

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

DEPT: Chief Executive Office

BOARD AGENDA # B-5

Urgent Routine

AGENDA DATE March 6, 2012

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Consideration and Approval of the Mid-Year Financial Report for Fiscal Year 2011-2012 and Related Actions

STAFF RECOMMENDATIONS:

1. Accept the Chief Executive Officer's Mid-Year Financial Report for Fiscal Year 2011-2012.
2. Authorize the Chief Executive Officer and the Auditor-Controller to make the necessary adjustments as recommended in the Mid-Year Financial Report.
3. Approval to allow Behavioral Health and Recovery Services to pay prior year inpatient hospital invoices for services that were provided last fiscal year.

(Continued on Page 2)

FISCAL IMPACT:

The 2011-2012 Adopted Final Budget was balanced at \$891,127,103 and used the combination of \$836,968,139 in revenue and \$54,158,964 in fund balance and one-time funding sources. Adjustments to the Adopted Final Budget have been approved by the Board and incorporated into what is referred to as the Operating Budget for the current fiscal year. These changes include encumbrances carried over from the prior fiscal year, departmental savings from the prior fiscal year that have been added to the Adopted Final Budget appropriations, and adjustments approved by the Board through various agenda items.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2012-098

On motion of Supervisor Chiesa, Seconded by Supervisor De Martini
and approved by the following vote,

Ayes: Supervisors: Chiesa, Withrow, Monteith, De Martini and Chairman O'Brien

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

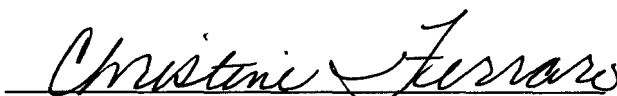
1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

STAFF RECOMMENDATIONS: (Continued)

4. Authorize the use of \$900,000 of the Department of Child Support Services' contingency account, as recommended in the Mid-Year Financial Report by 4/5 vote of the Board of Supervisors.
5. Approve the 2012-2013 General Fund Budget Strategy as outlined in the Report.
6. Amend the Salary and Position Allocation Resolution to reflect the recommendations included as part of the Mid-Year Financial Report, as outlined in the Staffing Impacts section of this report and detailed in Attachment B to be effective the start of the March 10, 2012 pay period, or as otherwise noted.
7. Approve the reduction-in-force of one filled position in the Assessor's Office and one filled position in the Children and Families Commission effective June 30, 2012.
8. Approve contracts and/or agreements listed on Attachment C in cumulative amounts of \$100,000 or greater since July 1, 2009.

FISCAL IMPACT: (Continued)

The Operating Budget at the Mid-Year point is \$944,331,715, funded with \$866,476,428 in revenue and \$77,855,287 in fund balance and one-time funding sources.

The Mid-Year Financial Report includes an overall appropriation increase to the Operating Budget, for all funds, of \$3,484,426. The report further recommends \$17,516,045 in increased departmental revenue resulting in a \$14,031,619 decrease in the use of fund balance/retained earnings. In the General Fund, Discretionary Revenue estimates are increasing by \$5,471,000.

Following is a brief description of recommended Mid-Year Adjustments and funding source by fund type.

General Fund

The General Fund recommended Mid-Year budget for Fiscal Year 2011-2012 is \$247,290,471, a decrease of \$4,493,961 from the 2011-2012 Mid-Year Operating Budget.

The recommended decrease in the General Fund is primarily due to the decrease of \$4.8 million in Realignment Vehicle License Fees due to the reallocation of this funding directly to a Mental Health subaccount. Other factors increasing or decreasing the General Fund include an increase of \$60,000 in the CEO-County Facilities budget for mitigation and abatement activities for the Indalex site cleanup, to be funded by the estimated increase in Discretionary Revenue; receipt of \$341,278 for Fiscal Year 2010-2011 operational cost true-up from the Stanislaus Animal Services Agency; a decrease of \$57,451 in the CEO-Office of Emergency Services/Fire Warden budget to correct an accounting error that occurred at year-end; an increase of \$522,614 in the Clerk-

Recorder Elections budget due to the additional unfunded cost of the Presidential Primary election, funded by \$241,168 in additional department revenue and \$281,446 funded by the estimated increase in Discretionary Revenue; an increase of \$80,000 in the Grand Jury budget for costs associated with Criminal Grand Jury proceedings and higher than anticipated attorney costs associated with a contempt case, to be funded by increased Discretionary Revenue; and an increase of \$60,000 in the Sheriff Detention budget for the purchase of a vehicle and equipment which will be funded by an operating transfer from the Sheriff-Civil Process Fee budget.

Special Revenue Funds

The Special Revenue Fund recommended Mid-Year budget for Fiscal Year 2011-2012 is \$534,292,219, an increase of \$5,112,973 from the 2011-2012 Mid-Year Operating Budget.

The recommended increase in the Special Revenue Fund is primarily due to increased funding for the Area Agency on Aging, Behavioral Health and Recovery Services, Community Services Agency, and the Library. Area Agency on Aging is receiving an additional \$76,659 for an increase in Federal Older Americans Act funding for senior services and programs, and an increase in two other grants; an increase of \$331,860 in the Library budget is requested for salaries, retirement cashouts and services and supplies, which will be offset from an increase in revenue from prior year sales tax collections and a donation from the Library Foundation.

Overall, the department of Behavioral Health and Recovery Services (BHRS) is requesting an increase in appropriations of \$161,456 within their budgets. The overall increase is attributed to increased contract expenses in BHRS-Managed Care due to the increase in hospitalization usage, an increase to pay prior year inpatient hospital invoices received this fiscal year, an increase in salaries and benefits to accurately reflect the time of staff who oversee programs in BHRS-Alcohol and Drug and Stanislaus Recovery Center, and an increase to purchase equipment.

The Community Services Agency (CSA) is requesting an increase in appropriations of \$4,102,234 in the CSA-IHSS Provider Wages, CSA-Public Authority Administration, CSA-Public Authority Benefits Administration, and the CSA-Public Economic Assistance budgets. The overall increase is primarily due to the receipt of realignment growth funds that allows for drawdown of additional State and Federal revenues. It is important to note, although the Department is requesting to decrease the Public Economic Assistance budget, a critical funding need still exists for the Foster Care program due to the lack of available local match.

Other budget adjustments recommended within the Special Revenue Fund include \$8,909 for an additional grant award in the District Attorney-Rural Crimes Prevention Program budget; an increase of \$21,555 in Environmental Resources for staffing costs which will be funded by department fund balance; an increase of \$134,403 of one-time appropriations in the DER-Parks and Recreation, funded by department fund balance for pump upgrades at the Modesto Reservoir; an \$8,000 increase in the Health Services Agency-Public Health for an unanticipated equipment purchase which will be funded by

department fund balance; and an overall increase of \$267,897 in the Sheriff-CAL-MMET, Civil Process Fee, and Vehicle Theft budgets due to additional funding received from the Local Safety and Protection Account, an increase in operating transfers for the purchase of a vehicle and equipment, and a decrease in appropriations due to salary savings in the Vehicle Theft budget.

Child Support Services is requesting to transfer \$900,000 from its contingency account by 4/5 vote of the Board of Supervisors, to be used for various projects including IT infrastructure and an advanced automated customer service solution.

Capital Projects Funds

The Capital Projects Fund recommended Mid-Year budget for Fiscal Year 2011-2012 is \$19,021,241, and represents no change from the current Operating Budget.

Enterprise Funds

The Enterprise Fund recommended Mid-Year budget for Fiscal Year 2011-2012 is \$62,827,010, and represents no change from the current Operating Budget.

Internal Service Funds

The Internal Service Fund recommended Mid-Year budget for Fiscal Year 2011-2012 is \$84,385,200, an increase of \$2,865,414 from the 2011-2012 Mid-Year Operating Budget.

The recommended increase in the Internal Service Funds is due to an increase in appropriations and revenue of \$2,602,020 in the General Services Agency-Utilities to correct a technical error when this budget was moved from a General Fund to an Internal Service Fund; and an increase in appropriations of \$263,394 in the Public Works – Morgan Shop budget for increased fuel costs and department fuel usage, increased materials for repair and maintenance of vehicles and the depreciation of the bio-diesel on site fuel tank, to be funded by an increase in revenue and the use of department fund balance.

Consideration and Approval of the Mid-Year Financial Report for Fiscal Year 2011-2012 and Related Actions

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The following table depicts the recommended adjustments by fund type:

Summary of Mid-Year Adjustments by Fund				
Department	Adopted Final Budget 2011-2012	Mid-Year Legal Budget 2011-2012	Recommended Mid-Year Adjustments	Recommended Mid-Year Budget 2011-2012
General Fund	\$ 230,029,775	\$ 251,784,432	\$ (4,493,961)	\$ 247,290,471
Special Revenue Fund	501,756,368	529,179,246	5,112,973	534,292,219
Capital Projects Fund	18,839,895	19,021,241	\$ -	\$ 19,021,241
Enterprise Fund	61,262,641	62,827,010	\$ -	\$ 62,827,010
Internal Service Fund	79,238,424	81,519,786	2,865,414	\$ 84,385,200
Total	\$ 891,127,103	\$ 944,331,715	\$ 3,484,426	\$ 947,816,141

Fund Balance

On July 1, 2012, the beginning Fund Balance for all funds was \$352,646,530. The current approved operating budget includes the use of \$77,855,287 in fund balance/retained earnings. If approved, the Mid-Year recommendations will decrease the use of fund balance in all funds by \$14,031,619. As a result of these recommendations and previous Board actions, the ending fund balance for all funds will be \$288,822,862.

The following table illustrates the Fund Balance by fund type:

Summary of Fund Balance by Fund Type					
Fund Type	Beginning Fund Balance on 7/1/2011	Legal Budget Revenue	Legal Budget Appropriations	Mid-Year Recommendation Impact to Fund Balance	Projected Fund Balance on 6/30/2012
General Fund	\$ 108,251,885	\$ 224,345,359	\$ 251,784,432	\$ (5,448,283)	\$ 86,261,095
Special Revenue Fund	\$ 191,769,329	\$ 497,623,445	\$ 529,179,246	\$ (8,469,060)	\$ 168,682,588
Capital Projects Fund	\$ 23,787,050	\$ 8,308,906	\$ 19,021,241	\$ -	\$ 13,074,715
Enterprise Fund	\$ 10,436,335	\$ 58,848,071	\$ 62,827,010	\$ -	\$ 6,457,396
Internal Service Fund	\$ 18,401,931	\$ 77,350,647	\$ 81,519,786	\$ (114,276)	\$ 14,347,068
Total	\$ 352,646,530	\$ 866,476,428	\$ 944,331,715	\$ (14,031,619)	\$ 288,822,862

DISCUSSION:

The primary focus of the Mid-Year Financial Report is to provide an update on the current status of the County budget, as well as project the financial condition of the County through the end of the fiscal year. Included in this Mid-Year report are

discussions about recommended budget adjustments, significant budget challenges, and budget strategies for this fiscal year and beyond.

Summary of Adopted Final Budget

The Adopted Final Budget approved on September 13, 2011 totaled \$891.1 million, and reflected a decrease of approximately \$27.7 million for all funds as compared to the 2010-2011 Adopted Final Budget of \$918.8 million. The General Fund totaled \$230 million, a decrease of 3 percent when compared to the 2010-2011 Adopted Final Budget of \$237 million. Included in department recommendations was the use of \$934,428 in Fiscal Year 2011-2012 General Fund fund balance for departments as a result of the 75% Net County Cost Savings Program. At the close of Fiscal Year 2010-2011, \$9.2 million was carried forward for this purpose using existing unexpended departmental appropriations. However, because some departments realized their net county cost savings by bringing in excess revenue in 2010-2011, a recommendation was included in the Final Budget Addendum to increase 2011-2012 departmental appropriations by the amount of the additional revenue. Departments have benefited by a total of \$10.2 million through this savings program over the past two fiscal years.

Current Operating Budget

Adjustments to the Adopted Final Budget have been approved by the Board and incorporated into what is referred to as the Operating Budget for the current fiscal year. These changes include encumbrances carried over from the prior fiscal year, departmental savings from the prior fiscal year that have been added to the Adopted Final Budget appropriations, and adjustments approved by the Board through various agenda items. As a result of these adjustments made prior to the mid-year review, the Operating Budget is \$944,331,715, funded with \$866,476,428 in revenue and \$77,855,287 in fund balance and one-time funding sources.

Summary of Recommended Mid-Year Adjustments

The 2011-2012 Mid-Year Financial Report reflects recommended adjustments and a fiscal review of department budgets. Overall, departments are requesting an increase in appropriations of \$3,484,426 and an increase in estimated revenue of \$17,516,045, resulting in an overall decrease in the use of fund balance/retained earnings in all funds of \$14,031,619.

Summary of Recommended Mid-Year Adjustments by Board Priority

The following table illustrates the recommended mid-year adjustments by priority area. A more detailed explanation is included in the Mid-Year Financial Report (Attachment “A”):

Appropriations	A Safe Community	A Healthy Community	A Strong Local Economy	A Strong Agricultural Economy/Heritage	A Well Planned Infrastructure System	Efficient Delivery of Public Services	2011-2012 Recommended Adjusted Budget
Adopted Final Budget	\$142,780,614	\$442,000,515	\$24,658,271	\$4,394,350	\$111,206,476	\$166,086,877	\$891,127,103
Legal Budget							
Adjustments Through Mid-Year Review	18,977,559	13,078,798	1,561,753	880,272	9,844,279	8,861,951	53,204,612
Recommended Mid-Year Adjustments	359,355	4,348,349	331,860	-	419,352	(1,974,490)	3,484,426
Total Recommended Mid-Year Appropriations	\$162,117,528	\$459,427,662	\$26,551,884	\$5,274,622	\$121,470,107	\$172,974,338	\$947,816,141

Budget Strategy for Budget Year 2012-2013 and Beyond

At its peak, Discretionary Revenue was \$180.8 million. Discretionary Revenue is projected to end the 2011-2012 Fiscal Year at \$145.5, a 20% decrease. The General Fund has decreased by 17.5% or \$48.8 million from its peak of \$278.8. The 2011-2012 Adopted Final Budget, which reflects all funds, is \$62 million less than the high of \$966.5 million in Fiscal Year 2008-2009.

