notice for all time bank leave requests. Requests for time bank leave shall be submitted and approved consistent with the Sheriff's existing policy for approval of vacation time. The SSMA recognizes that the Sheriff shall not be obligated to hire relief personnel on an overtime basis in order for a time bank leave request to be approved, nor shall previously approved leave requests of other Sheriff's personnel be subject to cancellation so that SSMA time bank requests can be approved.

Furthermore, the County will contribute an additional eighty (80) hours annually. This supplementary time may only be used when it is of benefit for SSMA and the County, as determined by the SSMA president. Requests for time off shall be noted as County time and submitted as described above.

9. LEAVES OF ABSENCE

- A. The parties agree that the County's leave of absence policy shall remain unchanged during the life of this agreement and that leaves of absence without pay may be approved for probationary employees. Further, as a condition for a leave of absence without pay to continue, the County may require the employee on leave to provide periodic status reports demonstrating that the conditions still remain upon which the leave of absence was initially requested and approved.
- B. Unpaid leaves of absences, or other absences (other than paid vacation), greater than three weeks shall not count toward the minimum service period required to achieve permanent status.
- C. The parties further agree that the County's leave of absence policy shall change to reflect the fact that the granting of any leave of absence without pay or other time off without pay exceeding fifteen (15) calendar days shall cause the employee's date of

eligibility for increased vacation accrual rates to be postponed by the equivalent number of days to the nearest number of days for which the leave of absence is granted based on the number of calendar days in such month.

10. AUTOMATIC RESIGNATION

The parties agree that an employee who is absent without authorization and without contacting his or her supervisor for three (3) consecutive working shifts, or longer, shall be presumed to have voluntarily resigned from County service, effective on the date at which the unauthorized absence began. The provisions of County Code Section 3.28.130 (Petition to Set Aside Resignation) shall apply. The parties agree that members of the unit do not waive any right to a hearing or other due process by this section or any rights under the "Peace Officer Bill of Rights."

11. MAXIMUM SUSPENSION

The parties agree that the maximum time period during which an employee may be suspended for cause pursuant to County discipline policies is for one full work week or weeks, as that term is or may be defined by FLSA, unless for a major safety infraction.

12. ARBITRATION EXPENSES

This provision shall apply in the event that an individual, as opposed to the SSMA, pursues arbitration. Prior to engaging the services of an arbitrator or court reporter, the individual shall make a deposit covering each day of arbitration, and certify that he or she is individually responsible for the costs of the arbitrator and court reporter, and that the County will have no responsibility to pay for the individual's share of costs as specified in the grievance and arbitration procedure. An arbitrator shall have no jurisdiction to order that the County assume responsibility for paying an individual's share of grievance and arbitration costs.

13. PROBATIONARY PERIOD

A. Length of Probationary Period

Any newly appointed employee shall serve a maximum probationary period of eighteen (18) months total. Current employees of the Stanislaus County Sheriff's department shall serve a maximum probationary period of twelve (12) months total, which shall not be extended. Employees, who have held permanent status in the class, shall not serve a new probationary period.

B. No Charges on Probationary Terminations

The parties agree that the County shall no longer be required to prepare a statement to the file as to why an individual's probationary period was terminated.

C. Extension of Probationary Periods

Any absence without pay exceeding fifteen (15) calendar days shall cause the employee's probationary period to be extended by the number of calendar days of such absence.

14. REDUCTION-IN-FORCE POLICY

A joint Reduction-In-Force Policy has been established and agreed to for the following four bargaining units effective January 1, 2006:

Custodial Deputy Sheriffs Bargaining Unit
Sworn Deputy Sheriffs Bargaining Unit
Sheriff's Supervisor Bargaining Unit
Sheriff's Management Bargaining Unit

The parties agree that the joint Reduction-In-Force Policy included in this agreement as Attachment B, applies to all employees covered by this agreement. The joint Reduction-In-Force Policy may only be amended by mutual agreement of the County and all four represented bargaining units.

15. HEALTH CARE

A. Group Plans Available

The parties agree that health, dental and vision plans shall be made available to County employees and, where applicable, their dependents through a flexible benefits plan. The parties acknowledge these plans are, except the self-insured dental and vision plans, independent group health plans which may adjust their respective premiums or benefits as deemed necessary by the plan provider. Unless otherwise agreed to by the parties, the County's contribution is fixed and any increase in premiums is the responsibility of the employee.

B. Group Dental and Vision

The parties have agreed that self-insured dental and vision plan shall be made available by the County for County employees and their dependents as part of the cafeteria plan.

C. Physical Examination

The parties agree that not more than once in a three (3) year period each employee shall be entitled to request a physical examination to be performed at Stanislaus County Health Services Agency provided such employee is at least forty (40) years of age at the time of making the request. Such examination would be conducted by qualified Stanislaus County Health Services Agency staff members at a time mutually

convenient to Stanislaus County Health Services Agency and the employee. Requests for examinations shall be made by written request to the Chief Executive Office or such other place as directed.

D. Eye Examination – ID

All members of the bargaining unit assigned to the Sheriff's Department ID Division shall be eligible each year for one (1) extra eye exam and replacement of lenses only if necessary. This exam is in addition to the exam provided by the employee's respective vision insurance plan.

16. BENEFITS

A. Life Insurance

Employees enrolled in one of the health insurance plans shall be eligible for a thirty thousand dollar (\$30,000) term life insurance policy. This benefit is available for the employee only. Additional life insurance may be purchased at employee expense through the cafeteria plan.

B. Deferred Compensation

The County will contribute into a deferred compensation plan 1.5% of base salary for employees.

C. Disability

The county provides a limited income protection plan which provides that if you are completely disabled due to illness or injury (not work-related) the County will continue paying 50% of your monthly salary for up to twelve months starting on the 30th day of disability.

The County provides long term disability insurance coverage. The plan shall be commensurate with all other management employees (bargaining unit M) benefit. D.

Professional Development

An annual amount of seven hundred dollars (\$700.00) may be used for cost reimbursement for professional association dues, books, tuition, conference fees and related travel, hotel and meal expenses for job-related or professional development related courses which the employee wishes to attend. Additionally, professional development reimbursement may be used for the purchase of computers and related hardware, software, etc.

The parties agree to broaden the definition of professional development to include the purchase firearms and exercise equipment as well as reimbursement for fitness membership dues only, excluding social membership, golf, etc. The intent is to use professional development reimbursement for health and fitness only.

The allowance is prorated for new hires, based on the date of hire, and prorated for any periods of unpaid leave status. Professional development allowance must be used or it expires at year-end.

The parties agree to suspend this benefit for the 2010, 2011, and 2012 calendar years, which is consistent with current recommendations for other county management employees.

E. Car Allowance

Management employees excluding Department Heads, who use their private vehicles consistently in the course of County work may be granted \$1,200 (or \$2,400) per year car allowance, in addition to mileage for both in-county and out-of-county travel, based on determination by the Department Head. This is considered taxable additional compensation and is reported to the IRS. The Chief Executive Officer shall maintain specific policy guidelines regarding the administration of this benefit

F. Dependant Care Assistance & Medical Reimbursement Program

The County shall extend to members of the bargaining unit the Dependent Care Assistance and Medical Expense Reimbursement program.

17. IRS CODE SECTIONS

- A. Effective March, 1991, the County implemented the mandatory premium conversion plan under Section 125 of the Internal Revenue Code, limited to employee health insurance premium contributions.
- B. The parties acknowledge that the County has implemented the provisions of IRS Code Section 414 (h2) dealing with employer "pickup" of the employee's retirement contribution.
- C. The County shall extend to members of the bargaining unit the Dependent Care Assistance and Medical Expense Reimbursement program currently available for management and confidential employees as soon as possible after the signing of the Memorandum of Understanding (MOU).

18. PAYROLL DEDUCTIONS

A. Payroll Deduction

The County agrees to maintain a payroll deduction for members of this bargaining unit who voluntarily approve of such deduction in an amount determined by the SSMA and consistent with the requirements of the Auditor-Controller.

B. Credit Union Deduction

The parties agree that the County shall provide a voluntary payroll deduction for the Credit Union.

19. MILEAGE REIMBURSEMENT

Mileage reimbursement rates will be established by the County Auditor-Controller effective January of each year based on the rates published by the IRS. This provision will be implemented in January 2007.

20. FUTURE MEET AND CONFER TOPICS

The parties agree, during the term of this Agreement, to meet and confer at the request of either party to the extent required by the Meyers-Milias-Brown Act. These mutual, non-binding discussions are specifically limited to the following:

- A. Health and Welfare Benefits
- B. Retiree Health Care
- C. Amend Stanislaus County Personnel Policies
 - 1) SCPP 3.08.050 to include Psychologists
 - 2) SCPP 3.28.130 to redefine time limits to appeal dismissal for Absent Without Leave (AWOL)
- D. Examine Medical Terminations Pursuant to Section 19253.5(a) Government Code
- E. Changes to the existing Pay for Performance Evaluation Process
- F. Accrual Policies and Procedures relating to Sick Leave, Management Leave, and Vacation Benefits (does not include annual accrual amounts)

The County agrees that any changes made as a result of the meet and confer process pursuant to this section shall not result in a loss of salary, compensation or flexible benefits currently provided to SSMA members.

21. PERSONAL PROPERTY DAMAGE PROCEDURE

The parties agree that the County policy providing for reimbursement of personal property such as clothing damaged or destroyed in the line of duty and without employee negligence

shall continue with the specific understanding that normal wear and tear is not covered as reimbursable and that any and all disputes arising out of this process shall be referred for final resolution to a County department head mutually agreed upon. If the parties cannot agree on a particular department head, one shall be selected by an alternate striking method. Normal wear and tear refers to the wearing out of articles of personal property or clothing that results over time and through no sudden or unusual occurrence such as line of duty accident. This recognizes the fact that many articles of clothing wear out with age and would be replaced in the normal course.

22. SICK LEAVE

A. Sick Leave Cash Out

The parties agree that the Sick Leave Policy of the County in effect immediately prior to the commencement of this agreement shall remain in effect during the term of this agreement, with the exception that the policy of the County concerning pay for a portion of accrued sick leave upon termination of County employment shall be amended as follows in the consideration of the salary and other fringe benefit increases in this agreement. The parties agree that employees who terminate from County service as a result of death, non-service connected disability retirement, or service retirement shall be eligible to receive cash for accrued, but unused sick leave on the books at the rate of seventy five percent (75%) of the salary equivalent of such sick leave.

The parties agree that at the time a member of the bargaining unit is granted a service connected disability retirement the employee shall not have the option to continue his or her disability leave charged against accrued sick time. Any accrued sick leave shall be cashed out at seventy five percent (75%). The seventy five (75%) cash out shall be limited to this circumstance only.

The maximum amount of sick leave that shall be applied toward the cash out provisions as provided for herein shall be six hundred (600) hours. For example, if an employee retires from County service, he or she would be cashed out for seventy five percent (75%) of six hundred (600) hours or four hundred fifty (450) hours. Time in excess of the six hundred (600) hours shall continue to accrue and be used in the case of illness.

In addition, any current employee who has accrued time in excess of six hundred (600) hours shall, upon retirement, consistent with current MOU provisions; cash out the amount of time accrued as of the pay period ending January 6, 1995 or the end of the last pay period in October, whichever time is higher. The total sick leave accrual on the date for each employee shall become the employee's individual maximum or cap for sick leave cash out purposes while the employee remains in the continuous employment of the County. For example, if the employee has one thousand (1,000) hours on the date the cash out maximum takes effect, he or she would be cashed out

for seventy five percent (75%) of one thousand (1,000) hours or seven hundred fifty hundred (750) hours upon retirement. Any time accrued and in excess of this time shall not be subject to cash out. The County agrees that any sick leave credited toward retirement of the employee will be made in good faith.

The purpose of this provision is to place a ceiling on the County's cash out liability for sick leave while maintaining unlimited accrual of sick leave for catastrophic illness.

Furthermore, the County agrees all sick leave accrued above the employees individual cash out maximum shall be converted toward service credit upon retirement on an hour-for-hour basis.

B. Conversion of Sick Leave Cash out Benefits to Health Insurance Upon Retirement

The parties recognize that employees covered by this agreement participate in the DSA Medical Trust. Upon retirement, any sick leave cash out benefits shall be directed to the DSA Medical Trust. This program must continue to meet the criteria of the Auditor-Controller and Internal Revenue Codes for tax purposes. This provision has no effect on the percentage of sick leave cash out.

23. UNIFORM ALLOWANCE

The parties agree that uniform allowance shall be one thousand two hundred seventy dollars (\$1,270.00) per year, paid monthly on a pro-rata basis, effective the first full pay period following Board approval. The parties agree to increase the annual uniform allowance for Sheriff Lieutenants if any additional increases are provided to Sheriff Sergeants during the term of this agreement.

No uniform allowances shall be provided to employees absent from duty for three (3) or more consecutive calendar months on 4850 or other disability-related leave.

24. BODY ARMOR

The Sheriff will provide Threat Level IIA body armor to all sworn personnel in the Operations Division. All such personnel are required to wear the body armor; provided, however, the Sheriff may designate exceptions to the requirement for certain personnel. The Sheriff's designation of exceptions is not grievable or arbitrable.

25. RETIREE MEDICAL TRUST

The parties agree to allow the SSMA to participate in the Central Valley Retiree Benefit Trust including requiring a payroll deduction in order to participate. Effective the first full pay period after December 1, 2004 a non-taxable deduction of one percent (1%) of the employee's salary shall be directed to the retiree medical trust.

26. SEVERABILITY

It is not the intent of the parties hereto to violate any laws, rulings or regulations of any governmental authority or agency having jurisdiction over the subjects of this collective bargaining agreement, and the parties hereto agree that in the event that any provisions of this agreement are finally held or determined to be illegal or void as being in contravention of any such laws, rulings or regulations, nevertheless, the remainder of the agreement shall remain in full force and effect unless the parts so found to be void are wholly inseparable from the remaining portion of this agreement.

27. FULL UNDERSTANDING, MODIFICATION AND WAIVER

- A. This Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any and all prior or existing Memorandum of Understandings, and Agreements regarding the matters set forth herein, whether formal or informal, are hereby superseded and terminated in their entirety.
- B. It is the intent of the parties that ordinances, Board resolutions, rules and regulations enacted pursuant to this Agreement be administered and observed in good faith.
- C. Nothing in this Agreement shall preclude the parties from mutually agreeing to meet and confer on any subject within the scope of representation during the term of this Agreement.

PERFORMANCE BASED PAY PROCESS



To align the leadership team with the Stanislaus County vision statement, the County will embark upon a new process for compensation by rewarding individuals for their contributions towards achieving excellence using the Baldrige Criteria as guidelines. These guidelines will provide a roadmap for all employees and customers throughout the County and will allow Stanislaus County to benchmark against the best.

Performance Based Pay Process

This Performance Based Pay Process is intended to minimally occur on an annual basis. Employee recognition and development is a critical component of the County's mission and for that to be achieved requires consistent employee feedback and acknowledgment.

A. Process for the Performance Review & Individual Development:

Phase I: Preparation (3 months prior to due date)

1. Designated Receiver sends master packet and notification of review date to employee.
2. Employee is to submit 10 names as potential team members to the supervisor. 6 names will be mutually selected by the Supervisor and by the Employee from the list. Additional team members must be mutually agreed upon between the Supervisor and the Employee.
3. Employee provides the final team list to the department Designated Receiver.
4. Employee determines the number of forms needed to distribute to the evaluation team and makes appropriate number of copies:
 - a. **Supervisor** (i.e., Manager, Department Head, etc.) and 1
 - b. **Employee** (being reviewed) and 1
 - c. **Other Evaluation Team Members:**
 - * **Peers** 2
 - * **Direct Reports** 2

6 minimum
5. If the employee is a Department Head, the designated receiver will notify the Chief Executive Office C.A.R.E. Unit who distributes the Leadership Attribute survey (or random sampling survey) to the Department Head's staff.
6. Employee distributes a set of the following forms to each evaluation team member at least two months prior to the due date:
 - * Evaluation Team Member memo
 - * Performance Review and Overall Rating form
 - * Performance Review Team Guidelines
7. Each team member (including Supervisor and Employee) shall complete the evaluation which shall include comments supporting the score and shall submit the completed Performance Review and Overall Rating form to the Designated Receiver by the due date indicated in the Evaluation Team Member memo.

8. If the employee is a Department Head, the C.A.R.E. Unit summarizes the Leadership Attribute survey and forwards the results to the Designated Receiver.
9. The Designated Receiver summarizes the performance review forms and gives the summary to the Supervisor and to the Employee. If the employee is a Department Head, the Designated Receiver includes the Leadership Attribute survey summary for discussion only with the Chief Executive Officer and the Department Head.

Phase II: Initial Meeting with Supervisor/Employee (3 weeks prior to due date)

10. Employee schedules a feedback session with the Supervisor (i.e., Manager, Department Head, Chief Executive Officer).
11. The Supervisor and the Employee meet to discuss the feedback summary and potential ideas for a development plan.
12. The Employee drafts the development plan based on feedback from the Evaluation Summary and specific projects as assigned.
13. The Employee schedules a final meeting with the Supervisor.
14. The Supervisor and the Employee meet for a final session to review, to approve and to sign and date the Development Plan.

Phase III: Process Pay for Performance

15. The Supervisor determines the base pay adjustment according to the team's average points and the corresponding recommended rating scale.
 - a. If the supervisor's and/or the employee's points exceed 2 points difference from the team's average, the supervisor and the employee will review the discrepancies with the Department Head and an HR representative.
 - b. If the recommended base pay differs from the recommended formula (i.e., team's average points to rating scale), the supervisor will review the discrepancies with the Department Head and an HR representative.
 - c. If the employee is newly hired or is newly promoted into the Pay for Performance Process, the employee will still follow the process as outlined with the following exception: the supervisor may have sole discretion (i.e., up to 100% instead of the customary 40%) to recommend a pay increase subject to the Department Head's final approval. This grandfather clause will allow the newly hired/promoted employee time to learn the new expectations while still receiving feedback from their peers. This clause is for the first year only, after which the process as written will apply to the employee.

16. The Supervisor may also award a bonus from .1-2.5% based on the level of completion of the previous year's development plan and exceptional contributions. There is no correlation between the base pay increase and a bonus, should a bonus be recommended. The bonus pay will not affect the base pay adjustment.
17. The Employee's pay for performance process is complete when the designated receiver receives the following completed documents:
 - a. Signed & Dated Evaluation
 - b. Signed & Dated Development Plan
18. The Designated Receiver submits the following completed forms to the C.E.O. HR Unit:
 - a. 360 Team List
 - b. Performance Review & Overall Rating Summary - *signed & dated*
 - c. Development Plan - *signed & dated*
 - d. PAF - *signed & dated*

Miscellaneous:

19. Establishing Performance Review Dates

In order to clarify dates for future Pay for Performance evaluations and compensation, please note the actions below which will establish or change the employee's evaluation date. All evaluation dates will be set by these actions and new evaluations should be completed 12 months from this established effective date.

- * Initial Pay for Performance Development Plan Complete
- * Hire Date (if hired after the PFP system began)
- * Promotion into a Banded Position
- * Demotion
- * Promotion within the Band

20. Pay for Performance Process Delay:

If an employee delays the process, any recommended increase will not be retroactive. A development plan must cover a 12-month period and should be submitted with the Personnel Action Form (PAF) before any compensation change can become effective. If less than 6 months remains between the date the process is completed and the date of the new PFP cycle, the employee will forfeit one cycle and will wait until the following year to complete their next PFP. This must be taken seriously and the employee should be counseled on this issue.

For example: An employee's PFP cycle begins in January and the Development Plan is submitted in July. This employee would receive a PFP increase, if merited, for the year reflected in the Development Plan. No new compensation will be granted for the next PFP year and the review date will be extended one year.

Development Plan Due	January 1, 2000
Development Plan Submitted & PFP increase awarded	July 1, 2000
PFP Forfeited	January 1, 2001
Next PFP Due	January 1, 2002

If a department delays the process, any recommended increase will be retroactive. In this case, the employee should proceed on his/her own development plan as if it were in place. The Department Head should attach a memo explaining why the evaluation was late and what remedial action is being taken to ensure that it does not happen again. Department Heads should be evaluating their managers and supervisors on how timely they complete the evaluation for their subordinates.

Phase IV: Special Merit

21. Special Merit increases are approved by the Chief Executive Officer to recognize outstanding services by an employee. The Personnel Policy and The County Code require that supporting documentation accompany any increase. This documentation should state what the employee has done which exemplifies “outstanding” performance.

A formal review of performance can be documented by showing accomplishment of “significant progress” toward the achievement of the goals outlined in the employee’s Annual Development Plan. These plans are a required element of each Performance Based Pay evaluation and identify the goals each employee is required to strive toward meeting in the year following their evaluation. “Significant Progress” is typically measured at a period of 3 to 6 months of work toward the Development Plan.

If there are any questions regarding the Performance Based Pay Process, please contact the Chief Executive Office Human Resource Unit.

Effective date of this revised Pay for Performance Process is September 1, 2000.



Attachment B

CHIEF EXECUTIVE OFFICE

Richard W. Robinson
Chief Executive Officer

Patricia Hill Thomas
Chief Operations Officer/
Assistant Executive Officer

Monica Nino-Reid
Assistant Executive Officer

Stan Risen
Assistant Executive Officer

December 14, 2010

1010 10th Street, Suite 6800, Modesto, CA 95354
P.O. Box 3404, Modesto, CA 95353-3404
Phone: 209.525.6333 Fax: 209.544.6226

TO: Darrell Freitas, President, Sheriffs' Management Association
Larry Seymour, President, Sheriffs' Supervisors Association
Ryan Killian, President, Sworn Deputies' Association
Grant Beard, President, Deputy Sheriffs' Association

FROM: Nancy Bronstein, Deputy Executive Officer *N.B.*

SUBJECT: **REDUCTION-IN-FORCE POLICY FOR THE SHERIFF'S DEPARTMENT BARGAINING UNITS**

Thank you for your recent participation in discussions related to the negotiated January 1, 2006 Reduction-in-Force Policy (attached), the County appreciates your willingness to review potential changes to the policy. Each of your current Memorandums of Understanding (MOU) state that the policy may only be modified by the mutual agreement of the County and all four unrepresented bargaining units. Because, the County was unable to gain the concurrence of all four bargaining units the policy as attached remains in place.

This memo is to serve as a clarification to the calculation of County seniority in the event of a tie in classification seniority of two or more individuals. The current RIF Policy states that, "Where two or more individuals have equal seniority, then total County seniority shall determine the order of layoff...The calculation of total County seniority in this policy shall be consistent with the County Reduction-in-Force Policy." Recently, the methodology of using the County's Reduction-in-Force Policy (attached) was questioned and the matter was heard before the County's Personnel Hearing Board. Specifically, the issue questioned how seniority is calculated when an employee leaves and returns to County service. The Personnel Hearing Board ruled that based upon the provisions contained in the January 1, 2006 Policy, the County properly calculated the tie utilizing the County's Reduction-in-Force Policy. This policy includes the methodology for calculating County seniority in the event of a break-in-service.

Current County policy states, "The most expeditious method of continuous service calculations is first to determine if there was any period or periods where the employee was not on the job which totaled more than 90 days in any twelve month period not including any approved leaves of absence and suspensions, whether with pay or without pay or unpaid suspension. If there has been no such absences, then "continuous service" has not been broken and all periods of employment count in calculating seniority." This methodology will continue, if needed, in any case where two or more individuals have equal classification seniority and a break-in-service may have occurred.

Please contact Brandi Welsh, Management Consultant in the Chief Executive Office at (209) 525-7690 or welshb@stancounty.com if you have any questions. Again, thank you for your participation in our recent discussions. I appreciate your time and effort on this important policy.

Cc: Adam Christianson, Sheriff
Paul Konsdorf, Labor Representative
Michael Jarvis, Labor Representative

Attachment "A"

Reduction-In-Force Policy

Effective January 1, 2006

**Custodial Deputy Sheriffs Bargaining Unit
Sworn Deputy Sheriffs Bargaining Unit
Sheriff's Supervisor Bargaining Unit
Sheriff's Management Bargaining Unit**

Whenever in the judgement of the Board of Supervisors it becomes necessary in the interest of economy or because the necessity for a position no longer exists, the Board of Supervisors may abolish a position or classification, and if necessary reduce personnel by laying off employees without the filing of disciplinary charges and without granting the employee the right of appeal except as accorded in these provisions. Employee layoffs shall be based upon seniority as specified in this policy. In reducing the number of employees every effort will be made to avoid displacing existing employees by allowing voluntary demotion or transfer to vacant positions.

In the event that a Reduction-In-Force action is to be recommended, a good faith effort will be made by the County to notify the Union, and meet upon Union request to discuss alternatives to the Reduction-In-Force action including voluntary time-off, approval of leave of absence requests, and voluntary lay-offs. The County will do what it reasonably can to make available to employees who are laid off retraining opportunities as available through Federal or State job training programs or other available County programs.

ORDER OF SEPARATION

Employees in the same class shall be separated considering seniority and type of appointment with the least senior employee in any category of appointment being the first separated and with tied seniority scores broken as provided herein. The sequence of appointment types shall be:

1. Provisional
2. Extra-Help
3. Trainee
4. Regular Part-Time
5. Regular Full-Time

Employees holding permanent status in a prior classification who are subject to a Reduction-In-Force action shall be returned to their prior classification, subject to the seniority provisions of this agreement.

REDUCTION-IN-FORCE SENIORITY:

Among permanent and probationary employees in the classifications of Deputy Sheriff-Custodial, Deputy Sheriff-Coroner, Sergeant-Custodial, Sergeant, Custodial Lieutenant, Lieutenant, and Captain (Commander), the order of layoff will be determined by the total time in the employee's current classification and higher ranking classification. Where two or more employees have equal seniority, then total County seniority shall determine the order of layoff.

An agreed upon lottery system will be used in cases of equal County seniority. The calculation of total County seniority in this policy shall be consistent with County Reduction-in-Force policy.

Breaks in service or time spent in unpaid status do not count towards total time in calculating seniority. If a full-time employee converts to part-time (extra help) employment status and then back to full-time status, the time spent as a part-time employee shall be credited on a pro-rated hourly basis as long the employee did not break service for one full pay period during the transition to or from part-time status. If a full-time employee leaves County service for any period of time and is reinstated in their employment, the time spent prior to leaving employment is not counted for purposes of calculating seniority.

Example:

Initial Reduction in Force of One Lieutenant Position

Seniority Rank	County Service	Time in Classification (or higher)	
1.	20 yrs	Lt. 10 yrs	
2.	16 yrs	Lt. 7 yrs	
3.	16 yrs	Lt. 5 yrs	
4.	18 yrs	Lt. 3 yrs	Least time spent as a Lieutenant, bumped to prior Sergeant position

Impact on Sergeants

Seniority Rank	County Service	Time in Classification (or higher)	
1.	25 yrs	Sgt. 15 yrs	
2.	22 yrs	Sgt. 12 yrs	
3.	18 yrs	Lt. 3 yrs Sgt. 7 yrs	Previously held permanent status as a Sergeant, 10 years seniority in class or higher
4.	20 yrs	Sgt. 8 yrs	Bumped to prior Deputy Sheriff position

WRITTEN NOTICE

Written notice of layoff shall be served on affected employees in person or by certified letter mailed to the last address on file with the Chief Executive Officer. Notice will be served or mailed at least 21 calendar days prior to the effective date of the separation. Notice shall be deemed served upon return of a delivery receipt or receipt showing attempted delivery.

DEMOTION IN LIEU OF LAYOFF

In lieu of being laid off, an employee may elect to voluntarily demote within the Sheriff's Department to a lower paid classification in which the employee held permanent status and presently meets the minimum qualifications of the classification. Less senior employees who may be displaced as a result of demotion actions shall in turn be subject to the provisions of this

section. In order to exercise these options, the employee affected must so advise the Chief Executive Officer in writing no later than seven working days after receiving notice of layoff.

In lieu of being laid off, an employee may also elect to voluntarily demote within the Sheriff's Department to a vacant position in a lower paid classification in which the employee has not held prior permanent status. Employees voluntarily demoting to a lower paid classification in which they have not held permanent status will not result in displacement of existing employees.

TRANSFER IN LIEU OF LAYOFF

In lieu of being laid off, an employee may request to voluntarily transfer or demote to a vacant position in another department in the same or comparable classification or to a classification previously held. The transferring employee must meet the minimum qualifications of the classification at the time of transfer. Such requests require approval by the gaining Department Head. (Department probation, if applicable, may be applied.)

RE-EMPLOYMENT

For a period of one year from the effective date of layoff no regular position in the affected classification in the department involved shall be filled without first providing employees possessing rights to re-employment with an opportunity to be rehired.

Re-employment lists shall be in inverse order of lay-off with the most senior employee from amongst those laid-off rehired first. Such re-employment would be at the same salary step or the salary range assigned such classification and with the same seniority as the employee had earned at the time of layoff. Benefits paid out at the time of separation such as vacation or sick leave may be bought back at employee expense. Written notice of the re-employment opportunity shall be sent by certified mail to the last known-address of the former employee by the Chief Executive Officer. The former employee shall have 14 calendar days to respond to the notice.