As significant reductions in revenue became evident, the Chief Executive Office Senior Leadership Team developed a 30-month strategy beginning Mid-Year 2009-2010 to provide a long range plan for the organization to restructure. Departments have been issued the following reductions in General Fund contributions:

- 2009-2010 5% reduction for Public Safety departments; 12% reduction for all other departments
- 2010-2011 9% reduction for all departments
- 2011-2012 5%-14% reduction for Public Safety departments; 10%-30% reduction for all other departments

Staffing has also seen a dramatic decrease from its high of 4,603 authorized positions, to the 3,724 authorized positions recommended in the 2011-2012 Mid-Year Report. Currently at the 24 month point, it is clear that the challenges to the County will continue well beyond the initial 30-month period.

The Chief Executive Office Senior Leadership Team continues to focus 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 2012-2013. The General Fund Strategy is based on core assumptions that include:

- Departments will be given the same General Fund contribution (commonly referred to as “net county cost”) in Fiscal Year 2011-2012;
- Overall discretionary revenue is projected to increase by \$5.5 million (approximately 4%) from the Fiscal Year 2011-2012 Final Budget;
- Retirement costs anticipated to increase 25% for General Fund departments and 29% for all funds, as the use of non-vested reserves to partially offset employer rates is not available;
- Savings in health insurance costs projected due to change to self-insured programs;
- 6% savings anticipated in salary costs for negotiated bargaining units; and
- Use of \$9.2 million of committed fund balance previously set aside as Teeter reserve and \$5.4 million of unassigned fund balance for a total of \$14.6 million in one-time funding.

A critical piece in developing the strategy for Budget Year 2012-2013 is the effect of salary costs for employees in bargaining units that have not negotiated a pay deduction. As of this writing, eight of the County’s twelve bargaining units have agreed to a 6% deduction starting July 1, 2012. As the 5% deduction comes to an end as of June 30, 2012, County departments will be required to absorb any increases in salary costs either through reductions-in-force or through program reductions. The current estimated cost is \$1.7 million for the General Fund and \$9 million across all funds. It is anticipated that many departments will have Net County Cost 75% savings as of Fiscal Year End 2011-2012 to help address some of the impacts to the 2012-2013 budget.

Additional Issues and Ongoing Challenges

Additional issues and ongoing challenges can be found on pages 16-21 of the Mid-Year Financial Report. They include:

Labor Relations. As stated above, eight of the County’s twelve labor organizations have agreed on a permanent 6% salary deduction to be effective July 1, 2012, after the current 5% Salary Deduction Agreement ends on June 30, 2012. The County is currently starting negotiations with the remaining four labor groups (Stanislaus County Employees Association AFSCME Local 10, Service Employees’ International Union, County’s Attorneys Association, and California Nurse’s Association).

Health Insurance. On January 1, 2012, the County implemented a new self-insured medical plan and a new three-year health insurance agreement for all bargaining units (excluding SEIU). Under the new health insurance program and labor agreement, the County anticipates a savings in calendar year 2012 of approximately \$1.6 million to the General Fund and \$4.9 million for all funds. It is anticipated that the total health insurance program cost will increase on average 5%-7.5% per year starting January 2013 based on projected inflation in medical costs.

Retirement. For the 2011-2012 Fiscal Year, the Stanislaus County Employees Retirement Association (StanCERA) Board took action to mitigate proposed retirement rate increases. StanCERA authorized the transfer of \$12.6 million from non-valuation reserves to offset a portion of the County's retirement costs for the 2011-2012 Fiscal Year. While this action was instrumental in mitigating the increased retirement costs in Fiscal Year 2011-2012, this funding will not be available in Budget Year 2012-2013. Without this mitigation, departments will experience an estimated overall increase in retirement rates of approximately 25%.

Health and Human Services. Significant unmet needs exist in Public Assistance programs and In-Home Supportive Services (IHSS). The unmet needs include a \$2.9 shortfall in Foster Care Assistance impacting an estimated 554 children in the current budget year and a \$1.2 million deficit in IHSS Wages and Benefits based on flat growth assumptions from actual caseload experience. As part of the 2011-2012 Adopted Proposed Budget, the Health Services Agency identified a significant exposure of \$2.9 million in the current year for the Medically Indigent Adult (MIA) program that remains unfunded.

Realignment. On June 30, 2011, Governor Brown signed a series of legislative bills as part of the State budget that provided funding and made necessary technical changes to implement the public safety realignment program outlined in Assembly Bill 109. Stanislaus County will receive \$6.6 million for nine months of operation in the 2011-2012 Fiscal Year. At this time, counties remain positive in continued receipt of realignment dollars, but are unsure if the funding will be adequate to fund all of the expenses incurred. The Governor has included continued Realignment funding with the Fiscal Year 2012-13 Proposed State Budget.

Redevelopment/Successor Agencies/Oversight Boards: The Chief Executive Office is working with the Board to develop a strategy for the creation of the Oversight Boards to direct administration of Successor Agencies for respective former redevelopment agencies in Stanislaus County (eleven in total). For the Stanislaus County Successor Agency, the Board of Supervisors will appoint three members (one general, one public, one representing employees of the former redevelopment agency) to the Oversight Board (composed of seven members). For the remaining ten Successor Agencies, the Board will make two appointments (in similar categories listed) to each Agency. Total appointments will be a minimum of twenty-three.

AB 900 Jail Construction. Jail facilities are urgently needed, and the impact of State prison realignment due to Assembly Bill (AB) 109 has presented even more challenges on local adult detention facilities. The County applied for \$80 million in State Local Jail Construction funding (AB 900 Phase II), which includes a \$9.5 million local match, for a proposed project totaling \$89.5 million. Funding will be used to construct 384 maximum security beds, 72 medical/mental health beds, and a day reporting facility. The Executive Steering Committee has recommended full funding and the Corrections Standards Authority will consider funding awards on March 8, 2012.

Aging County Facilities Need Repair and Renovation. Various facilities throughout the system are rapidly aging and are in need of repair and renovation. Both Juvenile

Detention and Adult Detention Facilities needs are significant and immediate repairs could exceed \$4.1 million. Funds need to be allocated for these repairs to ensure continuous operation. Staff continue to evaluate multiple funding and phasing strategies to meet these needs now and into the future.

State Budget. The status of the proposed State Budget continues to be in question. The budget committees in both houses have heard from the Legislative Analyst Office (LAO) and the Department of Finance (DOF). There are still discrepancies regarding the size of the deficit (\$13B vs. \$9.2B) and the amount of revenues that will materialize for the State through the end of the next fiscal year. In short, the LAO continues to opine that the Administration is overestimating revenues in the Governor's proposed budget by as much as \$6 billion. It is now evident the Legislature will not follow the Governor's call for action on certain of his budget proposals by March 1, 2012. Failure to act as he has requested will probably worsen the State's deficit by hundreds of millions of dollars.

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, 2009 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 C.

POLICY ISSUES:

The Board of Supervisors is asked to consider whether the recommendations included in the attached Mid-Year Financial Report are consistent 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 Budget incorporates funding for 3,724 allocated full-time positions. This is an increase of 16 positions from the 3,708 full-time positions approved in the 2011-2012 First Quarter Budget. The Mid-Year recommendations includes a reduction-in-force of one (1) position at the Children and Families Commission, a reduction-in-force of one (1) position at the Assessor's Office, unfunding five (5) vacant positions, deleting four (4) vacant positions, restoring six (6) unfunded positions, and adding 19 new positions. The recommended changes for the 2011-2012 Mid-Year budget will result in a net increase of 14 positions to the position allocation count.

The majority of the positions being restored are at the Community Services Agency as the result of increased funding in the StanWORKs public assistance programs. The increase in funding is due to the continuing rising need for public assistance by the community which has created significant caseload growth. The Community Services Agency is continuing to experience growth in public assistance programs due to the

downturn in the economy and high unemployment in the County. The funding is restricted to specific mandated programs which will lead to program expansion and require no increase in General Fund Match.

In addition, positions were restored or unfunded since the approval of the 2011-2012 First Quarter Budget through separate Board actions. The Auditor Controller's Office restored one (1) Account Clerk III position effective December 20, 2011 to ensure that vendor transactions specific to Community Services Agency are processed with better efficiency. The Sheriff's Department accepted a grant from the California Emergency Management Agency for the Law Enforcement Specialized Units Program and restored one (1) Deputy Sheriff position dedicated to domestic violence effective January 1, 2012. The Health Services Agency restored funding to one (1) Administrative Clerk III position to support Public Health's California Children's Services program, and unfunded one (1) vacant Administrative Clerk II position effective February 11, 2012. Since the 2011-2012 First Quarter Budget, the recommended changes resulted in an increase of two (2) positions bringing the total allocation count from 3,708 to 3,710 full-time allocated positions.

Total Current Authorized Positions as of 2011-2012 First Quarter Budget	3,708
Separate agenda items:	
Auditor Controller's Office restored one position effective 12/20/11	1
Sheriff Department restored one position effective 01/01/12	1
Health Services Agency restored one position and unfunded one position effective 02/11/12	-
Total added positions	2
Total full-time allocated positions	3,710
Net Changes to the Position Allocation Reflected in the Recommended Mid-Year Budget	14
Total Authorized Positions with Approval of the Recommended Mid-Year Budget	3,724

Several technical adjustments are also recommended in the Mid-Year Report: reclassifying upward one Account Clerk III at the Agricultural Commissioner's Office to a Confidential Assistant II, reclassifying upward one Software Developer/Analyst III at the Assessor's Office to a Senior Software Developer/Analyst, reclassifying upward two Clinical Services Technician II positions at Behavioral Health and Recovery Services to two block budgeted Mental Health Clinician II positions, reclassifying upward three Legal Clerk IV positions to three block budgeted Child Support Officer II positions, reclassifying one Systems Engineer II at the Clerk Recorder Department to a Senior Systems Engineer, reclassifying downward one Social Worker IV at Community Services Agency to a Family Services Specialist III, reclassifying upward one Legal Clerk III at the Sheriff's Department to a block budgeted Supervising Legal Clerk II, and reclassifying downward one Manager II-Safety to a Sergeant. Additionally, it is recommended to delete one vacant unfunded Storekeeper II position at Alliance Worknet, conduct classification studies for two positions at Health Services Agency, and transfer a Mental Health Clinician II between budget units at Behavioral Health and Recovery Services.

Listed below are the staffing recommendations:

RECOMMENDATIONS AFFECTING POSITION ALLOCATION COUNT

Department	Reduction-In-Force (RIF)	Unfund Vacant Position	Add New Position	Restore Unfunded Position	Delete Vacant Position	Subtotal
Assessor	-1	-1		1		-1
BHRS				1		1
CEO-Operations & Services				1		1
Child Support Services		-3			-3	-6
Children & Families Commission	-1				-1	-2
Community Services Agency			18	1		19
Probation		-1	1	1		1
Sheriff				1		1
Grand Total	-2	-5	19	6	-4	14

TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION

Department	Study	Reclassify Upward	Reclassify Downward	Delete Unfunded Position	Transfer In	Transfer Out
Agricultural Commissioner		1				
Alliance Worknet				-1		
Assessor		1				
BHRS		1			1	-1
Child Support Services		3				
Clerk Recorder		1				
Community Services Agency			1			
Health Services Agency	2					
Sheriff		1	1			
Grand Total	2	8	2	-1	1	-1

The staffing attachment (Attachment “B”) 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 first full pay period beginning March 10, 2012, unless otherwise noted, and a reduction-in-force be approved for one filled Staff Services Coordinator position at the Children and Families Commission and one filled Cadastral Technician position in the Assessor’s Office effective June 30, 2012. The Chief Executive Office staff will work with the affected employees regarding any opportunities and resources available within the organization.

The County is starting a classification study of the Manager I, II, III and IV classification series. The County has retained Cooperative Personnel Services (CPS) to complete the study with assistance from Chief Executive Office Human Resources staff. The County originally established the broad classification series for Manager I-IV to streamline the pay administration system in 1998. At that time, sixty management classifications were consolidated into these four broad classifications of work. Since that time, the County has developed a conceptual framework for the Manager I-IV

series, however, the County has not developed formal job specifications. This study will allow the County to:

- Identify the duties and responsibilities of each management position, as well as the knowledge, skills and abilities required to perform the work, develop final classification specifications and identify the allocation level for each position. Having clearly defined scopes of work for each level of the Manager I-IV classification series will allow departments to ensure equity among staff in these classifications, provide a tool for measuring performance and allow the County to clearly articulate the duties and the qualifications of these positions during the recruitment process.
- Ensure compliance with merit systems; and,
- Ensure the County's compliance with the Fair Labor Standards Act (FLSA).

Meetings were held with the Department Heads and Managers to share the methodology, goals, and timelines of the study. Pre-populated Position Description Questionnaires (PDQ) were distributed to all Manager I-IV employees for their completion. The CPS Project team will review all the completed PDQs and will schedule follow-up audits with selected employees. Approximately 30% of managers will be interviewed. Upon completion of the employee review process, CPS will provide their recommendations to County leadership for review. It is anticipated this project will be completed in a 16 week timeframe at an estimated cost of \$38,000.

CONTACT PERSON:

Monica Nino, Chief Executive Officer. Telephone: (209) 525-6333.



Mid-Year Financial Report July—December 2011

BOARD OF SUPERVISORS

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

**Submitted by
Chief Executive Officer
Monica Nino**

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Introduction

This is the Chief Executive Office's Mid-Year Financial Report for the period of July 2011-December 2011 for the 2011-2012 Fiscal Year. It has been prepared to inform the Board of Supervisors, County leadership and the public of the County's financial status at the mid-point of this fiscal year. 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 2011.

While the Mid-Year Report primarily deals with the status of the County's budget as of December 31, 2011, it also 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 the upcoming 2012-2013 Budget Year.

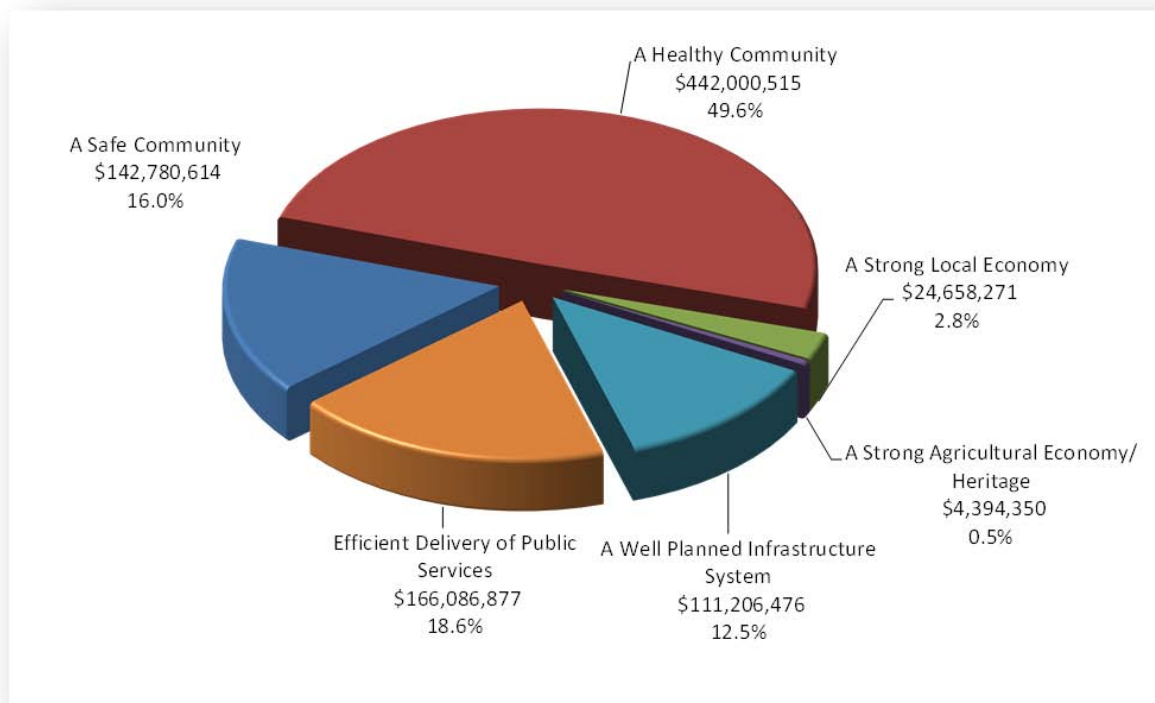
Summary

On September 13, 2011, the Board of Supervisors adopted the Fiscal Year 2011-2012 Final Budget for Stanislaus County. This spending plan of \$891,127,103 for all funds reflected a marginal decrease from the 2011-2012 Adopted Proposed Budget of \$894,271,968 and a 3% decrease from the 2010-2011 Adopted Final Budget of \$918,752,492. The Adopted Final Budget was balanced and used a combination of \$836,968,139 in revenue and \$54,158,964 in fund balance and one-time funding sources.

The County's 2011-2012 General Fund budget totaled \$230,029,775, an increase of \$3,326,104 from the Adopted Proposed Budget adopted in June 2011 and a \$6,981,691 decrease from the 2010-2011 Adopted Final Budget. The Adopted Final Budget for Fiscal Year 2011-2012 includes \$4.4 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 2011-2012
Final Budget Expenditures
By Board Priority
\$891,127,103**



BUDGET OVERVIEW

The Final Budget is adjusted throughout the year. These adjustments include carrying forward appropriations for obligations from the previous fiscal year, adjustments as part of quarterly financial reports such as this, as well as adjustments approved as part of any separate Board of Supervisors Board Agenda item. Combined, these adjustments result in an adjusted operating budget. Following is a summary of some of the more significant adjustments.

Overall Summary of First Quarter Adjustments

The 2011-2012 First Quarter Financial Report reflected a fiscal review of department budgets which recommended an overall appropriations increase to the operating budget for all funds of \$6,411,334. The report further recommended a \$6,485,198 increase in departmental estimated revenue resulting in an overall decrease in the use of departmental fund balance/retained earnings of \$73,864.

The recommended changes in the General Fund were due to several factors that included funding from the Community Services Agency to fund seven months of an existing Deputy County Counsel position; an

increase of \$400,000 in the Parks and Recreation Department to replace equipment, vehicles, and make structural repairs to two County bridges; and the Chief Executive Office received \$3,900 in Public Facilities Fees to conduct an Inflationary Update Study.

In the Special Revenue Fund the Alliance Worknet received one-time funding to provide employment and training services to dislocated workers, Behavioral Health and Recovery Services received one-time funding to cover costs related to sober living placements for the Adult Drug Court program and the Community Services Agency received funding primarily for caseload growth in public assistance programs.

The Enterprise Fund received an increase in the Environmental Resources – Geer Road Landfill budget to comply with the Cease and Desist order issued by the Regional Water Quality Control Board.

In the Internal Service Fund, Public Works – Morgan Shop received an increase for vehicle replacement funded by a grant and the General Services Agency was authorized to use retained earnings to repair an asphalt driveway at the Modesto Warehouse located at County Center III.

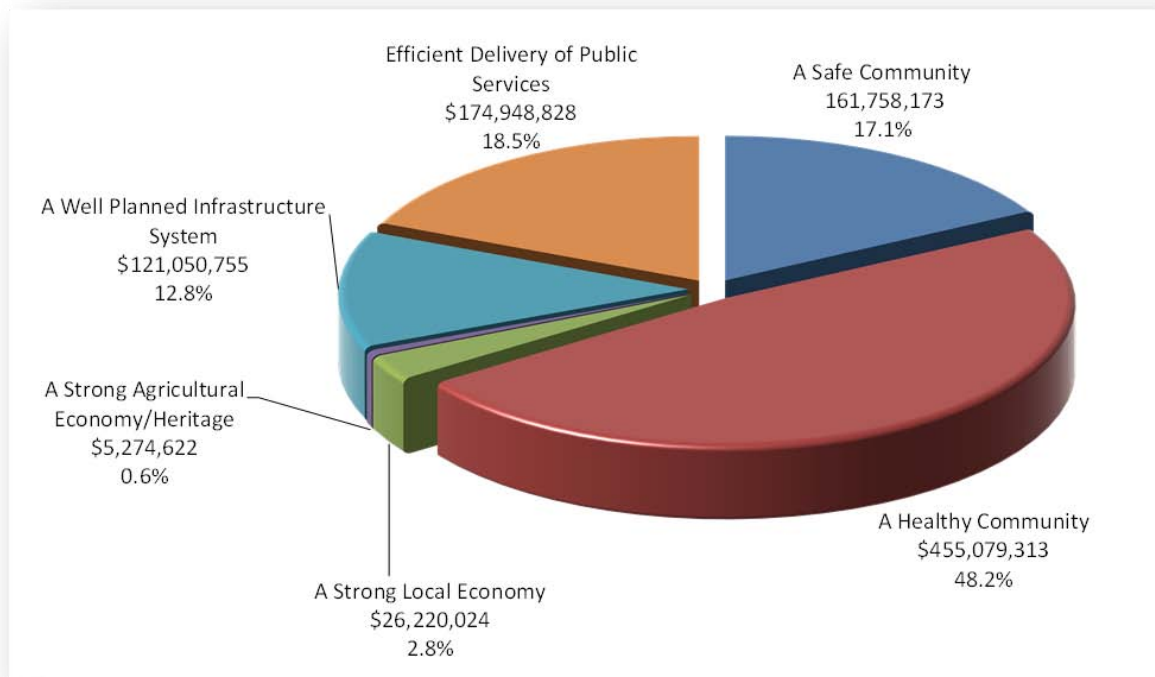
Summary of Other Budget Adjustments

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 is 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 quarterly financial reports or in separate Board of Supervisor action agenda items. The sum of these adjustments through December 31, 2011 total \$53,204,655. This reflects \$24,404,225 in funding that was carried forward and \$28,800,430 in budget adjustments approved by the Board of Supervisors in the current fiscal year through December 2011.

The result of these adjustments made prior to the mid-year review increase the total County budget to \$944,331,715 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, 2011:

**Fiscal Year 2011-2012 Adjusted Operating Budget
Expenditure by Board Priority
\$944,331,715 as of December 31, 2011**



Mid-Year Financial Report Summary

The 2011-2012 Mid-Year Financial Report reflects a fiscal review of departmental budgets, a cash analysis by fund as of mid-year and recommended adjustments. After the requested Mid-Year adjustments, all departments are on target to finish the year within their approved budgets with the exception of some mandated match program needs which will be addressed at Third Quarter. The Chief Executive Office's mid-year recommendations include a total increase in appropriations of \$3,484,426 and an increase of estimated revenue of \$17,516,045. If approved, the recommendations contained in this report will result in a decrease in the use of fund balance of \$14,031,619.

Summary of Fund Balance by Fund Type					
Fund Type	Beginning Fund Balance on 7/1/2011	Legal Budget Revenue	Legal Budget Appropriations	Mid-Year Recommendation Impact to Fund Balance	Projected Fund Balance on 6/30/2012
General Fund	\$ 108,251,885	\$ 224,345,359	\$ 251,784,432	\$ (5,448,283)	\$ 86,261,095
Special Revenue Fund	\$ 191,769,329	\$ 497,623,445	\$ 529,179,246	\$ (8,469,060)	\$ 168,682,588
Capital Projects Fund	\$ 23,787,050	\$ 8,308,906	\$ 19,021,241	\$ -	\$ 13,074,715
Enterprise Fund	\$ 10,436,335	\$ 58,848,071	\$ 62,827,010	\$ -	\$ 6,457,396
Internal Service Fund	\$ 18,401,931	\$ 77,350,647	\$ 81,519,786	\$ (114,276)	\$ 14,347,068
Total	\$ 352,646,530	\$ 866,476,428	\$ 944,331,715	\$ (14,031,619)	\$ 288,822,862

One strategy implemented to assist departments in staying within appropriations was the three-year health insurance agreement for all bargaining units adopted January 1, 2012. Under this new agreement the County will see an annual savings of \$5.1 million in calendar year 2012, half of these savings will be realized in this fiscal year beginning in January. These additional savings to departments will assist in offsetting other increasing operating costs the remainder of this fiscal year and further assist in the coming budget years.

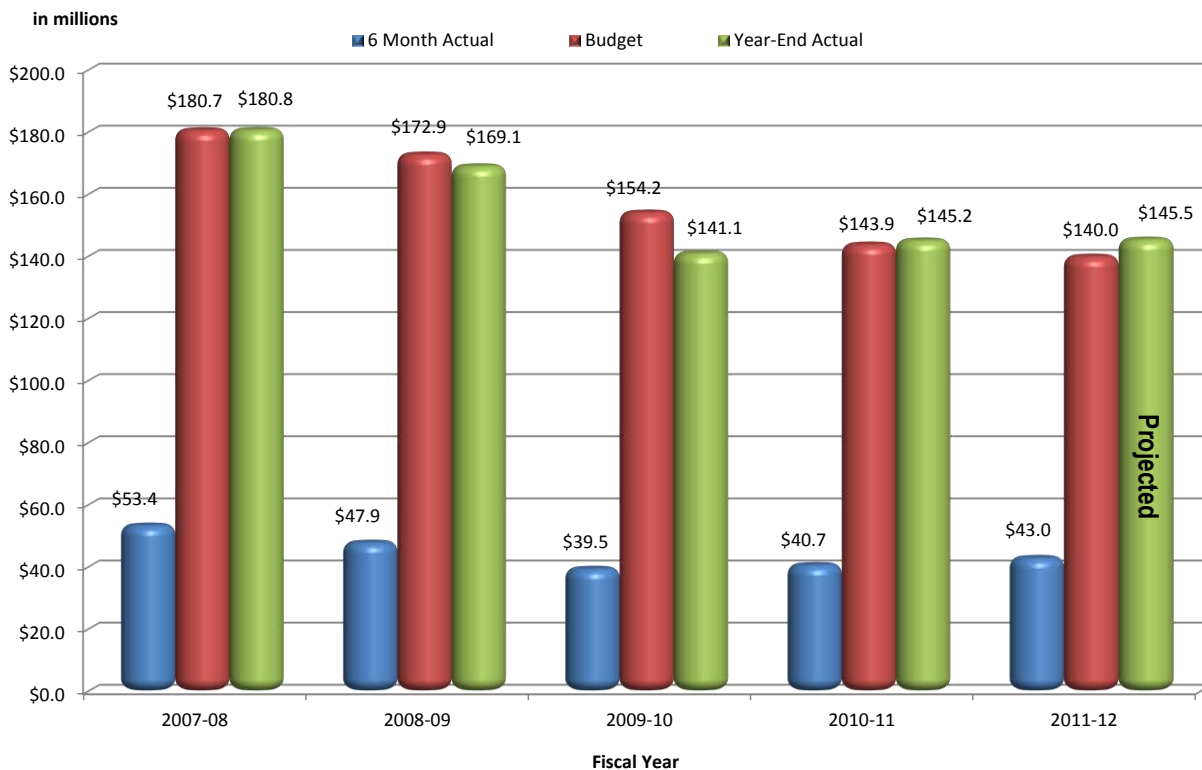
GENERAL FUND UPDATE

Discretionary Revenue

As of December 31, 2011, \$43 million was posted to the General Fund discretionary revenue accounts. This amount represents 30.7% of the 2011-2012 Final Budget amount of \$140 million and 29.6% of the estimated actual collections of \$145.5 million. Typically, discretionary revenue collected at this point of the fiscal year ranges from 25.6% to 30.7% of the Final Budget and from 28% to 29.6% 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 five-year period, including the current fiscal year:

General Fund—Discretionary Revenue Five Year Comparison



Projected revenue for year-end is \$145.5 million, approximately 4% higher than the final budgeted amount, and an increase of \$5.5 million to the budget is requested at this time. Various revenue sources are showing stronger than anticipated results through the first six months of the fiscal year and the projected increase will be used to assist in funding some of the mid-year requests recommended in this report. Further adjustments may be necessary as year-end approaches and will be addressed during 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.

The projections for year-end indicate that revenue from the collection of taxes will come in approximately \$3.3 million higher than budgeted. Current secured property tax apportionments indicate a \$300,000 increase over budget, property tax received in-lieu of vehicle license fees will exceed budget by \$1 million and sales and use tax revenue is projected to come in nearly \$1 million higher than budgeted. In addition, the in-lieu of sales and use tax revenue (also referred to as "Triple Flip") will exceed budget by \$1 million. 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 2010-2011 actual lost ERAF revenue, the County's true-up payment includes an increase of \$195,804 (compared to a \$642,189 decrease in last year's true-up payment) resulting in an adjusted amount of \$4,209,716 for this year. The 2011-2012 budget of \$3.2 million was established based on the 2010-2011 amount received and prior to the updated information from the State Department of Finance revealed that the actual ERAF loss was greater than estimated.

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. This revenue account is on target to meet the budget estimate of \$975,000 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 (2010-2011), \$5.7 million was posted by year-end, as collections continued from foreclosed properties. The budget for the current fiscal year was established prior to the final close and \$6.1 million in penalty revenue was estimated, not fully realizing how far the collections would fall from the \$7.9 million posted in Fiscal Year 2009-2010. With the uncertainty of the local real estate market and the inability to predict the direction of foreclosures in the near future, it is prudent to decrease this revenue source to more realistically line-up with year-end projections. It is recommended to decrease this revenue category by \$2.1 million, bringing the total to \$4 million.