ADMINISTRATIVE DECISIONS

The Chief Executive Officer is authorized to render decisions resolving questions of seniority and continuous service in the administration of this section.

APPEALS

Persons subject to layoff or demotion under these provisions may appeal to the Chief Executive Officer any allegation of error, fraud, irregularity or bias in the application of the reduction-in-force procedures. The affected person may, within seven days after receipt of the decision of the Chief Executive Officer, appeal that decision. An appeal shall be filed with the Chief Executive Officer. The Chief Executive Officer shall forthwith transmit the appeal request to the Hearing Board established pursuant to Chapter 3.28.060 of the Ordinance Code of Stanislaus County. The Hearing Board shall within a reasonable time from the filing of the appeal, commence the hearing thereof and shall notify the interested parties of the time and place of the hearing at least five days in advance thereof. At the hearing, both the appellant and the County shall have the right to be heard publicly, to be represented by Counsel and to present evidentiary facts. The parties may agree to a hearing closed to the public and the Hearing Board may at any time exclude any person who may be a witness in the appeal under consideration. The hearing shall be informal and the Hearing Board shall not be bound by any

of the rules of evidence governing trial procedure and State courts. The Hearing Board shall render a written decision, copy of which shall be transmitted to the Chief Executive Officer. The Chief Executive Officer shall serve a copy of the decision upon the appellant. The decision of the Hearing Board shall be final. Relevant provisions in Chapter 3.28.060 and 3.28.070 of the Ordinance Code of Stanislaus County shall govern the hearing process.

REDUCTION-IN-FORCE SENIORITY CALCULATION

In calculating service time for purposes of this policy, those records which are maintained by the Chief Executive Office shall be utilized. However, should there be a challenge to the validity of the calculations or cases of equal or near equal seniority, the Chief Executive Office may utilize such payroll or other records which may be on file with the Auditor-Controller's Office or other department.

**Health Insurance Agreement Between Stanislaus County and the
California Nurses Association
County Attorneys' Association
District Attorney Investigators Association
Stanislaus County Deputy Probation Officers Association
Service Employees International Union Local 521
Stanislaus County Deputy Sheriffs Association
Stanislaus County Employees Association AFSCME/Local 10
Stanislaus County Sheriff Supervisors Association
Stanislaus Regional Emergency Dispatchers' Association
Stanislaus County Sheriff's Management Association
Stanislaus County Group Supervisors' Association
Stanislaus Sworn Deputies Association**

This agreement shall remain in full force and effect for the period of January 1, 2011 through December 31, 2011 unless extended by mutual agreement of the parties.

Medical Insurance

For the term of this agreement, the County will offer the following medical insurance options:

- Kaiser HMO plan
- Kaiser Health Savings Account plan
- Anthem Blue Cross HMO plan
- Anthem Blue Cross Health Savings Account plan

For employees enrolled in an HMO plan, the County shall contribute an amount equal to 90% of the lowest cost HMO plan (Kaiser HMO) at each level of coverage.

For employees enrolled in an HSA plan, the County shall contribute an amount equal to 98% of the lowest cost HSA plan (Kaiser HSA) at each level of coverage. The County will also fund individual HSA accounts in the following amounts:

Employee only - \$1,250 annually

Employee +1 - \$2,500 annually

Family - \$2,500 annually

HSA account contributions will be made twice per month, for a total of 24 equal installments each year. Recognizing the potential for a significant number of employees to enroll in the HSA plans, the County will fund 6-months of the HSA account contribution in January 2011 for any employee enrolling in an HSA plan in 2011. The County would make no other contributions until July 2011 and then would fund the remaining annual account contribution through 12 equal installments over the last six months of 2011. Employees are responsible for paying any account related fees on their individual Health Savings Account (up to \$3.25 monthly as of January 2011).

Health insurance co-pays will be as follows:

Office Visit	\$20.00	Chiropractic	\$15.00
RX	\$10.00/\$20.00	Emergency Room	\$50.00

Co-pays and out of pocket costs may be different for employees enrolled in HSA plan options with minimum deductible requirements, please refer to the specific HSA plan documents for more information.

The parties recognize that health insurance providers may institute benefit changes that are not within the control of the County.

The "waive" credit for health insurance will remain at current levels for the term of this agreement for those employees who waive health insurance. The waive credit for health insurance is \$47.50 monthly for regular employees and \$150.00 monthly for management employees. Proof of other coverage is still required.

Dental and Vision

The County will provide dental coverage through the Delta Dental PPO Plus Premier plan with coverage and benefit levels remaining the same as provided in 2010. The County shall pay 95% of the premium cost at each level of dental coverage (Employee only, Employee +1 and Family).

The County will provide vision coverage through the Vision Service Plan with coverage and benefit levels remaining the same as provided in 2010. The County shall pay 95% of the premium cost at each level of vision coverage (Employee only, Employee +1 and Family).

Please refer to the specific dental and vision plan documents for more information on benefit coverage levels.

Additional Provisions

1. Benefit deductions are taken out of 24 of the 26 paychecks each year (twice monthly). Benefits for new hires are effective the 1st of the month following date of hire. For terminated employees, benefits continue through the last day of the month of termination.
2. The County will invite a representative of each labor group to participate in the County's Employee Wellness Program Workgroup. Participation is voluntary and subject to department head or designee approval for any changes in standard working hours and will not result in overtime compensation.
3. The County will include up to three representatives selected by all County labor groups to assist in the evaluation of future self insurance medical programs.
4. Regular full-time employees must work 30 hrs/wk to qualify for a County benefit contribution (medical, dental, vision and/or waive credit). Employees working 30-34

hrs/wk will be credited with 75% of benefit contributions. Employees working 35-39 hrs/wk will be credited with 90% of benefit contributions. Additional employee contributions to health insurance premiums will be paid through payroll deduction.

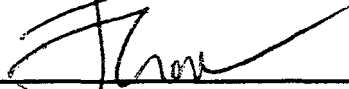
- For purposes of this policy, hours worked includes all forms of paid time rounded to the nearest whole number. Examples of paid time include, but are not limited to vacation, sick, comp time off, 4850 leave, paid admin leave, etc.
- This provision does not apply to part-time extra-help employees who are not eligible for benefits.
- For regular full-time employees who change their employment status to percentage employment, this provision will be effective the first of the month following the date they assume the reduced percentage employment schedule. Benefits will return to 100% the first of the month following the effective date the employee returns to 100% regular employment status.
- For regular full-time employees who are paid less than 80 hours per 14-day pay period (employees going into DOC time, etc.), employee contributions will be adjusted if the employee does not receive 80 hours of paid time in three consecutive pay periods. The effective date of the adjustment will be the first of the month following the three consecutive pay periods of reduced compensation. Benefits will be restored to 100% effective the first of the month following any pay period in which the employee is paid 80 hours. This process will be modified for regular full-time employees working an alternative work schedule that does not provide 80-hours of regular compensation per pay period. Unpaid suspension time as a result of employee disciplinary actions will not count against an employee in determining health insurance eligibility.
- For employees on a paid leave of absence, the County will continue the current process for coordinating leave accruals with State Disability benefits. This process allows an employee to combine their State Disability benefits with their leave accruals to equal 40 hours of compensation per week while maintaining their full health insurance benefits. For employees participating in disability plans other than State Disability, the County will continue to provide the same level of coordinated benefits consistent with the benefits available through State Disability.
- Under current policy, employees on an unpaid leave of absence do not receive health insurance contributions effective the first of the month following the start of their unpaid leave status. Employees returning from an unpaid leave will have their health insurance contributions restored effective the first of the month following their return to paid status. Please see applicable County policies regarding unpaid leave status, exceptions for FMLA eligible employees and the availability of COBRA benefits.
- For benefit information related to Voluntary Time Off, Job Sharing and benefit provisions for Certain Part-Time Nurses, please refer to the individual County policies and CNA labor agreement.

- Nothing in this agreement shall enhance or reduce existing policy provisions related to military leave benefits.

It is understood by the parties that these provisions fully set forth the agreement of the parties in matters of health insurance as herein specified. The parties agree that only through mutual agreement of all the parties to this agreement would discussion occur during the term of this agreement on health insurance matters.

Signed this 21ST day of December, 2010:

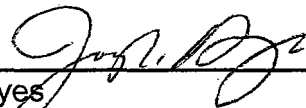
FOR THE COUNTY:



Jeff Grover, Chairman
Board of Supervisors



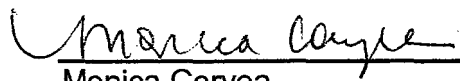
Richard W. Robinson
Chief Executive Officer



Jody Hayes
Deputy Executive Officer



Nancy Bronstein
Deputy Executive Officer

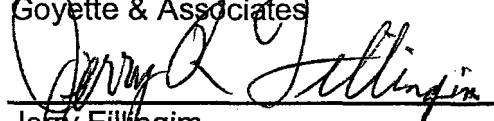


Monica Coryea
Assistant Management Consultant


FOR THE UNIONS:



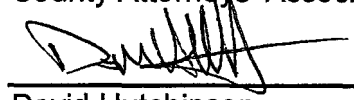
Paul Kondsorf
Goyette & Associates



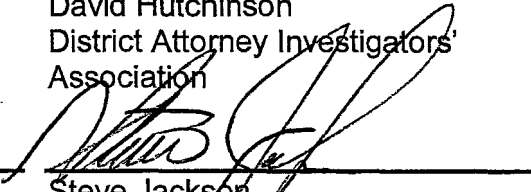
Jerry Fillingim
California Nurses Association



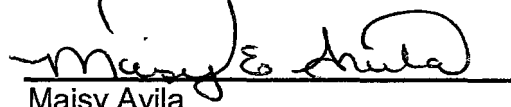
WR McKenzie
County Attorneys' Association




David Hutchinson
District Attorney Investigators'
Association



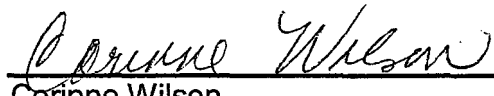
Steve Jackson
Stanislaus County Deputy
Probation Officers' Association



Maisy Avila
Service Employees International
Union Local 521

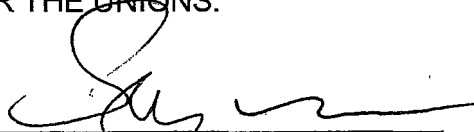


Grant Beard
Stanislaus County Deputy Sheriffs
Association

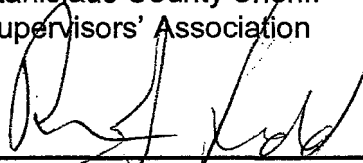


Corinne Wilson
AFSCME/SCEA Local 10

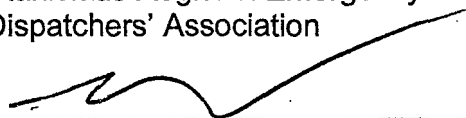
FOR THE UNIONS:



Larry Seymour
Stanislaus County Sheriff
Supervisors' Association



Roger Ladd
Stanislaus Regional Emergency
Dispatchers' Association



Darrell Freitas
Stanislaus County Sheriff
Management Association



Frank Murillo
Stanislaus County Group
Supervisors' Association



Ryan Killian
Stanislaus Sworn Deputies
Association

**AGREEMENT
BETWEEN COUNTY OF STANISLAUS
AND
STANISLAUS COUNTY SHERIFF MANAGEMENT ASSOCIATION**

RE: EXTENSION OF CURRENT MEMORANDUM OF UNDERSTANDING

Pursuant to this agreement between the County of Stanislaus (County), and the Stanislaus County Sheriff Management Association (SCSMA), the parties agree as follows:

Whereas, the County has requested all labor organizations to consider proposals for salary cost reductions in Fiscal Years 2010-2011 and 2011-2012; and

Whereas, SCSMA has requested an extension of the current Memorandum of Understanding between the County and SCSMA which is due to expire on February 28, 2011.

Now therefore, the parties agree to the following terms and conditions, subject to ratification of SCSMA membership and the County Board of Supervisors:

1. The parties agree to extend the expiration of the current Memorandum of Understanding between the County and SCSMA from February 28, 2011, to June 30, 2012.
2. The parties agree to continue the suspension of the pay for performance bonus program through June 30, 2012.
3. The parties agree to continue the suspension of professional development benefits in calendar years 2011 and 2012.
4. The parties agree to reopen the Tier Two retirement plan for all newly hired members of the bargaining unit effective January 1, 2011. Safety Tier Two benefits include the 2% @ 50 retirement benefit per Government Code Section 31664 and final average compensation calculated on the highest thirty-six (36) consecutive months. This agreement will not impact vested retirement benefits for current employees.

Employees who are rehired/reinstated with the County after the implementation of Tier Two on January 1, 2011 and have met the necessary membership criteria to be placed in their former retirement tier shall be eligible for placement in that former tier. In general, current legal standards allow rehired employees the opportunity to reinstate into their former retirement tier as long as the individual member either has left their individual retirement contributions on deposit since their prior period of

County service or they have elected and completed the redeposit of withdrawn retirement contributions plus applicable interest. The membership tier will depend on the employee's/member's individual circumstances and prior retirement selections. Employees who are rehired/reinstated with the County after January 1, 2011 are encouraged to confirm their membership status and retirement tier reinstatement options with StanCERA.

5. The parties agree to meet and confer during the term of this agreement upon the County's request to negotiate the following items:
 - a) Changes to the existing pay for performance evaluation process.
 - b) Accrual policies and procedures for sick leave, management leave and vacation benefits (does not include annual accrual amounts).
6. All employees in the SCSMA will receive a 5% deduction in salary starting on the July 3, 2010 workday, and ending on the June 30, 2012 workday. The 5% salary deduction will be on a pre-tax basis and will be calculated on the employee's base wage. The salary deduction will not decrease the compensation paid for extra pays (special assignment pay, etc.). Retirement contributions will not be withheld on behalf of the employee or County on the amount of salary deducted.
7. All employees receiving a 5% salary deduction will receive four hours of special accrued leave time each pay period in which the 5% salary deduction is taken, or an equivalent amount of special accrued leave time pro-rated based on the number of hours paid to the employee. The total special accrued leave time earned in each fiscal year will be 104 hours, based on 5% salary deductions for each 80 hours of paid time during 26 pay periods.
8. Special accrued leave time will be reported as a separate accrual amount on each employee's payroll advice notice. Employees may go negative in their special accrual leave time balance up to a maximum of 104 hours, however employees may not go negative in any amount greater than the employee's current vacation accrual amount. Employees may not carry a negative balance over at the end of each fiscal year. If an employee has a negative balance at the end of the fiscal year, or upon separation of employment, the County will reduce the employee's vacation accrual amount by an equal portion to balance the employee's special accrued leave time to zero.
9. Special accrued leave time will be utilized during any period of office closure approved by the Board of Supervisors. Office closure schedules will be communicated by July 1, 2010 for the period of time from July 1, 2010 to December 31, 2010, and by October 1, 2010 for the period of time from January 1, 2011 to June 30, 2011. Office closure schedules will be communicated by July 1, 2011 for the entire Fiscal Year 2011-2012. With Department Head approval, employees may

work during periods of approved office closures in limited circumstances to provide required County services.