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 1.4% to a low of 0.8% during the previous fiscal year. In comparison, the rate for the first two quarters of Fiscal Year 2011-2012 has ranged from 1.16% to 1.15%. Interest postings through two quarters indicate a stronger showing than originally anticipated and an increase of \$211,000 to the budget is in order, possibly reflecting 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 General Fund budgets of the District Attorney, Probation, and Sheriff. Revenues collected by the State Board of Equalization are apportioned to each county based on proportionate shares of Statewide taxable sales. The Proposition 172 Allocation from the local Public Safety Fund is up dramatically from the prior fiscal year for the first four months of the current fiscal year period ending December 2011 (note: the Prop 172 fiscal year begins in September of each year). The nearly 17% increase is attributed to sales tax revenue increases, accounting adjustments due to the fuel tax/excise tax swap and corrections from prior years payments. Regardless of the reasons, a more realistic growth rate for the year is closer to 7.5%. We are recommending an even more conservative approach to adjusting the 2011-2012 Final Budget of \$30.5 million by increasing the estimated revenue expectations by over \$2 million. The rate used by the State to apportion the revenue pool has not yet been updated for the current year which could mean additional changes to the amount of this revenue source.

Other sources of revenue in this category include State realignment dollars, Homeowner's property tax relief revenue and small amounts of Federal Revenue. Williamson Act subvention revenue was reported in this category in prior years but has not been budgeted for the past two years due to the State's discontinuance of this subvention. However, due to the adoption of SB 863 revenue collected as special assessments charged to landowners will appear in the Charges for Services category.

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), adjustments made to the Countywide Cost Applied Plan and now, revenue received from assessments levied to Williamson Act landowners per the enactment of SB 863. SB 863 provides an opportunity for counties to offset a portion of the loss of Williamson Act Subvention funds by establishing new contracts with the landowners enrolled in the program. The changes reduce the landowner's property tax benefits, reduce the term of the contract and allow revenues to be collected by the County as a special assessment on their property tax bill. This will add nearly \$1.4 million in revenue that was not budgeted when the Final Budget was adopted and it is recommended that the budget be increased by that amount.

Miscellaneous Revenue: Minor deposits to Miscellaneous Revenue include unclaimed monies, unclaimed estates and cancelled (or stale-dated) warrants. This category normally represents insignificant amounts but repayment of money borrowed from Tobacco Settlement funds for the construction of the new Animal Shelter is being posted in this category. At year end a special assignment in the fund balance of the General Fund will be established to make sure these repayment dollars are properly tracked. For this reason, an increase of \$306,364 to the budget is recommended.

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. This fiscal year no changes were made to this category at the presentation of the Final Budget and the current budget does not reflect the actual earnings on the Endowment Fund. In order to properly reflect the amounts credited, it is recommended to increase the budget by a little over \$100,000 at mid-year.

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

Discretionary Revenue Description	Fiscal Year 2010-2011 Actual	Fiscal Year 2011-2012 Final Budget	Fiscal Year 2011-2012 Projections	Difference between Final Bgt and Projections
Taxes	\$ 101,409,111	\$ 97,841,000	\$ 101,159,815	\$ 3,318,815
Licenses, Permits & Franchises	985,842	975,000	975,000	-
Fines, Forfeitures & Penalties	5,729,900	6,100,000	4,000,000	(2,100,000)
Revenue from Use of Money	2,016,230	1,531,000	1,742,000	211,000
Intergovernmental Revenue	32,767,077	32,062,000	34,290,181	2,228,181
Charges for Services	(491,410)	(878,000)	522,001	1,400,001
Miscellaneous Revenues	(16,463)	98,000	404,364	306,364
Other Financing Sources	3,075,171	2,300,000	2,406,639	106,639
Total	\$ 145,475,458	\$ 140,029,000	\$ 145,500,000	\$ 5,471,000

Recommended Budget Adjustment: Adjustments to the overall discretionary budget totaling a net increase of \$5,471,000 million are recommended at mid-year. As we near year-end and more of the

revenue is posted, additional adjustments may be recommended with the Third Quarter Report as necessary.

General Fund – Classification of Fund Balance

The five classifications of the fund balance of the General Fund are Non-spendable, Restricted, Committed, Assigned and Unassigned. Non-spendable, 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 has been authorized 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 by the Chief Executive Office at the time of the Final Budget included increasing Carryover Appropriations by \$542,980, increasing by \$4,326,746 the 75% Carryover Appropriations saved by General Fund departments in 2010-2011, re-classifying the assignment of the \$384,546 General Services Agency (GSA) loan to a non-spendable classification and establishing an amount of \$14,865,010 to assist with the balancing of the 2011-2012 Final Budget. This \$14.9 million Budget Balancing assignment consisted of a reclassification of \$1.6 million from Contingencies and \$1.9 million from Tobacco Settlement and Securitization, \$4.5 million from Committed fund balance and \$6.9 million from Unassigned fund balance.

Adjustments made since the acceptance of the Final Budget include minor changes to the Non-spendable classification for fair value adjustment, repayments received on economic development loans and an advance of \$289,062 for the Newman downtown plaza project. No changes to the classifications of fund balance are requested at mid-year.

Following is a table summarizing projected year-end balances. The projected fund balance at year-end assumes that revenue and expenditures will come in as budgeted and \$14.9 million from the assigned budget balancing classification will be used to cover the deficit as approved in the Final Budget. Overall, the fund balance projected at year-end is \$93.4 million. These numbers will undoubtedly change as part of the year-end close process to reflect actual experience.

GENERAL FUND	2011-2012 Beginning Fund Balance Classification	2011-2012 Final Budget Strategies	2011-2012 Activity through 12/31/2011	2011-2012 Use of Fund Balance	Projected Fund Balance as of 06/30/2012
Fund Balance - Non-spendable:					
General Fund - Fair value adjustment	\$ 1,065,232	\$ -	\$ 298	\$ -	\$ 1,065,530
ED Bank 105 - Fair value adjustment	16,018	-	-	-	16,018
CD Bank 107 - Fair value adjustment	13,903	-	-	-	13,903
Imprest Cash	91,835	-	-	-	91,835
Advances to other funds	100,000	384,546	-	-	484,546
Advances to other governments	372,069	-	-	-	372,069
Economic Development advances	4,024,190	-	289,062	-	4,313,252
Teeter receivable	18,012,420	-	-	-	18,012,420
Deposits with others	-	-	-	-	-
Prepaid items	216,186	-	-	-	216,186
Encumbrances	1,264,780	-	-	-	1,264,780
Total Nonspendable	\$ 25,176,633	\$ 384,546	\$ 289,360	\$ -	\$ 25,850,539
Fund Balance - Restricted:					
Tax Loss Reserve	\$ 3,902,068	\$ -	\$ -	\$ -	\$ 3,902,068
Total Restricted	\$ 3,902,068	\$ -	\$ -	\$ -	\$ 3,902,068
Fund Balance - Committed:					
Various Programs and Projects	\$ 6,060,782	\$ (4,525,395)	\$ -	\$ -	\$ 1,535,387
Capital Acquisition	1,300,000	-	-	-	1,300,000
Total Committed	\$ 7,360,782	\$ (4,525,395)	\$ -	\$ -	\$ 2,835,387
Fund Balance - Assigned:					
Contingencies	\$ 4,030,663	\$ (1,598,254)	\$ -	\$ -	\$ 2,432,409
Tobacco Settlement and Securitization	1,876,351	(1,876,351)	-	-	-
Retirement Obligation	2,000,000	-	-	-	2,000,000
Teeter Plan	24,275,931	-	-	-	24,275,931
Carryover Appropriations (100)	1,949,064	542,980	-	-	2,492,044
Carryover Appropriations (105)	-	-	-	-	-
Carryover Appropriations (107)	59,360	-	-	-	59,360
75% Carryover Appropriations (100)	4,879,112	4,326,746	-	-	9,205,858
Encumbrances	-	-	-	-	-
Encumbrances-Econ Development	662,434	-	-	-	662,434
Debt Service	10,950,000	-	-	-	10,950,000
Loan to General Services Agency	384,546	(384,546)	-	-	-
Budget Balancing	-	14,865,010	-	(14,865,010)	-
Total Assigned	\$ 51,067,461	\$ 15,875,585	\$ -	\$ (14,865,010)	\$ 52,078,036
Fund Balance - Unassigned					
General Fund (100)	\$ 18,724,875	\$ (11,734,736)	\$ (298)	\$ -	\$ 6,989,841
Economic Development Bank (105)	536,889	-	(289,062)	-	247,827
Community Development Bank (107)	1,483,178	-	-	-	1,483,178
Total Unassigned	\$ 20,744,942	\$ (11,734,736)	\$ (289,360)	\$ -	\$ 8,720,846
TOTAL FUND BALANCE	\$ 108,251,886	\$ -	\$ -	\$ (14,865,010)	\$ 93,386,876

CASH REVIEW

General Fund Overall Cash Position

As of mid-year, the General Fund cash balance is \$42.7 million compared to \$32.7 million for the same period last fiscal year. The result is an increase of \$10 million in cash when compared to the same period last fiscal year:

- ◆ The beginning cash position for Fiscal Year 2011-2012 was lower by \$2.3 million from the beginning of last fiscal year;
- ◆ In reviewing revenues and expenditures at mid-year, revenues are pacing the same rate as last fiscal year, whereas expenditures are pacing lower than last fiscal year by approximately \$4.2 million. The most significant reductions in expenditures are due to a decrease in Salary and Benefits; and
- ◆ Another factor contributing to the \$10 million cash difference is a \$5.7 million increase in cash as part of the 75% net County Cost Savings carryover departments were able to strategically save for addressing future challenges and needs.

	2010-2011	2011-2012	Difference
Beginning Balance	\$56,494,909	\$53,928,957	\$(2,565,952)
Mid-Year	\$32,659,826	\$42,688,293	\$10,028,467

Special Revenue Funds Overall Cash Position

As of mid-year, the Special Revenue Funds cash is at \$110.3 million compared to \$73.8 million for the same period last fiscal year. Some of the variances attributing to this increase include approximately \$9.2 million due to more timely receipts in the following funds: Behavioral Health and Recovery Services (BHRS) - Managed Care, Community Services Agency (CSA) Public Authority, CSA-In-Home Supportive Services Provider Wages, and CSA-Public Economic Assistance. The Library has a significant increase of approximately \$1 million attributed to the additional prior year sales tax received. The Probation Youth Offenders fund has increased cash by \$1.6 million compared to a year ago due to the State allocation coming in higher than the rate of expenditures. The Public Works Road and Bridge fund attributes an increase of approximately \$12.8 million in the overall cash position of the Special Revenue Funds. This variance is the result of the receipt of \$5 million of Proposition 1B (The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006) funds from the State. In addition, Public Facility Fee (PFF) project funds are transferred into the Road and Bridge fund when contracts are awarded. The current balance contains approximately \$4.7 million of PFF funds transferred into this fund for projects that have only been partially expended.

Significant cash deficits in the following funds are due to the timing of reimbursable receipts and are anticipated to be resolved by year end: Area Agency on Aging, Child Support Services, Children and Families Commission, CSA Program Services and Support, District Attorney Victim Witness and Probation-Corrections Performance Incentive Act. In addition, the Health Services Agency (HSA) Indigent Health Care Program (IHCP) has a significant cash deficit due to the timing of State realignment funds. The cash deficit in Public Health is due to the timing of expenditures that are made on various grants and/or State/Federal programs and the timing of the invoicing to receive cash reimbursement. The BHRS-Public

Guardian fund has a significant cash deficit of \$986,697. The Public Guardian is funded through fees and County General Fund contribution. This is a mandated service; however, the County's contribution, in addition to the fees collected is not sufficient to fully absorb the cost of the program. The Department has supported, and sufficient cash balance is available in the primary BHRS budget, to cover the negative projection and is consistent with the strategy used in prior years. The cash deficit in BHRS - Managed Care is primarily due to a decline in realignment revenues and the Mental Health Allocation over a three year period, as well as an increased usage of State hospital bed days. Department fund balance from the primary BHRS budget will be used to cover the shortfall in this fund. The cash balance in the Probation – Corrections Performance Incentive Act fund is lower compared to the same time last year due to this budget being managed on a reimbursement basis. Funding is claimed in arrears of expenditure.

Capital Projects Funds Overall Cash Position

As of mid-year, the Capital Projects Funds cash is at \$25.3 million compared to \$27.2 million for the same period last fiscal year. Some of the variances attributing to this decrease of \$1.9 million include the decrease of \$2.8 million in the Chief Executive Office Criminal Justice Facilities Fund primarily as a result of transferring \$2.8 million of cash to the Juvenile Commitment Center Capital Project Fund, the decrease of \$1.5 million in the Redevelopment Agency for construction efforts for the Keyes and Empire Storm Drain projects, and an increase of \$2.0 million in the Redevelopment Agency Housing Set-Aside portion of the tax increment to be used to leverage partnership opportunities for the development of additional affordable housing programs/project as available.

Enterprise Funds Overall Cash Position

As of mid-year, the Enterprise Funds cash is at \$3.6 million compared to \$8 million for the same period last fiscal year. Some of the variances attributing to this decrease include a \$5 million decrease to the Health Services Agency (HSA)-Clinics and Ancillary Services due to a transfer of \$2.3 million to HSA-IHCP to cover the operating deficit, and the lower than anticipated Medi-Cal Prospective Payment System (PPS). The following is a brief discussion of budgets with significant cash deficits:

Health Services Agency-Clinic and Ancillary Services reflects a cash deficit of \$10 million as of December 31, 2011. This is due to the timing of the Federal Centers for Medicare and Medicaid Services (CMS) audit of the Federally Qualified Health Center Look-Alike program (FQHC-LA). CMS has until December 2012 to conduct and complete the audit. If an audit occurs, CMS will set a reimbursement rate and HSA will be reimbursed based on that rate. If no audit occurs, HSA will be reimbursed at the rate with which HSA submitted its claims. It is anticipated that the cash deficit will be significantly decreased, if not eliminated once a rate is set and reimbursement of claims occurs.

Internal Service Funds Overall Cash Position

As of mid-year, the Internal Service Funds cash is at \$33.4 million compared to \$33.2 million for the same period last fiscal year. There are no budgets that have a significant cash deficit in these funds. Cash may fluctuate during the fiscal year due to changes in rates and costs in the self-insurance budgets, progress on technological or telecommunication projects, or changes in the demand for service by user departments.

BUDGET STRATEGY FOR BUDGET YEAR 2012-2013 AND BEYOND

2012-2013 General Fund Budget Strategy

At its peak, Discretionary Revenue was \$180.8 million. Discretionary Revenue is projected to end the 2011-2012 Fiscal Year at \$145.5, a 20% decrease. The General Fund has decreased by 17.5% or \$48.8 million from its peak of \$278.8. The 2011-2012 Adopted Final Budget, which reflects all funds, is \$62 million less than the high of \$966.5 million in Fiscal Year 2008-2009.

As significant reductions in revenue became evident, the Chief Executive Office Senior Leadership Team developed a 30-month strategy beginning Mid-Year 2009-2010 to provide a long range plan for the organization to restructure. Departments have been issued the following reductions in General Fund contributions:

- 2009-2010 5% reduction for Public Safety departments; 12% reduction for all other departments
- 2010-2011 9% reduction for all departments
- 2011-2012 5%-14% reduction for Public Safety departments; 10%-30% reduction for all other departments

Staffing has also seen a dramatic decrease from its high of 4,603 authorized positions, to the 3,724 authorized positions recommended in the 2011-2012 Mid-Year Report. Currently at the 24 month point, it is clear that the challenges to the County will continue well beyond the initial 30-month period.

The Chief Executive Office Senior Leadership Team continues to focus 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 2012-2013. The General Fund Strategy is based on core assumptions that include:

- ◆ Departments will be given the same General Fund contribution (commonly referred to as “net county cost”) in Fiscal Year 2011-2012;
- ◆ Overall discretionary revenue is projected to increase by \$5.5 million (approximately 4%) from the Fiscal Year 2011-2012 Final Budget;
- ◆ Retirement costs anticipated to increase 25% for General Fund departments and 29% for all funds, as the use of non-vested reserves to partially offset employer rates is not available;
- ◆ Savings in health insurance costs projected due to change to self-insured programs;
- ◆ 6% savings anticipated in salary costs for negotiated bargaining units; and
- ◆ Use of \$9.2 million of committed fund balance previously set aside as Teeter reserve and \$5.4 million of unassigned fund balance for a total of \$14.6 million in one-time funding.

A critical piece in developing the strategy for Budget Year 2012-2013 is the effect of salary costs for employees in bargaining units that have not negotiated a pay deduction. As of this writing, eight (8) of the County’s 12 bargaining units have agreed to a 6% deduction starting July 1, 2012. As the 5% deduction

comes to an end as of June 30, 2012, County departments will be required to absorb any increases in salary costs either through reductions-in-force or through program reductions. The current estimated cost is \$1.7 million for the General Fund and \$9 million across all funds. It is anticipated that many departments will have Net County Cost 75% savings as of Fiscal Year End 2011-2012 to help address some of the impacts to the 2012-2013 budget.

CURRENT ISSUES AND ONGOING CHALLENGES

As discussed in the 2011-2012 Adopted Final Budget, a number of challenges and significant concerns remain in the coming fiscal years.

Labor Relations

The County currently has agreements in place with all Labor Associations through June 30, 2012. In the fall of 2011 a majority of the County Labor Associations engaged in voluntary salary discussions with the County on a permanent 6% Salary Deduction Agreement to be effective July 1, 2012, after the expiration of the current 5% Salary Deduction Agreement. Employees will receive 48 hours of Special Accrued Leave Time (SALT) as part of the Salary Cost Deduction agreement. Included in these agreements is a provision to extend the current contract expiration dates from June 30, 2012 to June 30, 2014. Eight of twelve labor organizations have agreed to the 6% Salary Deduction. The County is currently starting negotiations with the remaining four labor groups. The chart below shows the status of the 6% Permanent Deduction Agreements and status of labor negotiations by County Labor Association.

Labor Association	Allocated Positions	Percent of Workforce	Contract Expiration Date	6% Salary Deduction Status
County Attorney's Association	67	1.8%	6/30/2012	Negotiations Starting Mar 9, 2012
California Nurses' Association	81	2.2%	6/30/2012	Schedule Pending
Service Employees' International Union, (SEIU) Local 521	569	15.3%	6/30/2012	Schedule Pending
Stanislaus County Employees Association, (AFSCME) Local	1,979	53.3%	6/30/2012	Negotiations Started Feb 8, 2012
Labor Agreements Expiring June 30, 2012	2,696	72.7%		
District Attorney Investigators' Association	13	0.4%	6/30/2014	Approved by Board Nov 2011
Sheriff's Management Association	14	0.4%	6/30/2014	Approved by Board Nov 2011
Sheriff Supervisor's Association	20	0.5%	6/30/2014	Approved by Board Nov 2011
Emergency Dispatchers' Association	39	1.1%	6/30/2014	Approved by Board Nov 2011
Probation Correction Officers' Association	78	2.1%	6/30/2014	Approved by Board Nov 2011
Deputy Probation Officers' Association	114	3.1%	6/30/2014	Approved by Board Nov 2011
Sworn Deputies Sheriff's Association	150	4.0%	6/30/2014	Approved by Board Nov 2011
Deputy Sheriff's Association - Custodial	219	5.9%	6/30/2014	Approved by Board Nov 2012
Unrepresented	367	9.9%	N/A	Approved by Board Nov 2011
Approved Labor Groups	1,014	27.3%		
Total All Groups	3,710	100%		

Library Sales Tax Measure

On October 11, 2011, the Board introduced and waived the first reading of an ordinance regarding the Stanislaus County Library Transaction and Use Tax. The current Library tax is due for renewal on July 1, 2013. The ordinance, pursuant to Section 7286.59 of the California Revenue and Tax Code, allows Stanislaus County to place the matter of a one-eighth of one percent library sales and use tax on the ballot for the June 5, 2012 election. Although the law allows for a tax authorization period of up to sixteen years, staff's recommendation is an extension period of five years. Through Fiscal Year 2010-2011, the sales and use tax has generate over \$6 million annual for the provision of Library services in Stanislaus County and accounts for over 70% of the Library's budget. The Library tax measure requires 2/3 voter approval.

Retirement

For this 2011-2012 Fiscal Year, the Stanislaus County Employees Retirement Association Board (StanCERA) took action to mitigate proposed retirement rate increases. StanCERA authorized the transfer of \$12.6 million from non-valuation reserves to offset a portion of the County's retirement costs for the 2011-2012 Fiscal Year. While this action was instrumental in mitigating the increased retirement costs in Fiscal Year 2011-2012, this funding will not be available in Budget Year 2012-2013. Without this mitigation, departments will experience an estimated overall increase in retirement rates of approximately 25%. The actuarial is expected to present the new rates to the StanCERA Board in early March.

Health and Human Services

As reported in the First Quarter Financial Report, significant unmet needs exist in Public Assistance programs and In-Home Supportive Services (IHSS). The first quarter unmet need estimate of \$5.6 million has decreased to \$4.1 million at Mid-Year Budget. The unmet needs are identified as follows:

Foster Care Assistance – The need for additional appropriations of \$4.2 million are projected with a County Match shortfall or General fund obligation of \$2.9 million. Approximately 554 children are estimated to require Foster Care (FC) aid each month in the current budget year, at an average monthly grant amount of \$2,246. Factors contributing to this critical need include the loss of enhanced Federal Medicaid Assistance Percentage (FMAP) which ended in Fiscal Year 2010-2011, court-ordered/legislated increases in foster care rates for Foster Family Home and Group Home placement, and a 2011 Realignment funding exposure as well as an anticipated increase in the number of children in care due to AB 12, which extends the legal age for FC until 21.

In-Home Supportive Services (IHSS) Wages & Benefits – Additional costs of \$7.0 million are projected with a potential County Match deficit of \$1.2 million based on flat growth assumptions from actual caseload experience in June of 2011 through June of 2012. Wages and benefits are consistent with the United Domestic Workers of America (DWA) Memorandum of Understanding (MOU) agreement approved by the Board of Supervisors on October 11, 2011. This agreement will expire again May 31, 2012, leaving ongoing cost containment plans tied to State Budget triggers and/or proposals for program adjustments. Realignment funding may present some budget balancing opportunities which Community Services Agency (CSA) staff will report on in the Third Quarter Financial Report. This is a highly volatile program at the State level, with renewed focus on IHSS due to Health Care Reform. It is projected that the IHSS program may change as it is aligned with changes in health care which begins with the Community First Choice Option (CFCO), which could provide approximately \$654,000 of savings this Fiscal Year. CSA will continue to monitor and report back at third quarter.

IHSS Program Integrity and Fraud Investigation Pilot Program – As part of the 2011-2012 State Budget trigger cuts, State funding for the Fraud Investigation Pilot Program was eliminated. Community Services Agency and the Chief Executive Office are working together to develop options on ways to move forward with this critical program in light of the State action, and will present those options to the Board of Supervisors in a separate action.

As the Community Services Agency continues to serve increased demands for services, space allocations within the Community Services Facility are under review to ensure that all departments located within the facility (Community Services Agency, Department of Child Support Services, Alliance Worknet and the Women, Infant and Children’s (WIC) program of the Health Services Agency) have sufficient space for their workload needs. It is anticipated that CSA will need additional space in the very near future. The WIC program is looking to improve its location in proximity to its customer base and will ensure partnership opportunities exist in the event a relocation occurs.

As part of the 2011-2012 Adopted Proposed Budget, the Health Services Agency identified a significant exposure of \$2.9 million in the current year for the Medically Indigent Adult (MIA) program that remains unfunded. This exposure is the result of increased utilization and program changes pertaining to patient liability for those individuals who are medically indigent adult eligible. The Department anticipates having sufficient retained earnings available in its Clinics and Ancillary Services budget to fund this exposure and will return to the Board as part of the Third Quarter Financial Review with recommendations to ensure this budget ends the year in a positive position.

Realignment

On June 30, 2011, Governor Brown signed a series of legislative bills as part of the State Budget that provided funding and made necessary technical changes to implement the public safety realignment program outlined in AB 109. Stanislaus County received \$6.6 million for nine months of operation in the 2011-2012 Fiscal Year. Departments have initiated implementation of the programs as outlined in the Community Corrections Partnership Phase I plan; however, full implementation has been delayed due to staffing shortages and the extensive hiring and background process. The Community Corrections Partnership continues to meet and is starting the development of the Phase II Plan. At this time, counties remain positive in continued receipt of realignment dollars, but are unsure if the funding will be adequate to fund all of the expenses incurred. The Governor has included continued Realignment funding with the Fiscal Year 2012-13 Proposed State Budget.

Dissolution of Redevelopment Agencies/Creation of Successor Agencies

On December 29, 2011, the California Supreme Court (Court) issued its decision in the California Redevelopment Association vs. Matosantos case, finding the “Redevelopment Agency Dissolution Act” (AB 1x 26) constitutional and the “Alternative Redevelopment Program Act” (AB 1x 27) unconstitutional. The Court’s decision dissolved all redevelopment agencies in the State of California (including the Stanislaus County Redevelopment Agency) as of February 1, 2012.

Following the Supreme Court’s decision, the Dissolution Act:

- ◆ Continues the suspension and prohibition of most redevelopment activities in effect since late June 2011;

- ◆ Dissolves RDAs as of February 1, 2012 (the new dissolution date established by the Supreme Court);
- ◆ Creates Successor Agencies and Oversight Boards to continue to satisfy “enforceable obligations” of each former redevelopment agency and administer the dissolution and wind down of each dissolved redevelopment agency; and
- ◆ Establishes roles for the County Auditor-Controller, the Department of Finance and the State Controller’s Office in the dissolution process and satisfaction of “enforceable obligations” of the former redevelopment agencies.

On January 10, 2012, the Board of Supervisors approved Stanislaus County as the Successor Agency to the Stanislaus County Redevelopment Agency and in a subsequent action on January 24, 2012, the Successor Housing Agency to the Stanislaus County Redevelopment Agency. Furthermore, the Chief Executive Officer, Director of Planning and Community Development and Auditor-Controller were directed to take all steps necessary to serve as the Successor Agency and Successor Housing Agency staff. The cities of Modesto, Turlock, Ceres, Oakdale, Patterson, Newman, Waterford and Hughson all took similar actions with regard with former redevelopment agencies within their limits. The City of Riverbank was alone in taking action not to become the successor agency for the Riverbank Redevelopment Agency.

County staff is in the process of developing a strategy for the formation and administration of Successor Agencies and Oversight Boards for each respective former redevelopment agency in Stanislaus County (eleven in total). For the Stanislaus County Successor Agency, the Board of Supervisors will appoint three members (one general, one public, one representing employees of the former redevelopment agency) to the Oversight Board (composed of seven members). For the remaining ten Successor Agencies, the Board will make two appointments (one general, one public) to each Agency. Oversight Boards need to be reported to the Department of Finance on or before May 1, 2012 although administrative milestones, from March through October 2012, necessitate the need to establish the Oversight Boards as soon as possible.

AB 900 Phase II Jail Construction Funding

AB 900 Jail Construction. Jail facilities are urgently needed, and the impact of State prison realignment due to Assembly Bill (AB) 109 has presented even more challenges on local adult detention facilities. The County applied for \$80 million in State Local Jail Construction funding (AB 900 Phase II), which includes a \$9.5 million local match, for a proposed project totaling \$89.5 million. Funding will be used to construct 384 maximum security beds, 72 medical/mental health beds, and a day reporting facility. The Executive Steering Committee has recommended full funding and the Corrections Standards Authority will consider funding awards on March 8, 2012.

Aging County Facilities Need Repair and Renovation

Various facilities throughout the system are rapidly aging and are in need of repair and renovation. Both Juvenile Detention and Adult Detention Facilities needs are significant and immediate repairs could exceed \$4.1 million. Funds need to be allocated for these repairs to ensure continuous operation. Staff continue to evaluate multiple funding and phasing strategies to meet these needs now and into the future.

Juvenile Detention Center

The Juvenile Hall at 2215 Blue Gum Avenue, in Modesto, California was constructed in 1976, and the Probation Administration wing was added in 1978. Over the past several years, the heating, ventilation, and air conditioning (HVAC) system has developed a number of operational deficiencies due to the age of the system and several key components are failing. As a result, the HVAC system is challenged to adequately service the building, which has a significant impact on the annual utility costs at the facility. The eight HVAC rooftop units were previously scheduled to be replaced through funding from the California Energy Commission (CEC) energy savings grant up to \$575,000. However, subsequently, it was determined by the CEC, that the project wouldn't meet the grants minimum energy savings requirements to be awarded funding.