Any remaining special accrued leave time not utilized during an office closure will be eligible for the employee to use as requested with the approval of their Department Head or designee. Department Heads may substitute the use of vacation with special accrued leave time as necessary, unless an employee is at the maximum level of vacation accrual.

10. Employees and departments are encouraged to schedule and utilize all special accrued leave time within the fiscal year in which it is accrued. Special accrued leave time not utilized within the fiscal year may be carry forward up to June 30, 2013. All special accrued leave time will expire and not be eligible for use on or after July 1, 2013. Special accrued leave time does not have a vested cash value and may not be cashed out during employment or at the time of termination.
11. Employees retiring from County service will be exempted from 5% salary deductions for a one year period prior to their identified date of retirement. In order to receive this exemption, retiring employees will need to sign an irrevocable notice of their retirement/resignation from County service on forms provided by the County. Employees may request Department Head approval to extend their planned retirement/resignation date, however any approved extension of their planned retirement/resignation date will require an adjustment of salary deductions and special accrued leave time to ensure that the employee is not exempted from the salary deductions for a period greater than 12 months. Employees must be eligible for a regular service retirement in order to receive this exemption.
12. The parties agree to implement a Retirement Incentive Program as outlined in Attachment A.
13. The County agrees to temporarily modify existing reduction in force policies to extend return rights for employees impacted by a reduction in force to five years. This extension of return rights will apply to all permanent regular employees represented by the SCSMA who are terminated or demoted through a reduction in force action from the date of agreement through June 30, 2012.
14. The SCSMA recognizes that the implementation of the 5% salary deduction is not a form of discipline for individual employees and employees may not appeal this reduction in salary under any County appeal procedures.
15. Implementation of the 5% salary deduction will not impact an employee's existing leave time accrual benefits (sick leave, vacation, etc.), retirement service credit or health insurance benefits.
16. Vacation cash outs will not be approved for employees participating in the 5% salary deduction program in Fiscal Years 2010-2011 and 2011-2012; individual MOU

provisions will remain for employees reaching the vacation accrual maximum and denied the use of vacation.

17. Employees may voluntarily request unpaid Voluntary Time Off (VTO), as per County policy, in addition to the 5% salary deduction.


Agreed to this _____ day of _____, 2010



Richard W. Robinson
Chief Executive Officer

SCSMA President

Approved as to Form:



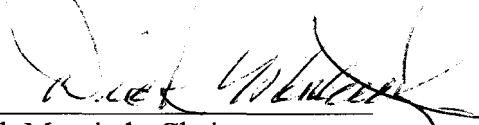
Edward Burroughs
Deputy County Counsel

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE COUNTY OF STANISLAUS AND
THE STANISLAUS COUNTY
SHERIFF'S SUPERVISOR ASSOCIATION (SCSSA)**

This agreement is entered into between the County of Stanislaus and the Stanislaus County Sheriff's Supervisor Association (SCSSA) representing the Sergeant's Bargaining Unit.

Pursuant to the Employee relations Ordinance of the County and Section 3500 et seq. of the Government Code, the duly authorized representatives of the County and the SCSSA, having met and conferred in good faith concerning the issues of wages, hours and terms and conditions of employment as herein set forth, declare their agreement to the provisions of this Memorandum of Understanding.

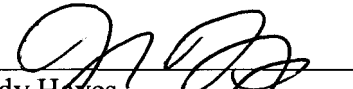
FOR THE COUNTY:



Dick Montieth, Chairman
Board of Supervisors



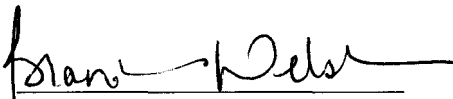
Richard W. Robinson
Chief Executive Officer



Jody Hayes
Deputy Executive Officer

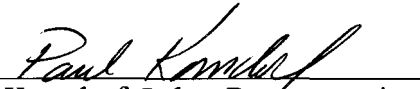


Bill Heyne
Undersheriff

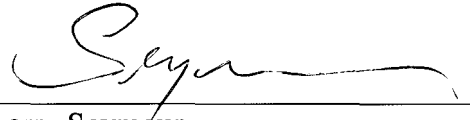


Brandi Welsh
Management Consultant


FOR SCSSA:



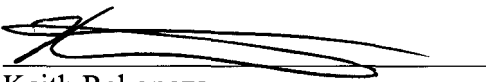
Paul Konsdorf, Labor Representative
Goyette and Associates



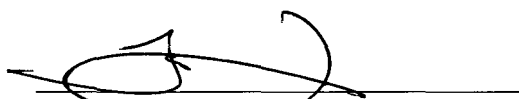
Larry Seymour
Sergeant



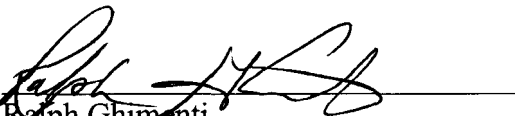
Kevin Davis
Sergeant



Keith Rakoncza
Sergeant



Tom Lawrence
Sergeant



Ralph Ghimenti
Sergeant

DATE SIGNED March 17, 2011

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ATTACHMENTS

- A. REDUCTION-IN-FORCE POLICY
- B. BINDING ARBITRATION OF DISCIPLINE AND GRIEVANCES
(EXCLUDING EEO GRIEVANCES)
- C. MARSHALL MERGER SIDELETTER
- D. IMPLEMENTATION OF 5% SALARY SAVINGS IN FISCAL YEARS 2010-2011
AND 2011-2012.

1. EMPLOYEES COVERED

This agreement covers the wages, hours, terms and conditions of employment for the term of the agreement for those employees in the classification of Sergeant.

2. TERM OF THE AGREEMENT

This agreement shall commence upon approval of the Board of Supervisors on April 27, 2010 and will expire at midnight, June 30, 2012.

3. NO STRIKE

The SCSSA, its members and representatives, agree that it and they shall not engage in, authorize, sanction or support any strike, slowdown, stoppage of work, curtailment of production, concerted refusal of overtime work, refusal to operate designated equipment (provided such equipment is safe and sound) or refusal to perform customary duties.

4. NON-DISCRIMINATION/FAIR REPRESENTATION

- A. The parties agree that the provisions of this agreement shall be applied without favor or discrimination based upon race, ancestry, religion, color, age, national origin, political affiliation or belief, disability (includes persons with AIDS or those with a record of or regarded as having a substantially limiting impairment), or medical condition (cancer related), pregnancy related condition, sex, marital status or sexual orientation. The parties agree to recognize, respect, and support the County's commitment to nondiscrimination in employment as set forth in the County's Affirmative Action Program. The SCSSA agrees to encourage its members to assist in the implementation of that program.
- B. The SCSSA agrees to acknowledge its responsibility to fairly represent all employees in the bargaining unit without regard to race, ancestry, religion, color, age, national origin, political affiliation or belief, disability (includes persons with AIDS or those with a record of or regarded as having a substantially limiting impairment), medical condition, (cancer related), pregnancy related condition, sex, marital status or sexual orientation, job classification, or employment status and in compliance with State laws. County acknowledges and agrees that it shall not discriminate or take adverse action against employees on the basis of their choice of SCSSA representation.

5. SAFETY PROGRAM SUPPORT

The SCSSA agrees to support the County's safety and loss control efforts. The parties agree to strive to reduce the number of industrial injuries among employees and maintain a safe place of employment and to encourage employees to perform their work in a safe manner.

6. COUNTY RIGHTS

Stanislaus County retains the exclusive right, except as expressly stated herein, to operate and direct the affairs of the departments of County government and all of their various aspects, including, but not limited to the right to direct the work force; to plan, direct and control all of the operations and services of the County; to determine the methods, means, organization, and schedule by which such operations and services are to be conducted; to assign and transfer employees within the various departments; to hire, promote, suspend, demote, discharge, reprimand, and evaluate employees; to relieve employees from duty due to lack of work or other legitimate reasons set forth in the County reduction-in-force policy; to change or eliminate existing methods, equipment, or facilities in order to maintain or increase the efficiency of governmental operations; and to exercise complete control and discretion over its organization and the technology of performing its work. Nothing contained herein shall be construed to preclude meeting and conferring between employer and employee regarding the practical consequences that decisions on these matters may have on wages, hours, terms, and conditions of employment.

7. COMPENSATION

A. Salary

The parties agree that all employees in the bargaining unit will receive a five percent (5%) deduction in salary starting on the July 3, 2010 workday and ending on the June 30, 2012 workday in accordance with the provisions of Attachment D.

The parties agree that a base wage salary increase will not be implemented during the term of this agreement. However, members of the Sergeants bargaining unit will be provided any base wage increase in the same amount as provided to the members of the Sworn Deputies' bargaining unit or the Lieutenant's bargaining unit during the term of this agreement.

B. Salary Administration

1. The parties agree that the County salary policy applied to an employee dismissed during probationary service from a position from which he or she had been demoted, promoted or transferred, shall be clarified as follows: Such an employee's salary shall be returned to the same step in the appropriate salary range as had been held prior to the promotion, demotion or transfer. Employee salary review date, if applicable, shall be adjusted by the equivalent number of months during which an employee did not hold the classification to which he or she is returning.
2. The parties agree to two amendments to County policy concerning salary administration. Former step advancement policy read: "Employees shall be eligible for advancement to the second step of their salary range on their anniversary date after one year of continuous service at the first step. Eligibility for advancement shall be on an annual basis thereafter until the employee reaches the maximum salary step on the appropriate range." The parties agree the second sentence is amended to read as follows: "Eligibility for advancement to subsequent salary steps shall thereafter be based on one year of satisfactory continuous service at the prior step until

the employee reaches the maximum step of the appropriate salary range."

The second change concerns the County's policy of postponing the employee's anniversary date by the number of months during which an employee was granted a leave of absence without pay. The parties agree to a change in this policy so that any leave of absence without pay, or other time off without pay exceeding fifteen (15) calendar days, shall cause the employee's anniversary date to be postponed by the equivalent number of calendar days.

C. Salary on Promotion

The County shall continue to guarantee a five percent (5%) minimum salary increase on promotion in accordance with the existing County Code provisions. Effective July 1, 1991, an exception to this provision shall be made if the step to which the employee is promoted is six (6) cents or less per hour under the minimum five percent (5%) increase. This provision shall apply when promotions to classifications within the bargaining unit occur or promotion to classifications assigned to bargaining units containing this provision.

D. On-Call Pay

Any member of this bargaining unit who is required to stay available and accessible in an on-call capacity shall be compensated for this on-call assignment.

A member is deemed "available and accessible" when:

- they can leave their residence within thirty(30) minutes and respond in a reasonable time, and
- there is no alcohol impairment

Members of this bargaining unit shall be compensated one hundred dollars (\$100.00) for each seven (7) day period of on-call assignment. If the on-call assignment is for less than a full seven (7) day period, on-call pay shall be paid on a per diem basis.

The on-call assignment must be authorized by the manager of the unit prior to the assignment.

E. Overtime

Overtime shall be compensated at a rate of time and one-half of the employee's regular rate of pay for all time worked beyond eighty (80) hours in a pay period. In calculating overtime eligibility, sick leave taken shall not be considered as time "worked". All other forms of paid time off in the form of vacation time, compensatory time, bereavement leave, jury duty, holiday pay, military leave, etc. shall be considered time "worked" for the purpose of overtime eligibility.

1. When an employee exceeds their scheduled work hours, the Department may flex the employee's remaining work schedule in the pay period for up to four (4) hours of additional work in the pay period, or for any additional work performed on a non-scheduled work day, the employer may flex the employee's remaining work schedule in the pay period by mutual agreement.
2. An employee ordered to work on a regular day of (RDO), a compensatory time off (CTO) day off, or approved vacation day, shall be compensated at time and one half for time worked. Employees, who volunteer on a RDO, CTO, or vacation day, shall be paid in accordance with Section 7 E-1.

F. Compensatory Time Off (CTO)

Overtime worked is accrued at one and one half pay rate. Employees who voluntarily work overtime to replace another employee who uses CTO to take time off shall only be paid for hours worked.

Compensatory time may be accrued to a maximum of two hundred and forty (240) hours. Accumulation of CTO in excess of the maximum shall be paid. Employees may submit requests at a minimum of eight (8) hours to cash out accumulated compensatory time. The County shall cash out such request in the following pay period in which it is received.

Employees may be permitted to use CTO within a reasonable period of time of a request as long as the request for time off does not unduly disrupt department operations. The department shall make a good faith effort to approve the request and notify the employee as soon as practical. If vacation relief or other coverage is not available, the request shall be posted and/or made available for voluntary coverage.

Employees may not demand specific date(s) off using CTO, nor may the department order employees to take time off as CTO.

All employees who promote shall cash out the total accumulation of compensatory time at the employee's pay rate immediately prior to the promotion.

G. Call-back

The parties agree that the three (3) hour minimum call-back, paid at time and one-half, shall apply to members of the bargaining unit in any official call-back situation. The parties further agree that members of the bargaining unit may receive a maximum of ten (10) hours call-back compensation, paid at time and one-half, in an eight (8) hour period resulting from a series of call-back circumstances only.

In addition, attendance at meetings on off-duty time, which have been scheduled at least two (2) weeks in advance, and for which the employee has been directed to attend, shall be compensated as overtime as provided by County policy, however, the call-back provisions shall not apply.

H. Court Pay

Any Sergeant summoned to court or hearing during his or her off-duty time arising from the course and scope of employment shall be compensated at time and one-half.

Effective at the beginning of the first full pay period in January 2009:

Any appearance during an employee's off-duty time during the a.m. hours shall be compensated once with a minimum of four (4) hours at time and one half. Any time spent beyond four (4) consecutive a.m. hours shall be compensated at time and one-half.

In addition, any appearance during an employee's off-duty time during the p.m. hours shall be compensated with a minimum of four (4) hours at time and one-half. Any time spent beyond four (4) consecutive hours shall be paid at time and one half.

The minimum as described as above shall only be paid for appearances that are one (1) hour or more beyond the beginning or ending of a regularly assigned shift. Appearances that are within one (1) hour of the beginning or ending of a regularly assigned shift are considered continuation of shift and shall be compensated at time and one half.

Employees subpoenaed to appear in court shall call in to the Sheriff's Department within twenty-four (24) hours prior to the day of the required court appearance in order to determine whether the subpoena has been canceled. Should the employee fail to call the Sheriff's Department within the twenty-four (24) hour period and appear at court for a case which has been canceled, court pay shall not be paid to the employee.

The twenty-four (24) hour time frame for call-in to the Sheriff's Department shall be a window period of 5:00 p.m. to 12:00 a.m. (midnight) of the day preceding the required court appearance. The employee shall be paid court pay if he or she calls within the required time period, is told to appear, and then the case is canceled.

I. POST Certificate Pay

1. Intermediate

The County agrees that those individuals possessing an Intermediate POST Certificate will receive a premium of two and one-half percent (2.5%) of actual base salary. POST Certificate pay is non-cumulative.

2. Advanced

Those individuals possessing an Advanced POST Certificate will receive a premium of three percent (3%) of actual base salary. Effective June 1, 2005, those individuals possessing an Advanced POST Certificate shall receive a premium of five percent (5%) of actual base salary. POST Certificate pay is non-cumulative.

J. Retirement

1. Members of the bargaining unit employed prior to January 1, 2011 shall receive upon retirement three percent (3%) of base salary at age fifty (50) calculated on the single highest twelve (12) consecutive months.
2. The parties agree to reopen the Tier Two retirement plan for all newly hired members of the bargaining unit effective January 1, 2011. Safety Tier Two benefits include the 2% at 50 retirement benefit per Government Code Section 31664 and final average compensation calculated on the highest thirty-six (36) consecutive months.

Employees who are rehired/reinstated with the County after the implementation of Tier Two on January 1, 2011 and have met the necessary membership criteria to be placed in their former retirement tier shall be eligible for placement in that former tier. In general, current legal standards allow rehired employees the opportunity to reinstate into their former retirement tier as long as the individual member either has left his retirement contributions on deposit since his prior period of County service or elects and completes the redeposit of withdrawn retirement contributions plus applicable interest. The membership tier will depend on the employee's/member's individual circumstances and prior retirement selection. Employees who are rehired/reinstated with the County after January 1, 2011 are encouraged to confirm their membership status and retirement tier reinstatement options with StanCERA.

Effective the first full pay period following July 1, 2007, the County shall pay an amount equal to the total of the employee's retirement contribution rate (Basic and COLA) to StanCERA based on the employee's retirement eligible earnings. At this time the employee will no longer pay any portion of their employee retirement contribution rate.

Employees in retirement Tier 4 (formerly Tier 1), shall maintain the retirement benefit known as "30-year pay." Tier 4 employees are eligible for this benefit as determined by StanCERA when an employee has reached thirty (30) years of service and is no longer required to make contributions to the retirement system. The County will use three and three quarters percent (3.75%) as the retirement pick-up amount utilized in the "30-year pay" calculation to determine the level of compensation the employee will receive.

All payments made by the County to StanCERA on behalf of the employee's retirement contribution rate shall be vested in the employee.

K. Special / Collateral Assignment Process

Other than provided in this MOU, the number of Special or Collateral assignments receiving special pay and those which shall be renewed are at the sole discretion of the Sheriff and such decisions shall not be subject to the grievance procedure. Assignments shall be for a specific term as set below. Assignments may not be renewed and deputies may be removed from a special assignment at the sole discretion of the Sheriff without appeal except as expressly provided herein.

1. A Special Assignment is defined as an assignment in which an employee is removed from routine patrol duties and accepts responsibility of an assignment on a regular fulltime basis that is unrelated to routine patrol duties. A Collateral Assignment is defined as an assignment in which an employee performs regular fulltime duties as assigned and in addition, accepts responsibility of an assignment on a part-time basis.

The Department shall announce openings in any paid or un-paid Special Assignment or Collateral Assignment prior to appointment. The announcement shall contain the minimum requirements for eligibility, management preferences, selections process (e.g. testing and interviews), relevant dates and specific term (i.e. number of months) of the assignment.

Employees must submit a memorandum of interest in order to be considered for the position. The Department shall only consider candidates who submitted memorandums of interest in a timely manner for the position. The Department shall determine which candidates are eligible for the position and maintain sole discretion in its selection of eligible candidates for the position. However, if the Department does not receive any memoranda of interest from any eligible candidate for an opening, it may assign an employee at its sole discretion.

Special Assignments shall commence/conclude at shift change, except in case of emergency or operational requirements of the Department (i.e. promotion, termination).

2. Terms

Collateral Assignments and the following Special Assignments may be of an indefinite term at the discretion of the Department:

Aero Squadron Pilots
Designated Range Master/ Armorer
High Tech. Crimes Deputies

Crimes Against Persons (CAP) Deputies as defined (Homicide, Robbery, Assault w/ Deadly Weapons) will have a term of two to seven years.

All other Special Assignments will have a term of two to five years.

Once an employee has been appointed to a Special Assignment which he or she requested, the employee commits to serving the term of the Special Assignment identified in the Departments' notice. This does not prevent an employee in a special assignment from requesting a transfer to another special assignment. Assignments to Contract City Patrol & Court Services shall not be considered Special Assignments.

The date in which an employee starts the special assignment is known as the anniversary date. Excluding removal for cause, additional compensation shall start on the anniversary date and continue on an annual basis up to each anniversary date. Annual reappointments to continue a special assignment must be approved by the Sheriff. Failure to approve reappointment to continue a special assignment is not subject to the grievance procedure.

The Department maintains the right to reassign personnel based on the Sheriff's discretion. Employees shall not involuntarily have a Special Assignment changed without fourteen (14) days prior notice except in the case of unforeseen circumstances.

Employees may request to be voluntarily removed from a Special Assignment. Promotion, voluntary removal, removal upon an annual anniversary or a standard transfer at the conclusion of a term is not subject to appeal.

Removal from a special assignment resulting in a loss of additional compensation prior to an annual anniversary, during a term of assignment or removal for disciplinary reasons is subject to appeal and may be appealed under the applicable procedures set forth in the Memorandum of Understanding or under the procedures in the Public Safety Officers Procedural Bill of Rights Act (POBR). Removal from a special assignment without loss of additional compensation is not subject to appeal. In all cases, upon the request of the employee, a meeting shall be scheduled with the Sheriff or his designee to review the facts regarding non-renewal or removal of appointments.

Temporary training assignments for less than ninety (90) days are not subject to special pay. However, temporary assignments (other than for training purposes) for less than standard assignment periods are permitted and shall be subject to special pay.

K. Special Assignment Pay Provisions

1. Additional compensation in the amount of two and one-half percent (2.5%) of base pay shall be paid for the following assignments: SWAT, Dive Squad, Bomb Team, Detective Unit, Background Investigator, Mounted Unit, Canine Unit, Hostage Negotiator, Field Training Officer, Coroner, Major Accident Investigation Team, and Public Information Officer.

2. Additional compensation in the amount of ten percent (10% of base pay shall be paid for Sergeants assigned as Air Support Pilot in Command.
3. The parties agree that there is no compensable off-duty work being regularly performed in connection with at least the following assignments which receive a special pay premium: SWAT, Dive Squad, Bomb Team, Detective Unit, Background Investigator, Hostage Negotiator, Field Training Officer. In the event it is finally determined by a Court that, contrary to the County's understanding, some compensable work was being performed, all such work will be compensated at minimum wage. Further, SCSSA agrees that the special pay premium will be applied, to the fullest extent allowed under the law, as compensation in full satisfaction of any such claim that is determined valid by a court of competent jurisdiction. This section shall not diminish any employee's right to compensation for work specifically assigned to be performed outside of the employee's regularly scheduled duty hours.
4. The parties agree that pursuant to the terms and conditions set forth in the Settlement Agreement and Release of All Claims Relating to the Canine Handlers ("Canine Agreement"), effective January 13, 1997, each represented employee who is assigned as a canine handler and has a dog assigned to his or her care, training, and upkeep, shall be paid eighteen (18) minutes per day at the regular rate of pay for care, grooming and transportation. This work when performed over and above the designated work period, shall be compensated at time and one half of the canine handler's regular rate of pay. All other terms and conditions set forth in the Canine Agreement remain in full force and effect.
5. The parties disagree whether there is any compensable off duty work performed by members of the Mounted Unit. If a covered employee asserts a claim for off-duty compensable work, that employee will no longer be entitled to a two and one-half percent (2.5%) premium. In the event it is finally determined by a Court that, contrary to the County's understanding, some compensable work was being performed, all such work will be compensated at minimum wage.

Each mounted shift shall include three (3) hours per day for members of the Mounted Unit for grooming and transportation of their mounts.
6. The additional compensation as described herein may be earned by one (1) incumbent for as many special pay assignments as the Sheriff assigns and approves.
7. Such assignment pay shall not be paid: (a) during periods of absences for disability leaves (including, without limitation, 4850 leave); (b) unpaid leaves of absence; or (c) any time during which the employee is unable to perform the assignment for a full pay period.

M. Designation of Bilingual Positions

1. The County will designate certain languages as eligible for bilingual certification. Employees asserting their competence in any County designated bilingual language shall be given the opportunity to test for bilingual certification. The County CEO or designee is responsible for conducting bilingual certification testing within a reasonable amount of time. Employees will be tested for verbal and/or written bilingual proficiency as determined by the County CEO and Sheriff. Employees who pass the test will be certified as bilingual.
2. Employees certified as bilingual will receive additional compensation of two and one-half percent (2.5%) of base pay for bilingual certification pay, effective the first full pay period following the certification date. Only those employees certified bilingual will be granted bilingual certification pay.
3. Employees receiving bilingual certification pay shall use their bilingual skills within the course of employment to maintain the certification pay. Bilingual employees who are not certified as bilingual will not be subject to discipline for declining to use bilingual skills in the course of employment.

N. Notification Of Shift And Special Assignment Changes

Sergeants shall not involuntarily have their shifts or special assignments changed without fourteen (14) days prior notice except in the case of unforeseen circumstances. "Unforeseen circumstances" are defined as unexpected events such as natural disaster (major flooding or earthquake), request for mutual aid or in the event of civil unrest such as a riot. The term does not include unexpected staffing shortages. This excludes regularly scheduled annual shift changes.

O. Seniority Bidding

In no event shall a supervisor be involuntarily reassigned to another shift more than once in a twelve (12) consecutive month period from the effective date of reassignment.

The Department will accommodate all shift trades agreed to by the sergeant being reassigned to patrol and another patrol sergeant.

P. Acting Watch Commander Pay

Sergeants assigned as Watch Commander for a minimum of four (4) hours shall receive an additional seven and one-half (7.5%) compensation above their base rate of pay for each hour worked in the capacity of Watch Commander. Watch Commander assignment pay is limited to one Sergeant acting as the Countywide Watch Commander at any given time.

DAYLIGHT SAVINGS TIME

The parties agree upon daylight savings time change, employees who are at work during the hour that the time change occurs shall be compensated for the time actually worked.

9. HOLIDAY/VACATION TIME PROVISIONS

A. County Holiday Policy

The parties recognize that only the immediate days of mourning or holiday declared by the President and Governor shall be considered County holidays in addition to the specific list of holidays already present in the County Code. Employees required to work on the following holidays shall be compensated at a rate of time and one-half for each hour worked for holidays, up to a maximum of eight (8) hours:

New Year's Day, January 1st
Memorial Day
Independence Day, July 4th
Labor Day
Veterans Day, November 11th
Thanksgiving Day
Christmas Eve, December 24th (four (4) hours only)
Christmas Day, December 25th

The time and one-half compensation is for work on the actual holiday only and does not apply to County observances on alternate days.

Employees shall be considered "working the holiday" based upon the start date of their shift.

B. Combining Optional Holiday Time with Vacation

The parties recognize that on December 31, 1983, any optional holiday time was combined with vacation benefits. The rate of accrual of vacation hours was increased on January 1, 1984 by sixteen (16) hours of "special" vacation time each calendar year in lieu of optional holiday time. See subdivision G of this section for vacation accrual rates.

Optional holiday time on the books as of December 31, 1983 for an employee, was "frozen" on the books and may be:

1. Taken as time off,
2. Cashed out with the approval of the employee, the department head and the County Auditor-Controller, or
3. Shall be cashed out upon the employee's termination.

C. Vacation Credit for Holidays

1. Exceptions to when equivalent vacation time is credited are as follows:
 - a. New hires or employees who return from leave of absence shall receive vacation credit for a holiday if the first day worked is on or before the holiday.
 - b. Terminated or discharged employees, or those beginning an unpaid leave of absence, shall accrue vacation credit for a holiday if the last day for which pay is received falls after the holiday, or if the last day worked falls on the holiday.
 - c. Employees on disciplinary suspension without pay shall not receive vacation credit for a holiday occurring during the period without pay
 - d. Employees taking time off without pay shall not accrue the holiday if they are on an unpaid status during the major portion of the pay period.
2. Employees who work on a holiday shall receive equivalent vacation time credit on an hour for hour basis. Equivalent vacation time credit shall also apply when a holiday falls on a Saturday for those working Monday through Friday schedules.

D. Vacation Accumulation Maximum

Vacation time in the amount not to exceed four hundred fifty (450) hours shall be carried over on employee accrual balances from year to year.

The parties agree that, employees who have reached the four hundred fifty (450) hour vacation accumulation maximum shall not accrue any additional vacation time. Accrual of vacation time shall again commence in the pay period that the employee's vacation time has fallen below the 450 hour maximum. It is the policy of the County that the employees take at least their normal vacation each year; provided, however, that for reasons deemed sufficient by their department head, an employee may, with the consent of the department head, take less than the normal vacation time with a correspondingly longer vacation the following year.

Employees who are nearing the vacation accumulation maximum of four hundred fifty (450) hours (at three hundred seventy (370) hours or higher) will receive notification from the department. Employees are encouraged to request vacation upon receiving this notice pursuant to department procedures.

Failure by the employee to make a good faith effort to request vacation in accordance with departmental procedures, will result in vacation accrual stoppage at four hundred fifty (450) hours.

If the employee does make a good faith effort to request vacation time and the request is denied by the department, or the approved vacation is canceled, or cannot be utilized by reason of subpoena or other required duties of the department, the employee shall receive up to eighty (80) hours of vacation cash-out. It is understood employees may have to request vacation time outside of high use times, i.e. holiday seasons and summer months.

E. Limited Cash Conversion

The parties agree that employees with one hundred (100) or more hours of accrued vacation on the records may request conversion into cash payments of up to forty (40) hours of accrued vacation not more frequently more than once in a fiscal year.

F. Vacation Accumulation Rate

The parties agree that consistent with the County Code the following vacation accumulation rates are in effect during the term of the agreement:

3.08 hours per pay period (ten (10) days a year) for the first through completion of the second year of continuous services.

4.62 hours per pay period (fifteen (15) days a year) for the third year through and including the tenth year of continuous service.

6.16 hours per pay period (twenty (20) days a year) for the start of the eleventh year through and including the twentieth year of continuous service.

7.70 hours per pay period (twenty-five (25) days a year) for the twenty-first (21st) year of continuous service and thereafter until separation from County service.