Additionally, the roofs of the Juvenile Hall and Administration wing have exceeded their life expectancy and leak. The Board of Supervisors previously authorized staff to complete a study of these areas. Findings from the study indicate that some portions of the roof are candidate for immediate repairs and can be patched to stop the worst of the leaks within the previously approved project budget of \$300,000. Staff have begun the implementation of the immediate roof repairs.

However, the total estimated cost to replace and upgrade the HVAC system and to replace the roofs is \$4.1 million. Chief Executive Office Capital Projects staff are evaluating phasing and funding options, and will return to the Board of Supervisors to approve a project scope and financing plan.

State Budget Update

The status of the proposed State Budget continues to be in question. Revenues as well as expenses are highly questionable as budget subcommittees begin to move into gear in Sacramento.

The budget committees in both houses have heard from the Legislative Analyst Office (LAO) and the Department of Finance (DOF). There are still discrepancies regarding the size of the deficit (\$13B vs. \$9.2B) and the amount of revenues that will materialize for the State through the end of the next fiscal year. In short, the LAO continues to opine that the Administration is overestimating revenues in the Governor's proposed budget by as much as \$6 billion.

On the expense side of the budget equation, on January 24 2012, a US District Court Judge ruled that the State cannot reduce payments by 10% to Medi-Cal doctors, dentists, ambulance services and other providers. The decision comes after the court also blocked cuts to hospital-based nursing units and some pharmacists. The proposed 10% cut was to generate \$623 million in savings for the State.

Federal health officials recently rejected California's attempt to charge Medi-Cal patients co-payments. The co-payments were for a range of services from drugs to hospital visits. The ruling is another blow to the State Budget. Medi-Cal copayments were projected to save \$575 million in the 2012-2013 State Budget.

It is now evident the Legislature will not follow the Governor's call for action on certain of his budget proposals by March 1, 2012. Failure to act as he has requested will probably worsen the State's deficit by hundreds of millions of dollars.

These outcomes underscore the intense pressure the budget will continue to be under and the tenuous nature of its fabric.



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, 2011, actual revenue collected is \$20.4 million, which represents 36% 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 at 44.4% and 32.7% of the final actual revenue. As of December 31, 2011, expenditures are \$66.2 million, representing 40.9% of the budgeted appropriations. Expenditures at the mid-year point of the prior two years were at 48.3% and 47.9% of the final actual expenditures, placing this year below the range.

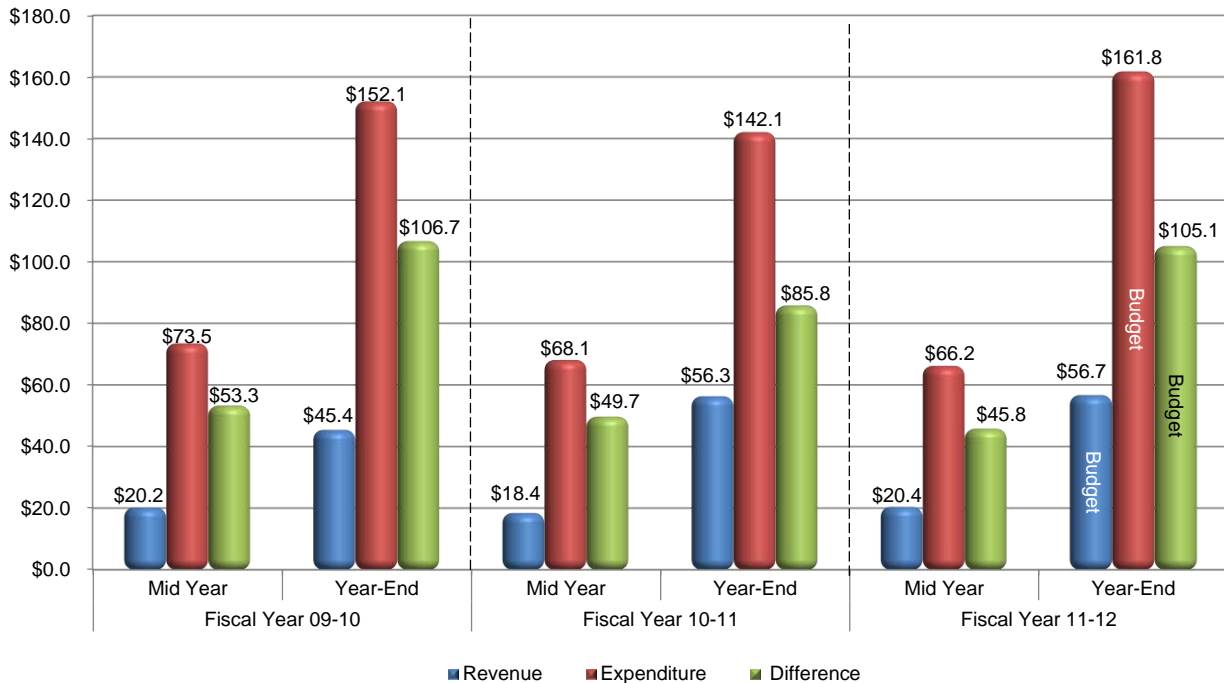
Significant variations this year, compared to the same time period one year ago include:

- ◆ Probation - An increase in revenue of approximately \$2.5 million in Local Community Corrections as a result of the implementation AB109 Public Safety Realignment; and
- ◆ Sheriff - Overall expenditures are down in the Sheriff budgets by approximately \$2 million as a result of the Reductions-in-Force (RIF) that occurred 1/29/2011.

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.

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

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 2011-2012 is \$56.7 million with departmental expenditures budgeted at \$161.8 million and the difference of \$105.1 million funded through a General Fund contribution and the use of fund balance/retained earnings. Departmental revenue is up by \$2 million and expenditures are down by \$1.9 million from Mid-Year 2010-2011.

MID-YEAR ISSUES AND RECOMMENDATIONS

ANIMAL SERVICES

On December 12, 2010, the Thomas W. Mayfield Regional Animal Services Facility was dedicated to the public in cooperation with the County and the five partner cities-Modesto, Ceres, Hughson, Patterson, and Waterford. The Animal Services Facility opened its doors to the general public in January 17, 2011 at its new location at the corner of Crows Landing Road and Cornucopia Way. The Animal Services Facility is a 33,360 square foot single level facility that includes a public entrance, adoption area, animal holding, veterinary and spay and neuter clinics and parking. On March 22, 2011, the Board of Supervisors approved the final acceptance of the Design-Build Construction of the new Thomas W. Mayfield Regional Animal Services Facility. Total project costs were approximately \$8.5 million.

As part of this new partnership, and through the creation of the Stanislaus Animal Services Agency Joint Powers Agreement (JPA), the traditional Animal Services budget was dissolved and instead the County's obligation was budgeted in Chief Executive Office – General Fund Contributions to Other Programs. The Animal Services – Trust Donations budget (a special revenue fund) inadvertently was not dissolved at that time even though a trust account under the Stanislaus Animal Services Agency JPA was created. As such,

the Stanislaus Animal Services Agency JPA and the Auditor-Controller requested that Board of Supervisors authority be granted to dissolve the Animal Services – Trust Donations budget (1760) and the cash be transferred to the Animal Services Agency – Donations Trust (6182). As of December 31, 2011, the available Equity in Pooled Cash in 1760 was \$68,608.13.

Summary of Recommendations: It is recommended to dissolve the Animal Services – Trust Donations budget and transfer any available cash to the Animal Services Agency – Donations Trust.

CEO—COUNTY OPERATIONS

County Court Funding: Based on the Chief Executive Office’s mid-year projections, the County Court Funding budget is showing indications of a noticeable drop-off in revenue collected from Court fines and fees. Although this will not affect the current appropriations in this budget, if revenue continues to come in under budget there will be an additional net county cost burden at year-end. The Chief Executive Office will continue to monitor the revenue collections as the fiscal year progresses and, if necessary, notification of exceeding the net county cost budget will be made with the Third Quarter Report or with a Board item prior to fiscal year-end close.

CEO—OFFICE OF EMERGENCY SERVICES/FIRE WARDEN

Office of Emergency Services: The Department is requesting to decrease appropriations by \$57,451 to correct an accounting error that occurred at year-end which inadvertently increased appropriations above what it should have been.

Summary of Recommendations: It is recommended to decrease appropriations by \$57,451 to correct an accounting error that occurred at year-end.

Budget Unit	Recommended			Description
	Appropriations	Revenue	General Fund Contribution	
CEO - Office of Emergency Services (OES)	(\$57,451)		(\$57,451)	Decrease appropriations to correct accounting error that occurred at year-end.
Total	(\$57,451)	\$0	(\$57,451)	

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. Additional revenue in the amount of \$107,000 from AB 118 Realignment to fund costs associated with revocation proceedings involving persons subject to state parole is anticipated but is not planning to be expended in the current fiscal year and will roll over into next year’s budget.

Rural Crimes: Notification of an additional award amount for the District Attorney’s Rural Crimes program was received at the beginning of January 2012 from the California Emergency Management Agency (Cal EMA) with the additional funds to be used for personnel costs in the Sheriff’s Office to combat rural and

agricultural crimes. The Department is requesting an increase of \$8,909 in appropriations and estimated revenue to reflect the additional award amount.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
District Attorney - Rural Crimes	\$8,909	\$8,909	\$0	Additional grant funding received from the California Emergency Management Agency
Total	\$8,909	\$8,909	\$0	

Summary of Recommendations: It is recommended to increase appropriations and estimated revenue by \$8,909 to reflect an increase to the grant awarded to the Rural Crimes program.

GRAND JURY

The Grand Jury is requesting an increase in appropriations of \$80,000. The Fiscal Year 2011-2012 Grand Jury Adopted Final budget did not include any funds for Criminal Grand Jury costs. The Grand Jury is requesting to increase appropriations by \$50,000 due to costs associated with Criminal Grand Jury. Costs to date for the Criminal Grand Jury are \$13,163 and continued use of the Criminal Grand Jury is expected through the end of the fiscal year. It is anticipated that the continued use of the Criminal Grand Jury will result in expedited justice and savings to the County as the use of the Criminal Grand Jury on high profile or multiple defendant cases will eliminate the lengthy Preliminary Examination/Pre-Trial (PXPT) process and should result in savings to the Public Defender-Indigent Defense budget as Defense Counsel is not present at the Criminal Grand Jury proceedings. In the future, should the use of the Criminal Grand Jury continue, the increased cost will be offset by anticipated savings in the Indigent Defense Budget. In addition, on December 6, 2011 the Board of Supervisors approved a \$10,000 transfer to the Grand Jury from Appropriations for Contingencies for costs associated with a contempt case. Actual costs associated with the case have materialized much higher than anticipated and the Department is requesting an additional \$30,000 to cover the cost of the case through completion.

Budget Unit	Recommended			Description
	Appropriations	Revenue	General Fund Contribution	
Grand Jury	\$50,000	\$0	\$50,000	Costs associated with the Criminal Grand Jury
	\$30,000	\$0	\$30,000	Up to \$30,000 for costs associated with a contempt case
Total	\$80,000	\$0	\$80,000	

Summary of Recommendations: It is recommended to increase appropriations by \$50,000 for costs associated with the Criminal Grand Jury and up to \$30,000 for costs associated with a contempt case, to be funded by increased Discretionary Revenue.

PROBATION

The Probation Department has requested that the Auditor-Controller and the Chief Executive Officer be given the authority to process requests to transfer appropriations among the three budgets of

Administration, Field Services and Institutional Services in order to ensure these budgets end the year in a positive position.

Staffing Requests: The Probation Department is currently sharing their Information Technology (IT) Manager with the District Attorney’s Office. In an effort to support this arrangement the Department is requesting to add a new block-budgeted Systems Technician II position. The addition of this position will allow the IT Manager to delegate work to the appropriate classification allowing the manager to perform managerial duties. Additionally, this new position will assist in absorbing the additional workload created by AB 109. The Department is also requesting to restore an unfunded Supervising Legal Clerk II position in Field Services to support the additional workload created from the State Realignment program. The Department is further requesting to unfund the Manager II position in the Administration budget.

PROBATION STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Administration	1	NEW	Systems Technician II	Add new position	Systems Technician II block-budget
	-1	1788	Manager II	Unfund vacancy	Unfund vacant position
Field Services	1	2159	Supervising Legal Clerk II	Restore unfunded position	Restore vacant position
PROBATION CHANGES	1				
Beginning Allocation	246				
Changes in Allocation	1				
Ending Allocation	247				

Summary of Recommendations: 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 budgets 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 changes described and outlined in the table above be adopted.

SHERIFF DEPARTMENT

The Sheriff has requested that the Auditor-Controller and the Chief Executive Officer be given the authority to approve future Department requests to transfer appropriations among the five Sheriff budgets of Administration, Detention, Operations, Court Security and Contract Cities in order to ensure these budgets end the year in a positive position. As in past years, it is recommended that appropriations transfers among the Administration, Detention and Operations budgets be granted. The Court Security budget is funded primarily through State funds as a result of AB 118 Realignment. The only costs not permitted are charges incurred as a result of the County Cost Applied Plan which are covered by the County’s General Fund. Any changes to the appropriations for these charges should be brought back to the Board of Supervisors as needed prior to the end of the fiscal year. 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 prevent increases to the spending authority of the cities without specific approval.

Administration: The Sheriff's Department is requesting a transfer of \$40,000 in appropriations from the Salaries and Benefits category to Fixed Assets to cover expenditures for software and server upgrades for the Countywide email system. 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.

California Multi-jurisdictional Methamphetamine Enforcement Taskforce (Cal-MMET): \$222,699 in additional funds for Cal-MMET has been received from the 2010 Local Safety and Protections Account (LSPA). This additional funding will be used to fund a portion of a Sergeant and Deputy Sheriffs' personnel expenses, one Deputy District Attorney position, a portion of a Modesto Police Officer's personnel expenses, vehicle expenses, and indirect costs assessed by the Auditor-Controller's Office. The Sheriff's Department is requesting to increase appropriations and estimated revenue by \$222,699 to account for the additional funds.

Civil Process Fee: The Civil Division provides timely and accurate civil process service to the citizens of the County and provides statewide transportation of inmates sentenced to State prison as well as State prisoners returning to court for active criminal cases. Vehicles for this transport are purchased and equipped on an ongoing basis from revenue generated in the Civil Process Fee budget. The Sheriff's Department is requesting to increase and transfer out appropriations of \$60,000 for the purchase of a new vehicle and four radios for the Civil Division to be funded by fund balance.

Detention: The Sheriff's Department is requesting a transfer of \$797,101 in appropriations from Fixed Assets to Services and Supplies to properly record equipment maintenance expenditures according to AB 109 Realignment specifications. Included is \$405,000 in the Public Safety Center budget, \$294,200 in the Bureau of Administrative Services (BAS) budget, \$52,654 in the Jail Alternatives budget, \$27,200 in the Roadside Crews budget and \$18,047 in the Support budget. The AB 109 appropriations were initially set up in September 2011 incorrectly in the Fixed Assets category of accounts and this transfer is necessary for a proper accounting of costs. Additionally, an increase of \$60,000 is requested in both appropriations and estimated revenue in the Civil Division of the Detention budget. The Civil Division provides timely and accurate civil process service to the citizens of the County and provides statewide transportation of inmates sentenced to State prison as well as State prisoners returning to court for active criminal cases. Vehicles for this transport are purchased and equipped on an ongoing basis from revenue generated in the Civil Process Fee special revenue budget. The fixed assets are part of the Detention budget and funds need to be transferred from the Civil Process Fee budget to make the proper accounting entries. Transfers In of \$60,000 along with Fixed Asset appropriations of \$55,000 and \$5,000 of Services & Supplies appropriations will allow for the purchase and equipping of an additional transport vehicle.

Vehicle Theft: The Department is requesting to decrease appropriations by \$14,802 due to salary savings resulting in a decreased use of fund balance.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Sheriff - Administration	(\$40,000)	\$0	(\$40,000)	Transfer from Salaries & Benefits for computer server purchase to fix Groupwise issues
	\$40,000	\$0	\$40,000	Transfer to Fixed Assets for computer server purchase to fix Groupwise issues.
Sheriff - Detention	(\$797,101)	\$0	(\$797,101)	Transfer from Fixed Assets to properly record costs related to AB 109
	\$797,101	\$0	\$797,101	Transfer to Services and Supplies to properly record costs related to AB 109
	\$0	\$60,000	(\$60,000)	Increase Operating Transfers In to accept funds from Civil Process Fee budget for purchase of vehicle and equipment
	\$55,000	\$0	\$55,000	Increase Fixed Assets for vehicle purchase for Civil Division
	\$5,000	\$0	\$5,000	Increase Services & Supplies for radio equipment purchase for Civil Division
Sheriff - Cal-MMET	\$222,699	\$222,699	\$0	Additional funding received from Local Safety and Protection Account (LSPA)
Sheriff - Civil Process Fee	\$60,000	\$0	\$60,000	Increase operating transfers out for the purchase a new vehicle and four radios for Detention-Civil Division
Sheriff - Vehicle Theft	(\$14,802)	\$0	(\$14,802)	Decrease Appropriations resulting in a decreased use of fund balance
Total	\$327,897	\$282,699	\$45,198	

Staffing Requests: The Department is requesting to restore an unfunded Legal Clerk III position and reclassify upward to a block-budgeted Supervising Legal Clerk II position. This position will be responsible for the supervising, oversight, and standardization process for the Records staff assigned to Riverbank Police Services. This will reduce the need for resources from the Sheriff's Records Division. This position will be fully funded by the City of Riverbank through the current Riverbank Police services contract and no budget adjustments to the Contract Cities budget are necessary.

The Department is also requesting to reclassify downward the Manager II-Safety position to a Sergeant in Operations. This position is currently being under-filled and this action will properly align the position with the duties performed. This will also provide the Department with greater flexibility and allocation of staffing resources.

SHERIFF'S DEPARTMENT STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Contract Cities	1	11362	Legal Clerk III	Restore unfunded position/Reclassify upward	Supervising Legal Clerk II block-budget
SHERIFF CHANGES	1				
Beginning Allocation	537				
Changes in Allocation	1				
Ending Allocation	538				
SHERIFF'S DEPARTMENT TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Operations	1	426	Manager II-Safety	Reclassify downward	Sergeant

Summary of Recommendations: It is recommended to increase appropriations and estimated revenue by \$327,897 and 282,699 respectively in the Sheriff's departmental budget resulting in an increased use of fund balance of \$45,198. The Civil Process Fee beginning fund balance as of July 1, 2011 was \$1,059,128. The Mid-Year recommendation would increase the use of fund balance by \$60,000. As of December 31, 2011, the operating budget includes an increase to fund balance of \$144,940 in department fund balance/retained earnings. As a result of the recommendation to increase the use of fund balance by \$60,000, the Department projects an ending fund balance of \$1,144,068 for the Civil Process Fee budget. Vehicle Theft's beginning fund balance as of July 1, 2011 was \$90,075. The Mid-Year recommendation would decrease the use of fund balance by \$14,802. As of December 31, 2011, the operating budget includes the use of \$104,877 in department fund balance/retained earnings. As a result of the recommendation to decrease the use of fund balance by \$14,802, the Department projects an ending fund balance of \$0 for the Vehicle Theft budget. It is also recommended that the Auditor-Controller and the Chief Executive Officer be given the authority to transfer appropriations 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 \$359,355 and estimated revenue is recommended to increase by \$291,608 funded by \$22,549 from an increase in Discretionary Revenue and \$45,198 in fund balance/retained earnings.



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, 2011, actual revenue is \$162.5 million, which represents 37.0% 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 35.7% and 37.7% of the final actual revenue. As of December 31, 2011, expenditures are \$192.6 million, representing 42.3% of the budgeted appropriations. Expenditures at the mid-year point of the two prior years were 43.2% and 44.7% of the final annual expenditures, placing this year's expenditures below the range.

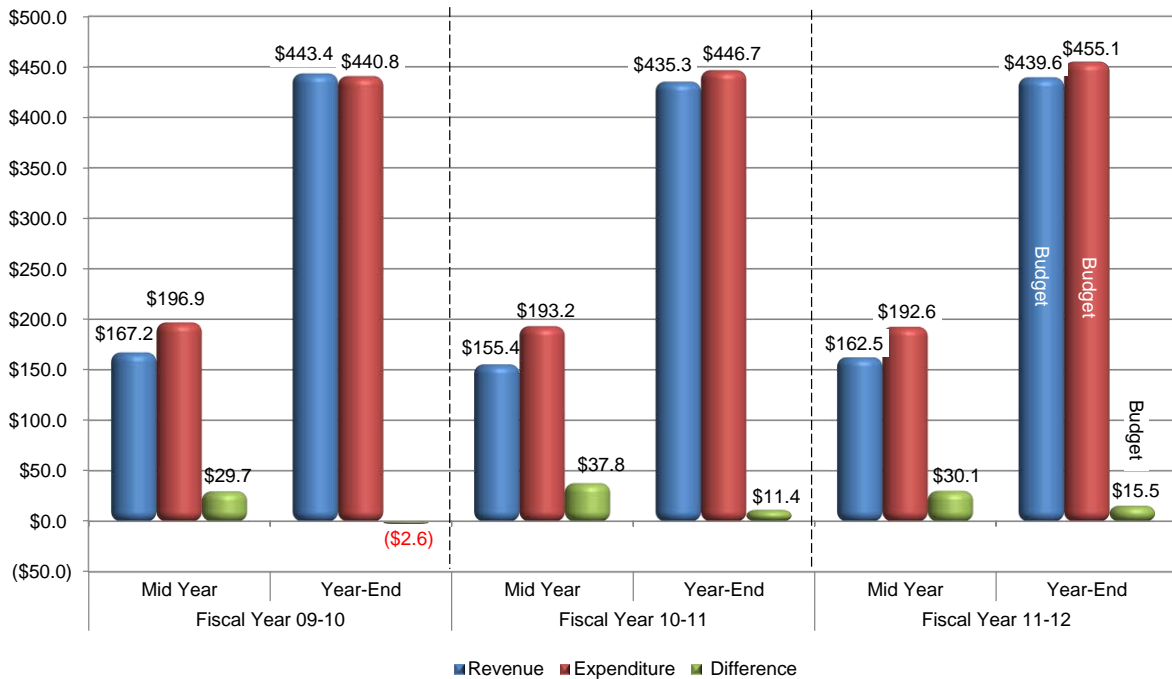
Significant variations this year, compared to the same time period one year ago include:

- ◆ Area Agency on Aging – An increase in expenditures of \$113,587 and an increase in revenue of \$336,623 tied to the Prevention and Early Intervention program;
- ◆ Behavioral Health and Recovery Services – An increase in revenue of \$3.5 million primarily as a result of transferring the Community Emergency Response Team (CERT) from the Mental Health Services Act (MHSA) and an increase of \$1.5 million in expenditures due to an increase to the amount of clients occupying State Hospital beds.
- ◆ Behavioral Health and Recovery Services-Alcohol and Drug – An increase of \$1.4 million in revenue and an increase of \$1.3 million in expenditures are primarily due to providing Narcotic Replacement Therapy Services.
- ◆ Behavioral Health and Recovery Services-Managed Care – An increase of \$566,581 in revenue is primarily due to an increase in the Managed Care allocation for Fiscal Year 2011-2012 and an increase of \$784,976 in expenditures is due to an increase in inpatient hospitalization costs.

- ◆ Behavioral Health and Recovery Services-Stanislaus Recovery Center – A decrease of \$371,609 in expenditures due to the elimination of the Adult Residential Treatment program at Stanislaus Recovery Center (SRC).
- ◆ Behavioral Health and Recovery Services-Mental Health Services Act (MHSA) – A decrease of \$4 million in revenues is primarily the result of recognizing MHSA revenues monthly and a decrease of \$1 million in expenditures is mainly due to a decrease in contract payments in Fixed Assets;
- ◆ Children and Families Commission – An increase in revenue of \$401,844 due to an early disbursement of October Prop 10 funds by the State;
- ◆ Department of Child Support Services – An increase in revenue of \$3.8 million due to the timing of the transfer of funds for reimbursement of expenditures by the State.
- ◆ Community Services Agency – There was not a significant difference in revenue and expenditure for this Agency as compared to the same period last year. However, in the In-Home Supportive Public Authority – Benefits Administration there was a significant increase in revenue of \$680,550 due to the timing of State and Federal Reimbursement and a decrease in expenditures of \$650,107 primarily due to reduced health insurance premium rates. There was also a decrease in expenditures in General Assistance (GA) of \$151,803 due to the 8% reduction to the average grant effective July 1, 2011 and the decrease in GA caseload compared to the prior year.
- ◆ Health Services Agency – A decrease in revenue in Public Health of \$1 million due to reductions and elimination of several programs: Community Challenge Grant, Community Health Initiative and the Center for Disease Control Public Health Emergency Preparedness cooperative agreement were all reduced, and the Immunization Registry program was eliminated.

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 2011-2012 is \$439.6 million with departmental expenditures budgeted at \$455.1 million and the difference of \$15.5 million funded through fund balance/retained earnings. Revenue collections have increased by \$7.1 million and expenditures have decreased by \$0.6 million from Mid-Year 2010-2011.

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 an increase in appropriations and estimated revenue of \$76,659 due to a net increase in Federal Older Americans Act funding for senior services and programs of \$37,105 and for two grants; one through Community Services Agency (CSA) for \$29,554 to provide healthy nutrition and education services to seniors through the Supplemental Nutrition Assistance Program (SNAP-Ed) and a second grant through the National Multiple Sclerosis Society (NMSS) for \$10,000.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Area Agency on Aging	\$37,105	\$37,105	\$0	Federal Older Americans Act funding for Senior Services and Programs
Area Agency on Aging	\$29,554	\$29,554	\$0	Community Services Agency SNAP-Ed grant
Area Agency on Aging	\$10,000	\$10,000	\$0	National Multiple Sclerosis Society (NMSS) grant
Total	\$76,659	\$76,659	\$0	

Summary of Recommendations: It is recommended to increase appropriations and revenue by \$76,659, resulting in no change to the department's fund balance.

BEHAVIORAL HEALTH AND RECOVERY SERVICES

Behavioral Health and Recovery Services: Effective July 2012, the State Department of Mental Health will no longer exist. Administration of most of the Behavioral Health and Recovery Services (BHRS) funding streams will be, or has been, transferred to the California Department of Health Care Services. With the exception of certain Information Technology issues noted, BHRS is not anticipating any issues as a result of these changes. The Department will continue to monitor the State transition carefully.

In Budget Year 2012-2013, the Early Periodic Screen Diagnosis and Treatment (EPSDT) and Mental Health Managed Care Services become a part of the State's 2011 Realignment allocation. The State is currently in the process of determining an equitable allocation methodology for these programs, both of which are greatly impacted by growth in Medi-Cal eligibility. It is unclear to counties how growth will be factored on an on-going basis as current allocations are solely based on past expenditures; however, the Department is a part of the California Mental Health Directors Financial Services Committee and will continue to watch this issue closely.

Over the past several years, the Department has been in the process of developing and implementing a new electronic health record and billing system. As the implementation progresses, the Department is anticipating that initially, staff productivity will decrease and billing issues will occur. This is consistent with other counties that have implemented the same system. As such, funds have been set aside from departmental fund balance to cover any subsequent lapses in revenue. At the same time that the Department's new system is being implemented, the State is making Federally mandated enhancements to their Medi-Cal billing system, as well as rolling the Departments of Mental Health and Alcohol and Drug Programs into the Department of Health Care Services. BHRS is already experiencing cash flow slow-downs as the State works through their glitches of these transitions. The Department carefully monitors cash-flow and will continue to make adjustments as necessary.

The Department is requesting to increase estimated revenue by \$351,151 from increased Mental Health Realignment allocations. Additionally, the Department is requesting to increase estimated revenue by \$96,651 in Federal Child Abuse Treatment (CHAT) grant revenue due to an increase in the grant award for 2011-2012.

The Department is requesting a decrease in estimated revenue by \$23,947 in Mental Health Parent Partnership and Kinship Support Services Programs due to decreases in contract funding. The decrease in revenue will be absorbed with existing salary savings. It is also requested to decrease estimated revenue in Mental Health Juvenile Justice by \$38,157 which was inadvertently included in the 2011-2012 Final Budget. Realignment revenue is the funding source for the required match. With the Board's approval of these recommendations, these budget adjustments will result in an increase of \$385,698 in department fund balance.

Alcohol and Drug: The California Department of Alcohol and Drug Programs will be eliminated effective July 1, 2012. The administration of most of the programs within this State Department is being transferred to the State Department of Health Care Services. The Narcotic Treatment Program (NTP) is being transferred to the State Department of Public Health. NTP, also known as Narcotic Replacement Therapy, involves comprehensive treatment using synthetic opiates approved by the United States Food and Drug Administration for opiate dependency, most commonly to heroin. The treatment also involves medical evaluation, medical monitoring, and individual and group counseling. BHRS does not anticipate any impacts to programs as a result of this transfer.