In addition, employees shall earn sixteen (16) hours of "special" vacation time each calendar year in lieu of optional holiday time. "Special" vacation shall be earned in addition to the regular vacation and shall be earned by prorating said amount over twenty-six (26) pay periods.

G. Time Bank

Effective upon Board of Supervisors approval and January 1st of each subsequent year, every employee covered by this agreement shall contribute an equal amount of hours, or portions thereof, from vacation to create a bank of two hundred fifty (250) hours to be used for SCSSA business. The unused hours in any year shall be carried over to the next year. However, the maximum number of hours in the time bank shall be capped at five hundred (500) hours. The time bank shall not be subject to cashout nor shall it be returned to contributing employees.

The time bank shall be used for SCSSA business and shall be approved in advance by the SCSSA president. SCSSA shall endeavor to provide reasonable and timely notice for all time bank leave requests. Requests for time bank leave shall be submitted and approved consistent with the Sheriff's existing policy for approval of vacation time. The SCSSA recognizes that the Sheriff shall not be

obligated to hire relief personnel on an overtime basis in order for a time bank leave request to be approved, nor shall previously approved leave requests of other Sheriff's personnel be subject to cancellation so that SCSSA time bank requests can be approved.

Furthermore, the County will contribute an additional eighty (80) hours annually. This supplementary time may only be used when it is of benefit for SCSSA and the County, as determined by the SCSSA president. Requests for time off shall be noted as County time and submitted as described above.

10. LEAVES OF ABSENCE

- A. The parties agree that the County's leave of absence policy shall remain unchanged during the life of this agreement and that leaves of absence without pay may be approved for probationary employees. Further, as a condition for a leave of absence without pay to continue, the County may require the employee on leave to provide periodic status reports demonstrating that the conditions still remain upon which the leave of absence was initially requested and approved.
- B. Unpaid leaves of absences, or other absences (other than paid vacation), greater than three weeks shall not count toward the minimum service period required to achieve permanent status.
- C. The parties further agree that the County's leave of absence policy shall change to reflect the fact that the granting of any leave of absence without pay or other time off without pay exceeding fifteen (15) calendar days shall cause the employee's date of eligibility for increased vacation accrual rates to be postponed by the equivalent number of days to the nearest number of days for which the leave of absence is granted based on the number of calendar days in such month.

11. SENIORITY SHIFT PREFERENCE

A. Shift and Squad Bidding

The shifts shall be approximately six (6) months in duration with shift rotations to occur in February and August of each calendar year.

Each shift shall be bid/requested bi-annually on the basis of seniority during the months of January and July each year. Supervisors will bid for both the February and August shift change during the January bid process. All Supervisors, including those on approved leave of absence, may submit bi-annual bids for seniority shift preference during the months above.

All bidding will be completed by January 31st and July 30th.

Supervisors out on extended family medical leave, military leave, disability, or 4850 must have a release to full duty without limitations effective within thirty (30) days after the shift changes occur to be eligible to exercise seniority for their shift preference. These releases must be turned in a minimum of twenty-one (21) days prior to the effective date of the shift change. Employees not meeting the requirement of submitting an appropriate release twenty-one (21) days prior to

shift change may not be given shift preference but assigned to the needs of the Department.

Supervisors not meeting these requirements may not be given their shift preference over the needs of the Department.

Supervisors shall not involuntarily have their shifts or special assignments changed without fourteen (14) days prior notice except in the case of emergency. This excludes scheduled shift changes pursuant to Section 11 of this agreement.

12. VACATION REQUESTS

A. Restricted Shifts

For the purposes of considering vacation requests, the following holidays and shifts will be reserved at the discretion of the Sheriff's Office: graveyard shift on the dates of New Years Eve, Fourth of July and Halloween. In addition, the Cinco de Mayo (May 5th) holiday, as observed by the community both day and graveyard shifts, vacation may not be granted.

Contract cities may select one event annually, Wine and Cheese Festival, Apricot Festival, or a similar street fair event, during which vacations may be denied at the discretion of the Chief or Department. This provision applies to Sergeants assigned to contract cities.

B. Seniority Requests

All seniority vacation requests shall be submitted during the month of January and returned as soon as possible, but no later than the last day of February.

The Department shall make a good faith effort to approve seniority vacation requests.

Employees can provide one (1) priority and two (2) alternate seniority requests listed in order of priority on the request *form*.

Seniority may only be exercised for one continuous block of time per calendar year.

C. Standard Requests

All standard vacation requests will be processed on a first come, first served basis.

D. Approved Vacations

After any vacation request is approved it will remain approved except in an emergency at which time those vacations scheduled during that period may be recalled.

13. AUTOMATIC RESIGNATION

The parties agree that an employee who is absent without authorization and without contacting his or her supervisor for three (3) consecutive working shifts, or longer, shall be presumed to have voluntarily resigned from County service, effective on the date at which the unauthorized absence began. The provisions of County Code Section 3.28.130 (Petition to Set Aside Resignation) shall apply. The parties agree that members of the unit do not waive any right to a hearing or other due process by this section or any rights under the "Peace Officer Bill of Rights."

14. MAXIMUM SUSPENSION

The parties agree that the maximum time period during which an employee may be suspended for cause pursuant to County discipline policies is forty-five (45) days.

13. ARBITRATION EXPENSES

This provision shall apply in the event that an individual, as opposed to the SCSSA, pursues arbitration. Prior to engaging the services of an arbitrator or court reporter, the individual shall make a deposit covering each day of arbitration, and certify that he or she is individually responsible for the costs of the arbitrator and court reporter, and that the County will have no responsibility to pay for the individual's share of costs as specified in the grievance and arbitration procedure. An arbitrator shall have no jurisdiction to order that the County assume responsibility for paying an individual's share of grievance and arbitration costs.

14. PROBATIONARY PERIOD

A. Length of Probationary Period

Any newly appointed Sergeant shall serve a maximum probationary period of eighteen (18) months total. Employees with permanent status who are promoted into the bargaining unit shall serve a probation period of one (1) year in the position to which he has been promoted, dating from the date of such promotion unless the probationary period is extended per County policy.

B. No Charges on Probationary Terminations

The parties agree that the County shall no longer be required to prepare a statement to the file as to why an individual's probationary period was terminated.

C. Extension of Probationary Periods

Probationary periods shall be extended by the same number of days for any period of time not worked of twenty-one (21) or more consecutive calendar days, except vacation.

15. REDUCTION-IN-FORCE POLICY

A joint Reduction-In-Force policy has been established and agreed to for the following four bargaining units effective January 1, 2006:

- Custodial Deputy Sheriffs Bargaining Unit
- Sworn Deputy Sheriffs Bargaining Unit
- Sheriff's Supervisor Bargaining Unit
- Sheriff's Management Bargaining Unit

The parties agree that the joint Reduction-In-Force Policy included in this agreement as Attachment A, applies to all employees covered by this agreement. The joint Reduction-In-Force Policy may only be amended by mutual agreement of the County and all four represented bargaining units.

16. GROUP INSURANCE BENEFITS

A. Group Plans Available

The parties agree that health, dental and vision plans shall be made available to County employees and, where applicable, their dependents through a cafeteria plan. The parties acknowledge these plans are, except the self-insured dental and vision plans, independent group health plans which may adjust their respective premiums or benefits as deemed necessary by the plan provider. Unless otherwise agreed to by the parties, the County's contribution is fixed and any increase in premiums is the responsibility of the employee.

Employee health insurance benefits are negotiated in a separate meet and confer process between the County and all represented employee bargaining units. A copy of the health insurance agreement covering January 1, 2006, through December 31, 2008, is included in this MOU as Attachment B.

B. Group Dental and Vision

The parties have agreed that self-insured dental and vision plan shall be made available by the County for County employees and their dependents as part of the cafeteria plan.

C. Life Insurance

Employees enrolled in one of the health insurance plans shall be eligible for a ten thousand dollar (\$10,000) term life insurance policy. This benefit is available for the employee only. Additional life insurance may be purchased at employee expense through the cafeteria plan.

D. State or Federal Health Care Reform

Should any new State or Federal legislation be approved to take effect during the term of the agreement which affects the County's health insurance programs, the parties agree to immediately meet to determine the potential impact, if any, on employees or the County, of the legislation. Absent legislation modifying such, the County agrees that at least the dollar amounts of premium contributions made

by the County for health insurance premiums shall be available to employees during the term of the agreement, unless amended through the joint negotiation process on health insurance.

17. IRS CODE SECTIONS

- A. Effective March, 1991, the County implemented the mandatory premium conversion plan under Section 125 of the Internal Revenue Code, limited to employee health insurance premium contributions.
- B. The parties acknowledge that the County has implemented the provisions of IRS Code Section 414 (h2) dealing with employer "pickup" of the employee's retirement contribution for both Tier I and II.
- C. The County shall extend to members of the bargaining unit the Dependent Care Assistance and Medical Expense Reimbursement program currently available for management and confidential employees as soon as possible after the signing of the Memorandum of Understanding (MOU).

18. PAYROLL DEDUCTIONS

A. Legal Defense Fund Deduction

The County agrees that it shall deduct from the salary of each full-time member of the bargaining unit who provides written authorization for such deduction on forms provided by the SCSSA, an amount specified in writing by the SCSSA for the specific purpose of a legal defense fund. The County shall remit said deduction to the address on file for the SCSSA. The foregoing deduction, however, is subject to sufficient funds being due to the member of the bargaining unit for whom deductions are to be made after the County has paid all of their legally required or employee-authorized payroll deductions. The SCSSA agrees to defend, indemnify and hold harmless Stanislaus County, its employees and agents against damages and claims of whatever nature arising out of deductions from employee paychecks.

B. Payroll Deduction

The County agrees to maintain, at no cost to SCSSA, a payroll deduction for members of this bargaining unit who voluntarily approve of such deduction in an amount determined by the SCSSA and consistent with the requirements of the Auditor-Controller.

C. Credit Union Deduction

The parties agree that the County shall provide a voluntary payroll deduction for the Operating Engineers Credit Union.

D. Voluntary Dues Deduction - Long Term Disability Income Protection Plan

The County agrees to implement a voluntary dues deduction program for members of the bargaining unit to participate in a long term disability insurance plan. The voluntary deduction shall be implemented in accordance with the policy of the Auditor-Controller.

19. FUTURE MEET AND CONFER TOPICS

The parties agree, during the term of this Agreement, to meet and confer at the request of either party to the extent required by the Meyers-Milias-Brown Act. These mutual, nonbinding discussions are specifically limited to the following:

- A. County Personnel Policies
- B. Health Insurance

The County agrees that any changes made as a result of the meet and confer process pursuant to this section shall not result in a loss of salary, compensation or cafeteria contributions currently provided to members of the bargaining unit.

20. PERSONAL PROPERTY DAMAGE PROCEDURE

The parties agree that the County policy providing for reimbursement of personal property such as clothing damaged or destroyed in the line of duty and without employee negligence shall continue with the specific understanding that normal wear and tear is not covered as reimbursable and that any and all disputes arising out of this process shall be referred for final resolution to a County department head mutually agreed upon. If the parties cannot agree on a particular department head, one shall be selected by an alternate striking method. Normal wear and tear refers to the wearing out of articles of personal property or clothing that results over time and through no sudden or unusual occurrence such as line of duty accident. This recognizes the fact that many articles of clothing wear out with age and would be replaced in the normal course.

22. SICK LEAVE

A. Sick Leave Cashout

The parties agree that the sick leave policy of the County in effect immediately prior to the commencement of this agreement shall remain in effect during the term of this agreement, with the exception that the policy of the County concerning pay for a portion of accrued sick leave upon termination of County employment shall be amended as follows in the consideration of the salary and other fringe benefit increases in this agreement. The parties agree that employees who terminate from County service as a result of death, non-service connected disability retirement, or service retirement shall be eligible to receive cash for accrued, but unused sick leave on the books at the rate of fifty percent (50%) of the salary equivalent of such sick leave.

The parties agree that at the time a member of the bargaining unit is granted a service connected disability retirement the employee shall not have the option to continue his or her disability leave charged against accrued sick time. Any accrued sick leave shall be cashed out at seventy-five percent (75%). The seventy-five (75%) cashout shall be limited to this circumstance only.

Employees terminating from County service for all other reasons, including but not limited to resignation and discharge, shall not be eligible to receive any cashout of unused sick leave.

The maximum amount of sick leave that shall be applied toward the cashout provisions as provided for herein shall be six hundred (600) hours. For example, if an employee retires from County service, he or she would be cashed out for fifty percent (50%) of six hundred (600) hours or three hundred (300) hours. Time in excess of the six hundred (600) hours shall continue to accrue and be used in the case of illness.

In addition, any current employee who has accrued time in excess of six hundred (600) hours shall, upon retirement, consistent with current MOU provisions, cash out the amount of time accrued as of the pay period ending January 6, 1995 or the end of the last pay period in October, whichever time is higher. The total sick leave accrual on the date for each employee shall become the employee's individual maximum or cap for sick leave cashout purposes while the employee remains in the continuous employment of the County. For example, if the employee has one thousand (1,000) hours on the date the cashout maximum takes effect, he or she would be cashed out for fifty percent (50%) of one thousand (1,000) hours or five hundred (500) hours upon retirement. Any time accrued and in excess of this time shall not be subject to cashout. The County agrees that any sick leave credited toward retirement of the employee will be made in good faith.

The purpose of this provision is to place a ceiling on the County's cashout liability for sick leave while maintaining unlimited accrual of sick leave for catastrophic illness.

Furthermore, the County agrees all sick leave accrued above the employees individual cashout maximum shall be converted toward service credit upon retirement on an hour-for-hour basis.

B. Conversion of Sick Leave Cashout Benefits to Health Insurance Upon Retirement

If the County establishes a program which allows for the conversion of sick leave cashout benefits to cover the cost of health premiums upon retirement, that program shall be made available to all employees covered by this agreement. This program must meet the criteria of the Auditor-Controller and Internal Revenue Codes for tax purposes.

C. Sick Leave Used for Family Leave

The parties agree that sick leave used for family leave would be governed by the California Labor Code Section 233.

23. UNIFORM ALLOWANCE

Effective at the beginning of the first pay period in July 2008, the uniform allowance shall be increased fifty dollars (\$50.00) for a total of one thousand two hundred and seventy dollars (\$1,270.00) per year paid monthly in twelve (12) equal payments.

No uniform allowances shall be provided to employees absent from duty for three (3) or more consecutive calendar months on 4850 or other disability-related leave.

24. BODY ARMOR

The Sheriff will provide Threat Level II or IIIA body armor to all sergeant personnel in the Operations Division. Any future proposed changes to body armor must be approved by SCSSA. All such personnel are required to wear the body armor; provided, however, the Sheriff may designate exceptions to the requirement for certain personnel. The Sheriff's designation of exceptions is not grievable or arbitrable.

25. RETIREE MEDICAL TRUST

The parties agree to allow the SCSSA to establish or participate in a Retiree Medical Trust including requiring a payroll deduction in order to participate.

27. SEVERABILITY

It is not the intent of the parties hereto to violate any laws, rulings or regulations of any governmental authority or agency having jurisdiction over the subjects of this collective bargaining agreement, and the parties hereto agree that in the event that any provisions of this agreement are finally held or determined to be illegal or void as being in contravention of any such laws, rulings or regulations, nevertheless, the remainder of the agreement shall remain in full force and effect unless the parts so found to be void are wholly inseparable from the remaining portion of this agreement.

28. MILEAGE REIMBURSEMENT

Mileage reimbursement rates will be established by the County Auditor-Controller effective January of each year based on the rates published by the IRS. This provision will be implemented in January 2007.

29. FULL UNDERSTANDING, MODIFICATION AND WAIVER

A. This Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any and all prior or existing Memoranda of Understanding, Understandings, and Agreements regarding the matters set forth herein, whether formal or informal, are hereby superseded and terminated in their entirety.

B. Existing practices and/or benefits which have a direct effect on employee wages, hours and other terms and conditions of employment which are not referenced in this Agreement shall continue without change unless modified or abolished by mutual agreement of the parties. The parties understand and agree that the provisions of mutual agreement shall not apply to issues under conditions of employment unless it can be shown that they affect wages, hours or other substantial terms or conditions of employment.

The continuation of these existing practices and/or benefits is contingent upon there being practices and benefits that are recognized by the parties as open and notorious and clear and known and regular and consistent. Examples, without limitation, would be those established in writing or those created by custom and practice known to both sides for a substantial period of time. It is the intent of the parties that management trials, test cases, individual or small group practices, or sporadic practices not be considered past practices.

C. It is the intent of the parties that ordinances, Board resolutions, rules and regulations enacted pursuant to this Agreement be administered and observed in good faith.

D. Nothing in this Agreement shall preclude the parties from mutually agreeing to meet and confer on any subject within the scope of representation during the term of this Agreement.

ATTACHMENTS

- A Reduction-In-Force Policy
- B Binding Arbitration of Discipline and Grievances (Excluding EEO Grievances)
- C Marshall Merger Sideletter
- D Agreement between the County of Stanislaus and Stanislaus County Sheriffs' Supervisor Association Implementation of 5% Salary Savings in Fiscal Years 2010-2011 and 2011-2012



Attachment A

CHIEF EXECUTIVE OFFICE

Richard W. Robinson
Chief Executive Officer

Patricia Hill Thomas
Chief Operations Officer/
Assistant Executive Officer

Monica Nino-Reid
Assistant Executive Officer

Stan Risen
Assistant Executive Officer

1010 10th Street, Suite 6800, Modesto, CA 95354
P.O. Box 3404, Modesto, CA 95353-3404
Phone: 209.525.6333 Fax: 209.544.6226

December 14, 2010

TO: Darrell Freitas, President, Sheriffs' Management Association
Larry Seymour, President, Sheriffs' Supervisors Association
Ryan Killian, President, Sworn Deputies' Association
Grant Beard, President, Deputy Sheriffs' Association

FROM: Nancy Bronstein, Deputy Executive Officer *N.B.*

SUBJECT: **REDUCTION-IN-FORCE POLICY FOR THE SHERIFF'S DEPARTMENT BARGAINING UNITS**

Thank you for your recent participation in discussions related to the negotiated January 1, 2006 Reduction-in-Force Policy (attached), the County appreciates your willingness to review potential changes to the policy. Each of your current Memorandums of Understanding (MOU) state that the policy may only be modified by the mutual agreement of the County and all four unrepresented bargaining units. Because, the County was unable to gain the concurrence of all four bargaining units the policy as attached remains in place.

This memo is to serve as a clarification to the calculation of County seniority in the event of a tie in classification seniority of two or more individuals. The current RIF Policy states that, "Where two or more individuals have equal seniority, then total County seniority shall determine the order of layoff...The calculation of total County seniority in this policy shall be consistent with the County Reduction-in-Force Policy." Recently, the methodology of using the County's Reduction-in-Force Policy (attached) was questioned and the matter was heard before the County's Personnel Hearing Board. Specifically, the issue questioned how seniority is calculated when an employee leaves and returns to County service. The Personnel Hearing Board ruled that based upon the provisions contained in the January 1, 2006 Policy, the County properly calculated the tie utilizing the County's Reduction-in-Force Policy. This policy includes the methodology for calculating County seniority in the event of a break-in-service.

Current County policy states, "The most expeditious method of continuous service calculations is first to determine if there was any period or periods where the employee was not on the job which totaled more than 90 days in any twelve month period not including any approved leaves of absence and suspensions, whether with pay or without pay or unpaid suspension. If there has been no such absences, then "continuous service" has not been broken and all periods of employment count in calculating seniority." This methodology will continue, if needed, in any case where two or more individuals have equal classification seniority and a break-in-service may have occurred.

Please contact Brandi Welsh, Management Consultant in the Chief Executive Office at (209) 525-7690 or welshb@stancounty.com if you have any questions. Again, thank you for your participation in our recent discussions. I appreciate your time and effort on this important policy.

Cc: Adam Christianson, Sheriff
Paul Konsdorf, Labor Representative
Michael Jarvis, Labor Representative

Attachment "A"

Reduction-In-Force Policy

Effective January 1, 2006

**Custodial Deputy Sheriffs Bargaining Unit
Sworn Deputy Sheriffs Bargaining Unit
Sheriff's Supervisor Bargaining Unit
Sheriff's Management Bargaining Unit**

Whenever in the judgement of the Board of Supervisors it becomes necessary in the interest of economy or because the necessity for a position no longer exists, the Board of Supervisors may abolish a position or classification, and if necessary reduce personnel by laying off employees without the filing of disciplinary charges and without granting the employee the right of appeal except as accorded in these provisions. Employee layoffs shall be based upon seniority as specified in this policy. In reducing the number of employees every effort will be made to avoid displacing existing employees by allowing voluntary demotion or transfer to vacant positions.

In the event that a Reduction-In-Force action is to be recommended, a good faith effort will be made by the County to notify the Union, and meet upon Union request to discuss alternatives to the Reduction-In-Force action including voluntary time-off, approval of leave of absence requests, and voluntary lay-offs. The County will do what it reasonably can to make available to employees who are laid off retraining opportunities as available through Federal or State job training programs or other available County programs.

ORDER OF SEPARATION

Employees in the same class shall be separated considering seniority and type of appointment with the least senior employee in any category of appointment being the first separated and with tied seniority scores broken as provided herein. The sequence of appointment types shall be:

1. Provisional
2. Extra-Help
3. Trainee
4. Regular Part-Time
5. Regular Full-Time

Employees holding permanent status in a prior classification who are subject to a Reduction-In-Force action shall be returned to their prior classification, subject to the seniority provisions of this agreement.

REDUCTION-IN-FORCE SENIORITY:

Among permanent and probationary employees in the classifications of Deputy Sheriff-Custodial, Deputy Sheriff-Coroner, Sergeant-Custodial, Sergeant, Custodial Lieutenant, Lieutenant, and Captain (Commander), the order of layoff will be determined by the total time in the employee's current classification and higher ranking classification. Where two or more employees have equal seniority, then total County seniority shall determine the order of layoff.

An agreed upon lottery system will be used in cases of equal County seniority. The calculation of total County seniority in this policy shall be consistent with County Reduction-in-Force policy.

Breaks in service or time spent in unpaid status do not count towards total time in calculating seniority. If a full-time employee converts to part-time (extra help) employment status and then back to full-time status, the time spent as a part-time employee shall be credited on a pro-rated hourly basis as long the employee did not break service for one full pay period during the transition to or from part-time status. If a full-time employee leaves County service for any period of time and is reinstated in their employment, the time spent prior to leaving employment is not counted for purposes of calculating seniority.

Example:

Initial Reduction in Force of One Lieutenant Position

Seniority Rank	County Service	Time in Classification (or higher)	
1.	20 yrs	Lt. 10 yrs	
2.	16 yrs	Lt. 7 yrs	
3.	16 yrs	Lt. 5 yrs	
4.	18 yrs	Lt. 3 yrs	Least time spent as a Lieutenant, bumped to prior Sergeant position

Impact on Sergeants

Seniority Rank	County Service	Time in Classification (or higher)	
1.	25 yrs	Sgt. 15 yrs	
2.	22 yrs	Sgt. 12 yrs	
3.	18 yrs	Lt. 3 yrs Sgt. 7 yrs	Previously held permanent status as a Sergeant, 10 years seniority in class or higher
4.	20 yrs	Sgt. 8 yrs	Bumped to prior Deputy Sheriff position

WRITTEN NOTICE

Written notice of layoff shall be served on affected employees in person or by certified letter mailed to the last address on file with the Chief Executive Officer. Notice will be served or mailed at least 21 calendar days prior to the effective date of the separation. Notice shall be deemed served upon return of a delivery receipt or receipt showing attempted delivery.

DEMOTION IN LIEU OF LAYOFF

In lieu of being laid off, an employee may elect to voluntarily demote within the Sheriff's Department to a lower paid classification in which the employee held permanent status and presently meets the minimum qualifications of the classification. Less senior employees who may be displaced as a result of demotion actions shall in turn be subject to the provisions of this

section. In order to exercise these options, the employee affected must so advise the Chief Executive Officer in writing no later than seven working days after receiving notice of layoff.

In lieu of being laid off, an employee may also elect to voluntarily demote within the Sheriff's Department to a vacant position in a lower paid classification in which the employee has not held prior permanent status. Employees voluntarily demoting to a lower paid classification in which they have not held permanent status will not result in displacement of existing employees.

TRANSFER IN LIEU OF LAYOFF

In lieu of being laid off, an employee may request to voluntarily transfer or demote to a vacant position in another department in the same or comparable classification or to a classification previously held. The transferring employee must meet the minimum qualifications of the classification at the time of transfer. Such requests require approval by the gaining Department Head. (Department probation, if applicable, may be applied.)

RE-EMPLOYMENT

For a period of one year from the effective date of layoff no regular position in the affected classification in the department involved shall be filled without first providing employees possessing rights to re-employment with an opportunity to be rehired.

Re-employment lists shall be in inverse order of lay-off with the most senior employee from amongst those laid-off rehired first. Such re-employment would be at the same salary step or the salary range assigned such classification and with the same seniority as the employee had earned at the time of layoff. Benefits paid out at the time of separation such as vacation or sick leave may be bought back at employee expense. Written notice of the re-employment opportunity shall be sent by certified mail to the last known-address of the former employee by the Chief Executive Officer. The former employee shall have 14 calendar days to respond to the notice.

ADMINISTRATIVE DECISIONS

The Chief Executive Officer is authorized to render decisions resolving questions of seniority and continuous service in the administration of this section.

APPEALS

Persons subject to layoff or demotion under these provisions may appeal to the Chief Executive Officer any allegation of error, fraud, irregularity or bias in the application of the reduction-in-force procedures. The affected person may, within seven days after receipt of the decision of the Chief Executive Officer, appeal that decision. An appeal shall be filed with the Chief Executive Officer. The Chief Executive Officer shall forthwith transmit the appeal request to the Hearing Board established pursuant to Chapter 3.28.060 of the Ordinance Code of Stanislaus County. The Hearing Board shall within a reasonable time from the filing of the appeal, commence the hearing thereof and shall notify the interested parties of the time and place of the hearing at least five days in advance thereof. At the hearing, both the appellant and the County shall have the right to be heard publicly, to be represented by Counsel and to present evidentiary facts. The parties may agree to a hearing closed to the public and the Hearing Board may at any time exclude any person who may be a witness in the appeal under consideration. The hearing shall be informal and the Hearing Board shall not be bound by any

of the rules of evidence governing trial procedure and State courts. The Hearing Board shall render a written decision, copy of which shall be transmitted to the Chief Executive Officer. The Chief Executive Officer shall serve a copy of the decision upon the appellant. The decision of the Hearing Board shall be final. Relevant provisions in Chapter 3.28.060 and 3.28.070 of the Ordinance Code of Stanislaus County shall govern the hearing process.

REDUCTION-IN-FORCE SENIORITY CALCULATION

In calculating service time for purposes of this policy, those records which are maintained by the Chief Executive Office shall be utilized. However, should there be a challenge to the validity of the calculations or cases of equal or near equal seniority, the Chief Executive Office may utilize such payroll or other records which may be on file with the Auditor-Controller's Office or other department.

Agreement to Provide Binding Arbitration by an Outside Arbitrator
in Lieu of Section 3.28.060 "Hearing Board and Hearing Officer"
of the Stanislaus County Discipline Ordinance

A. Submission of the Disciplinary Appeal to the Hearing Board or Hearing Officer.

The parties agree that the employee may elect to have the disciplinary matter heard by the current discipline appeals board as provided by county code section 3.28.060 "Hearing board and hearing officer" in lieu of binding arbitration by an outside arbitrator. Should the employee to utilize the hearing board or hearing officer as provided by Section 3.28.060 of the County Code the decision of the hearing board or hearing officer shall be final and the employee shall forgo the option of arbitration by an outside arbitrator. The employee agrees to assume half of the cost of the hearing officer.

B. Submission of the Disciplinary Appeal to Binding Arbitration

1. Notice of Action and Appeal

In the event the Department Head determines to discharge, suspend or reduce in rank or compensation a permanent employee after completing the procedures provided in Section 3.28.020 he shall serve upon the employee an order in writing stating (A) the nature of the disciplinary action, (B) the effective date of the action, (C) the causes therefor, (D) the specific acts or omissions upon which the causes are based, stated in ordinary and concise language and (E) the right of the employee to appeal. The employee acted against may, within seven days of service of the order appeal the action of the Department Head. If the employee fails to appeal within the time specified, or subsequently withdraws his appeal, the punitive action taken by the Department Head shall be final.

An appeal shall be in writing, shall be filed with the Director of Personnel, shall request specifically the use of binding arbitration in lieu of the discipline appeals board, and shall contain a complete answer to each charge set forth in the order. The answer shall include any objections the employee may have as to the form or substance of the order or the procedures followed by the Department Head.

2. Selection of Arbitrator

If the employee elects to have the disciplinary proceeding heard by an arbitrator the arbitrator may be selected by mutual agreement between the Director of Personnel and the employee or his/her representative. However, should the parties fail to mutually agree on an arbitrator they shall make a joint request of the State Conciliation Service for a list of five qualified arbitrators. The arbitrator shall be selected from the list by the parties alternately

striking names with the first strike determined by chance, until only one name remains, and that person shall serve as arbitrator.

The Director of Personnel shall forthwith transmit the order and appeal to the arbitrator for hearing. The arbitrator shall, within a reasonable time of the filing of the appeal and the election of the arbitrator, commence the hearing thereof, and the Director of Personnel shall notify the interested parties of the time and place of hearing at least five days in advance thereof.

3. Arbitration Issues

The parties shall exchange summaries of evidence, and a list of witnesses to be used by each side, shall be submitted to each other and the arbitrator no less than five (5) working days prior to the arbitration hearing.

4. Arbitration Expenses Shared

The cost of employing the arbitrator and the court reporter for all discharges excluding the transcript, shall be borne equally by both parties to the arbitration. The cost of the transcript shall be covered as provided by County Code Section 3.28.110, subsection A, "Hearing Procedure". All other costs such as, but not limited to, attorney's fees shall be borne only by the party incurring that cost. If both parties agree to the use of a court reporter other than for discharges, or the arbitrator requires the use of a court reporter the cost of the court reporter shall be shared equally.

5. Duty of Arbitrator

The duty of the arbitrator shall be those of the hearing board as referred to throughout the Stanislaus County Disciplinary Ordinance including, but not limited to County Code sections 3.28.070 "Hearing rules" and 3.28.110 "Hearing procedure".

6. Arbitrator's Decision Due

Unless the parties agree otherwise, the arbitrator shall render the decision in writing within 30 days following the close of the hearing. A copy of the written decision shall contain findings of fact which may be stated in the language of the pleadings or be referenced thereto. If requested by either party the decision shall be accompanied by findings of fact and conclusions of law.

A copy of the written decision shall be transmitted to the Department Head and the Director of Personnel. The Director of Personnel shall cause to be served a copy of the decision upon the employee. Service by mail at the employee's last known address shall be sufficient for purposes of this section. A copy of the decision shall be placed in the employee's personal history file. The decision of the arbitrator shall be final and binding on both parties.

7. Non-Employee Organization Representation

In the event that an employee chooses to represent himself/herself, or arranges for representation independent of the recognized employee organization, the employee assumes the costs of the hearing officer or arbitration as provided herein.

This includes that the cost of employing the arbitrator and the court reporter for all discharges excluding the transcript, shall be borne equally by both parties to the arbitration. The cost of the transcript shall be covered as provided by County Code Section 3.28.110, subsection A "Hearing Procedure". All other costs such as, but not limited to, attorney's fees shall be borne only by the party incurring that cost. If both parties agree to the use of a court reporter other than for discharges, or the arbitrator requires the use of a court reporter the cost of the court reporter shall be shared equally.

If the employee elects to utilize the hearing officer or panel in lieu of arbitration, the employee agrees to assume half the cost of the hearing officer.

**AGREEMENT BETWEEN THE COUNTY OF STANISLAUS AND MUNICIPAL COURT UPON
THE MERGER OF THE MARSHAL'S AND SHERIFF'S DEPARTMENTS**

This agreement is made and entered into this 14th day of January, 1992 by and between the County of Stanislaus, a political subdivision of the State of California, hereinafter referred to as "County" and Don Olson, Marshal, Les Weidman, Sheriff, and Municipal Court of Stanislaus County.

WHEREAS, it has been agreed to by the parties that the consolidation of the office of Marshal into the office of Sheriff will eliminate the duplication of services, better utilize security resources and be more cost effective.

NOW, THEREFORE, in consideration of mutual covenants and conditions and to effectuate the consolidation the parties hereto agree as follows:

1. The parties agree that Marshal Don Olson, during his final year (prior to retirement), of employment with the County of Stanislaus, shall receive a monthly car allowance equivalent to that currently received by Department Heads.

2. Pursuant to government code, Marshal Don Olson resigns his position of Marshal with Stanislaus County effective upon the date of the consolidation. However, Don Olson does not resign from County service, therefore there shall be no interruption of County service. Don Olson's original start date of October 1, 1979 will remain unchanged, vacation accumulation rate and sick leave balances remain in tact, there will be no loss of seniority.

3. Further, Don Olson, on the date of the Marshal-Sheriff consolidation will promote to the classification of Lieutenant, with the working title of Court Services Commander, be assigned to the fifth step of the salary range, and be transferred to the Sheriff's Department.

COUNTY OF STANISLAUS

By Pat Paul
Pat Paul
Chair, Board of Supervisors

By Don Olson
Don Olson
Marshal

By Les Weidman
Les Weidman
Sheriff

Approved as to Form
& Content
By Don E. Smith
Presiding Judge
Municipal Court

APPROVED AS TO CONTENT:

Patricia Hill Thomas
Patricia Hill Thomas
Chief Administrative Office

APPROVED AS TO FORM:

Michael Krausnick
Michael Krausnick, County Counsel

**BETWEEN COUNTY OF STANISLAUS
AND
STANISLAUS COUNTY SHERIFFS' SUPERVISOR ASSOCIATION**

**RE: IMPLEMENTATION OF 5% SALARY SAVINGS IN
FISCAL YEARS 2010-2011 AND 2011-2012**

Pursuant to this agreement between the County of Stanislaus (County), and Stanislaus County Sheriffs' Supervisor Association (SCSSA), the parties agree as follows:

Whereas, the County of Stanislaus has identified significant budget shortfalls throughout County departments in Fiscal Years 2010-2011 and 2011-2012; and

Whereas, the County and SCSSA agree to a 5% deduction of employee salaries as a method of reducing labor costs and minimizing the number of County employees subject to reduction-in-force in Fiscal Years 2010-2011 and 2011-2012.

Now therefore, the parties agree to the following terms and conditions of implementing 5% salary cost savings in Fiscal Years 2010-2011 and 2011-2012:

1. All employees in the bargaining unit(s) represented by SCSSA will receive a 5% deduction in salary starting on the July 3, 2010 workday, and ending on the June 30, 2012 workday. The 5% salary deduction will be on a pre-tax basis and will be calculated on the employee's base wage. The Salary deduction will not decrease the compensation paid for extra pays (special assignment pay, etc.). Retirement contributions will not be withheld on behalf of the employee or County on the amount of salary deducted.
2. All employees receiving a 5% salary deduction will receive four hours of special accrued leave time each pay period in which the 5% salary deduction is taken, or an equivalent amount of special accrued leave time pro-rated based on the number of hours paid to the employee. The total special accrued leave time earned in each fiscal year will be 104 hours, based on 5% salary deductions for each 80 hours of paid time during 26 pay periods. Special accrued leave time will be administered in the same manner as vacation time for purposes of determining overtime eligibility.
3. Special accrued leave time will be reported as a separate accrual amount on each employee's payroll advice notice. Employees may go negative in their special accrual leave time balance up to a maximum of 104 hours, however employees may not go negative in any amount greater than the employee's current vacation accrual amount. Employees may not carry a negative balance over at the end of each fiscal year. If an employee has a negative balance at the end of the fiscal year, or upon separation of employment, the County will reduce the employee's vacation accrual amount by an equal portion to balance the employee's special accrued leave time to zero.
4. Special accrued leave time will be utilized during any period of office closure approved by the Board of Supervisors. Office closure schedules will be

communicated by July 1, 2010 for the period of time from July 1, 2010 to December 31, 2010, and by October 1, 2010 for the period of time from January 1, 2011 to June 30, 2011. Office closure schedules will be communicated by July 1, 2011 for the entire Fiscal Year 2011-2012. With Department Head approval, employees may work during periods of approved office closures in limited circumstances to provide required County services.

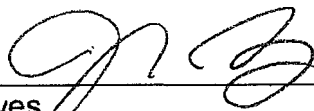
Any remaining special accrued leave time not utilized during an office closure will be eligible for the employee to use as requested with the approval of their Department Head or designee. Department Heads may substitute the use of vacation with special accrued leave time as necessary, unless an employee is at the maximum level of vacation accrual.

5. Employees and departments are encouraged to schedule and utilize all special accrued leave time within the fiscal year in which it is accrued. Special accrued leave time not utilized within the fiscal year may be carry forward up to June 30, 2013. All special accrued leave time will expire and not be eligible for use on or after July 1, 2013. Special accrued leave time does not have a vested cash value and may not be cashed out during employment or at the time of termination.
6. Employees retiring from County service will be exempted from 5% salary deductions for a one year period prior to their identified date of retirement. In order to receive this exemption, retiring employees will need to sign an irrevocable notice of their retirement/resignation from County service on forms provided by the County. Employees may request Department Head approval to extend their planned retirement/resignation date, however any approved extension of their planned retirement/resignation date will require an adjustment of salary deductions and special accrued leave time to ensure that the employee is not exempted from the salary deductions for a period greater than 12 months. Employees must be eligible for a regular service retirement in order to receive this exemption.
7. The parties agree to implement a Retirement Incentive Program as outlined in Attachment A.
8. In recognition of the agreed 5% salary savings for Fiscal Years 2010-2011 and 2011-2012, the County agrees to not impose through any meet and confer process an additional base salary reduction/deduction beyond the 5% contributed by employees represented by SCSSA from the date of agreement through June 30, 2012. This provision does not prohibit the parties from introducing or discussing proposals for additional base salary savings during this period of time which may further assist in balancing future County budget deficits. This provision also does not limit in any way the County's existing authority to meet and confer on all other terms and conditions of employment including, but not limited to, employee health insurance, retirement benefits and miscellaneous compensation (such as special assignment pays, on-call pay, etc.).
9. The County agrees to temporarily modify existing reduction in force policies to extend return rights for employees impacted by a reduction in force to three years. This extension of return rights will apply to all permanent regular employees

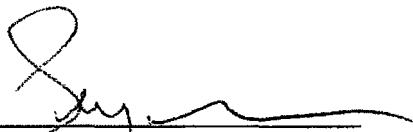
represented by SCSSA who are terminated or demoted through a reduction in force action from the date of agreement through June 30, 2012.

10. SCSSA recognizes that the implementation of the 5% salary deduction is not a form of discipline for individual employees and employees may not appeal this reduction in salary under any County appeal procedures.
11. Implementation of the 5% salary deduction will not impact an employee's existing leave time accrual benefits (sick leave, vacation, etc.), retirement service credit or health insurance benefits.
12. Vacation cash outs will not be approved for employees participating in the 5% salary deduction program in Fiscal Years 2010-2011 and 2011-2012; individual MOU provisions will remain for employees reaching the vacation accrual maximum and denied the use of vacation.
13. Employees may voluntarily request unpaid Voluntary Time Off (VTO), as per County policy, in addition to the 5% salary deduction.

Agreed to this 6 day of April, 2010



Jody Hayes
Stanislaus County



Labor Representative
Stanislaus County Sheriffs'
Supervisor Association

Attachment A

Stanislaus County Retirement Incentive Program

Eligibility

20 Years of full-time service in Stanislaus County; or

Full-time employee eligible for normal service retirement from StanCERA as of July 1, 2010

- General Members – 30 yrs of total service OR 50 yrs old with 5 yrs of service and 10 yrs of membership in StanCERA
- Safety Members – 20 yrs of total service OR 50 yrs old with 5 yrs of service and 10 yrs of membership in StanCERA

Benefit

Termination pay of \$1,000 per year of full-time County service, up to a maximum of \$25,000

Termination pay is not retirement contributable and will not impact employee's final average salary calculation for retirement

Option available for employees to split benefit payment between July 2010 and January 2011; employee will be converted to extra help employment status for purposes of the January 2011 payment distribution but will not be eligible to earn any additional compensation. Employees will have the option of diverting payments to deferred compensation plans in accordance with IRS regulations.

Cost

Paid out of existing department appropriations in FY 2010-2011

Approval

Employee participation in Retirement Incentive Program will require Department Head and CEO approval

Request and approval process to be completed in conjunction with Proposed Budget for departments to include savings in FY 2010-2011 budget

Based on a review of the program for FY 2010-2011, County may offer the program again for employees retiring in July 2011 to assist with the FY 2011-2012 budget. This option is at the sole discretion of the County.

Staffing Impact

Department to delete the resulting vacant position by August 1, 2010

If resulting vacancy is identified as a critical position, department may substitute for an alternative position(s) of equal value (requires CEO approval)

Employees approved for Retirement Incentive Program are not eligible for future employment with Stanislaus County (including regular, part-time or personal services contract), unless approved by the Board of Supervisors



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: SUZI SEIBERT
CLERK TO THE BOARD OF SUPERVISORS

FROM:  SHANNEN LOVE
CONTRACTS ADMINISTRATION

DATE: MAY 27, 2011

SUBJECT: FULLY EXECUTED CONTRACT

=====

Enclosed for your record is the fully executed original of the following Agreement:

- ◆ Yosemite Community College District – Data Match Service, January 1, 2011 through June 30, 2011 – BOS #2011-131, March 1, 2011, Board Agenda #B-12

If you have any questions regarding the above documents, please call me at 558-1430.

Thank you.

BOARD OF SUPERVISORS
2011 MAY 27 1P 2:16P



**COUNTY OF STANISLAUS
COMMUNITY SERVICES AGENCY
AGREEMENT TO PROVIDE
DATA MATCH SERVICE
JANUARY 1, 2011 THROUGH JUNE 30, 2011**

BOARD OF SUPERVISORS

2011 MAY 27 P 2:16

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 January 1, 2011.

RECITALS

WHEREAS, the County has a need for California Work Opportunities and Responsibilities to Kids' (CalWORKs); 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 Avenue
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.

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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
Christine C. Applegate

Title: Director

Dated: 5/19/11

**YOSEMITE COMMUNITY
COLLEGE DISTRICT**

By: Teresa M. Scott

**Teresa M. Scott
Executive Vice Chancellor**

Title: _____

Dated: 5/11/11

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

By: John P. Doering

Title: Deputy County Counsel

Dated: 4/28/11

COUNTY PURCHASING DEPARTMENT

By: [Signature]

Title: Purchasing Agent

Dated: 5-20-11

COUNTY OF STANISLAUS

Approved per BOS Item #: 2011-131

Dated: March 1, 2011

YOSEMITE COMMUNITY COLLEGE DISTRICT
AGREEMENT TO PROVIDE
DATA MATCH SERVICES
JANUARY 1, 2011 THROUGH JUNE 30, 2011

I. SCOPE OF WORK:

County and Contractor shall work in partnership to complete a data match for period of January 1, 2011, through June 30, 2011 with the intent to compare the Modesto Junior College student population with CalWORKs' active aided adults eligible to be enrolled in Welfare-to-Work (WtW) activities. The data match shall generate a report that identifies the total number of students and the 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 10/11 and Fiscal Year 11/12 to support CalWORKs' customers residing in Stanislaus County requiring a community college education to obtain job skills leading to employment.

II. 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 January 1, 2011, through June 30, 2011, 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. **January 2011 through June 2011 services are due June 10, 2011.**

Billings 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 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.
3. County retains the right to withhold payment on disputed claims.