Included in the 2011 Realignment funds is the Department's match for Drug Medi-Cal services. The State established an account to set aside funding to cover growth in the three entitlement programs that were realigned to Counties. However, it is unclear how Counties can access those funds if needed and which programs will have priority. Through the first six months of Fiscal Year 2011-2012, Realignment revenue is slightly above initial estimates. The Department will continue to watch this revenue source.

The Department is requesting to decrease appropriations and estimated revenues by \$140,000 due to delays in implementing recommended program changes from the Alcohol and Drug Stakeholder Process. The Department is also requesting an increase in appropriations of \$108,076 to accurately reflect the time of staff who oversee programs in Alcohol and Drug Services and Stanislaus Recovery Center. Additionally, the Department is requesting an increase of \$100,000 in Medi-Cal revenues in the Genesis program due to increased volumes. With the Board's approval of these recommendations, the Department will increase its use of fund balance by \$8,076.

Managed Care: The Department is requesting an increase in appropriations of \$798,861 in contracts primarily due to an increase in hospitalization usage. As part of that increase, the Department is requesting authority to make payments of \$75,000 in contract expenses for prior year inpatient hospital invoices received in Fiscal Year 2011-2012. The Department is also requesting an increase in estimated revenues of \$82,369 due to an increase in the realignment allocation. With the Board's approval of these recommendations, the Department will increase its use of fund balance by \$716,492.

Stanislaus Recovery Center: The Department is requesting an increase in appropriations and estimated revenues by \$140,000 due to delays in implementing recommended program changes from the Alcohol and Drug Stakeholder Process. Funds will be transferred from the Alcohol and Drug program as outpatient services have been provided by staff of the Stanislaus Recovery Center in the interim.

Mental Health Services Act (MHSA): AB100, enacted in the Spring of 2011, made several changes to how Mental Health Services Act (MHSA) funds are distributed. Prior to Fiscal Year 2011-2012 counties were advanced 75% of their "planning allocations" at the beginning of each fiscal year and then the remaining 25% upon submission of the required annual Revenue & Expenditure Reports due each year on December

31st. Beginning in Budget Year 2012-2013, monthly distributions will be based on the actual amount of dollars collected in the MHSA Fund multiplied by individual county ratios yet to be determined. The California Mental Health Directors Association (CMHDA) has convened a fiscal workgroup to devise a methodology for determining the percentage individual counties will receive and how that funding will be distributed i.e. one monthly lump sum giving counties discretion on how to use vs. by specific MHSA program component, (Community Services and Support, Prevention and Early Intervention, and Innovations). Rather than working with an annual known allocation amount, MHSA revenues will be distributed similar to Realignment funding in that monthly amounts will fluctuate, be very dependent on economic conditions, and become somewhat volatile. Responsibility for most MHSA program components, except Housing, has shifted from the Department of Mental Health (DMH) to the MHSA Oversight & Accountability Committee (OAC). AB100 has allowed counties to drawdown all funds allocated, but not yet requested by counties, via an annual plan to the local level.

The Department is requesting an increase in estimated revenues by \$510,020 in MHSA Technological Needs Revenue for the Electronic Health Record and Billing System. Funds were deposited in deferred revenue as the Department did not anticipate spending the full contract. After further analysis, the Department projects that the contract could potentially be fully spent by the end of Fiscal Year 2011-2012. In addition, the Department is requesting a decrease in appropriations and estimated revenues by \$752,112 in the MHSA Innovation budget due to delays in evaluating processes and implementing projects. The Department is requesting to increase appropriations by \$6,631 and increase estimated revenues by \$7,281 in MHSA programs due to a one-time PATH grant increase, a decrease in CSA Kinship grant funding, and equipment purchases for the Family Partnership Center. With the Board's approval of these recommendations, these budget adjustments will result in an increase of \$510,670 in department fund balance.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Behavioral Health & Recovery Services	\$0	\$351,151	(\$351,151)	Increase Mental Health Realignment revenue due to increase in estimated receipts.
Behavioral Health & Recovery Services	\$0	\$96,651	(\$96,651)	Increase MH CHAT Grant revenue to reflect increase in allocation.
Behavioral Health & Recovery Services	\$0	(\$1,916)	\$1,916	Decrease MH Parent Partnership revenue due to decrease in CSA Kinship contract funding.
Behavioral Health & Recovery Services	\$0	(\$22,031)	\$22,031	Decrease MH Kinship Services revenue due to decrease in CSA Kinship contract funding.
Behavioral Health & Recovery Services	\$0	(\$38,157)	\$38,157	Decrease MH Juvenile Justice revenue by match amount.
BHRS Alcohol and Drug Services	(\$140,000)	(\$140,000)	\$0	Decrease Revenues and Expenditures due to delays in implementing recommended program changes from the Alcohol and Drug Stakeholder process
BHRS Alcohol and Drug Services	\$0	\$100,000	(\$100,000)	Increase Drug Medi-Cal revenues in the Genesis program
BHRS Alcohol and Drug Services	\$108,076		\$108,076	Increase Salary and Benefit Expenditures for Manager and support staff who oversee programs in both Fund 1502 and Fund 1505
BHRS Managed Care Services	\$798,861	\$0	\$798,861	Increase contract expenses due to increase in hospitalization usage.
BHRS Managed Care Services		\$82,369	(\$82,369)	Increase Managed Care revenue to reflect increase in realignment received.
BHRS Mental Health Services Act	\$0	\$510,020	(\$510,020)	Increase in estimated MHSA Technological Needs Revenue for Electronic Health Record
BHRS Mental Health Services Act	(\$752,112)	(\$752,112)	\$0	Decrease estimated MHSA Innovation Revenue & Expenditures due to Project 1 put on hold and delays in implementing Projects 2- 10 contracts
BHRS Mental Health Services Act	\$0	\$650	(\$650)	Increase MHSA Housing Program revenue for a one time PATH grant increase
BHRS Mental Health Services Act	\$14,364	\$14,364	\$0	Increase MHSA Families Together program revenue & expenditures for Family Partnership Center equipment purchases
BHRS Mental Health Services Act	(\$7,733)	(\$7,733)	\$0	Decrease MHSA Families Together program revenue & expenditures for decrease in CSA Kinship contract funding
BHRS Stanislaus Recovery Center	\$140,000	\$140,000	\$0	Transfer Revenues and Expenditures from Alcohol and Drug due to delays in implementing recommended program changes from the Alcohol and Drug Stakeholder process.
Total	\$161,456	\$333,256	(\$171,800)	

Staffing Requests: The Department is requesting to restore an unfunded Clinical Services Technician II position and reclassify upward to a block-budgeted Mental Health Clinician II. The Turlock Recovery

Services has historically had a full-time Coordinator position. During Fiscal Year 2010-2011, the Turlock Coordinator position was filled on a half-time basis with an extra help employee as a cost savings measure. After eighteen months of assessing the supervision design, it was determined that the regional team cannot fully function without a full-time coordinator on site. It is estimated the full-time coordinator will generate additional Medi-Cal revenues to cover the cost difference of a full-time coordinator position versus an extra-help coordinator. There is no impact to the General Fund associated with this request.

The Department is also requesting to transfer one Mental Health Clinician II from Behavioral Health and Recovery Services to Mental Health Services Act. This technical adjustment will align the position with the current job assignment.

BEHAVIORAL HEALTH & RECOVERY SERVICES STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Behavioral Health & Recovery Services	1	8412	Clinical Services Technician II	Restore unfunded position/Reclassify upward	Mental Health Clinician II block-budget
BHRS CHANGES	1				
Beginning Allocation	342				
Changes in Allocation	1				
Ending Allocation	343				
BEHAVIORAL HEALTH & RECOVERY SERVICES TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Behavioral Health & Recovery Services	-1	6879	Mental Health Clinician II	Transfer out	Transfer to Mental Health Services Act
Mental Health Services Act	1	6879	Mental Health Clinician II	Transfer in	Transfer from Behavioral Health & Recovery Services

Summary of Recommendations: It is recommended to increase appropriations by \$161,456 and estimated revenue by \$333,256. This will result in a decrease in the use of department fund balance by \$171,800. On July 1, 2011, the beginning fund balance for all Behavioral Health and Recovery Services funds was \$23,428,085. As of December 31, 2011, the operating budget includes the use of \$2,019,726 in department fund balance/retained earnings. As a result of the recommendation to decrease the use of fund balance by \$171,800, the Department projects an ending fund balance in all funds of \$21,580,159. It is further recommended the staffing changes described and outlined in the table above be adopted.

CHILD SUPPORT SERVICES

As part of the Adopted Final Budget for Fiscal Year 2011-2012, the Child Support Services budget included \$900,000 in contingencies for issues with the Community Support Facility's Heating, Ventilation and Air Conditioning (HVAC) system. The HVAC system is reaching the end of its life expectancy and will need replacement. Currently, the HVAC project is not ready to move forward and it is unlikely to proceed during the remainder of 2011-2012. Based on this delay, the Department is requesting to transfer \$900,000 from its contingency account to be used for other important projects, including IT infrastructure and an advanced automated customer service solution. A total of \$272,500 is recommended to be transferred into Fixed Assets for hardware and equipment to support these projects.

The most significant project to be funded by this transfer is an advanced automated customer service solution which will allow customers, via the Department's public website, the ability to securely

communicate with caseworkers and to submit forms online. The customer service solution supports the Department's strategy to expand outreach efforts and enhance early intervention with customers. As employers play a critical role in the collection of child support, an employer portal will also provide an efficient way to communicate with the department, and to submit income withholding and Medical Support response forms electronically and securely.

Approval of this transfer will have no impact on the General Fund.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Child Support Services	(\$74,600)	\$0	(\$74,600)	Transfer existing appropriations from Salaries and Benefits to Fixed Assets for State approved HP G7 servers.
Child Support Services	\$74,600		\$74,600	Transfer to Fixed Assets from Salaries and Benefits for State approved HP G7 servers.
Child Support Services	(\$702,100)		(\$702,100)	Transfer existing appropriations from Contingencies for IT infrastructure, an advanced automated customer service solution and performance improvement projects.
Child Support Services	\$702,100		\$702,100	Transfer existing appropriations from Contingencies for IT infrastructure, an advanced automated customer service solution and performance improvement projects.
Child Support Services	(\$197,900)		(\$197,900)	Transfer existing appropriations from Contingencies to Fixed Assets for customer service solution hardware, and IT infrastructure equipment, and ongoing maintenance efforts.
Child Support Services	\$197,900		\$197,900	Transfer to Fixed Assets from Contingencies for customer service solution hardware, and IT infrastructure equipment, and ongoing maintenance efforts.
Total	\$0	\$0	\$0	

Staffing Requests: The Department is requesting to delete three vacant Account Clerk III positions. As the result of automation changes the need for clerical and accounting staff has decreased, allowing the Department to achieve its optimum level of account clerks. Deleting the positions will also create salary savings. The Department is also requesting to unfund one Legal Clerk IV and two Legal Clerk III positions for additional salary savings. The Department is further requesting to reclassify upward three Legal Clerk IV positions to block-budgeted Child Support Officer II positions. The work performed by the Child Support Officer classification directly impacts the Department's performance ratings in the Five Federal Performance Measures which are used to determine cost to collections ratios, ultimately affecting funding. In addition, the Child Support Officer classification offers more versatility, enables the Department to assign work on a broader spectrum and minimizes the use of overtime. Funding for the positions is available minimally through Fiscal Year 2013-2014. Overall, the position changes result in a reduction of six allocated positions.

DEPARTMENT OF CHILD SUPPORT SERVICES STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Child Support Services	-3	7327, 9776, 10082	Account Clerk III	Delete vacant positions	Delete positions
	-1	10327	Legal Clerk IV	Unfund vacancy	Unfund vacant position
	-2	3100, 10104	Legal Clerk III	Unfund vacancies	Unfund vacant positions
DCSS CHANGES	-6				
Beginning Allocation	165				
Changes in Allocation	-6				
Ending Allocation	159				

DEPARTMENT OF CHILD SUPPORT SERVICES TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Child Support Services	3	3004, 6242, 9228	Legal Clerk IV	Reclassify upward	Child Support Officer II block-budget

Summary of Recommendations: It is recommended to transfer \$900,000 from Appropriations for Contingencies into Fixed Assets, Salaries and Benefits, and Services and Supplies. This transfer results in no changes to the departmental fund balance. It is further recommended the staffing changes described and outlined in the table above be adopted.

CHILDREN AND FAMILIES COMMISSION

As part of the Mid-Year Financial Report, the Department is requesting to increase revenue by \$8.5 million to offset the reduction of revenue that was included in the 2011-2012 Adopted Final Budget. This reduction was based upon the anticipated enactment of Assembly Bill 99 (AB-99) which directed that 50% of the Commission's reserves be sent back to the State. Subsequently, an independent audit was performed that recommended the \$8.5 million be booked as a liability rather than a revenue reduction. Consequently, the Department is requesting to increase estimated revenue to comply with the auditor's recommendation.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Children and Families Commission	\$0	\$8,500,000	(\$8,500,000)	Increase miscellaneous revenue to cancel out budgeted revenue reduction.
	\$0	\$0	\$0	
Total	\$0	\$8,500,000	(\$8,500,000)	

Staffing Requests: The Children and Families Commission contracts with Stanislaus County for personnel services. The Commission is requesting that the County delete from its position allocation one vacant Staff Services Coordinator position and one filled Staff Services Coordinator position, which will result in a Reduction-in-Force action. The deletion of the positions is due to a decline in State grants and the tobacco tax revenue stream, and a reduction in the number of contracts with community partners. The three Staff Services Coordinator positions the Department currently funds are assigned contract monitoring and evaluation responsibilities. Due to the reduced workload in contract monitoring and evaluation, two of the three positions will be impacted. The Reduction-in-Force will be effective June 30, 2012.

CHILDREN & FAMILIES COMMISSION STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Children & Families Commission	-1	10683	Staff Services Coordinator	Delete filled position	Delete position/Reduction-in-Force effective 06/30/12
	-1	10912	Staff Services Coordinator	Delete vacant position	Delete position
CHILDREN & FAMILIES COMMISSION CHANGES	-2				
Beginning Allocation	7				
Changes in Allocation	-2				
Ending Allocation	5				

Summary of Recommendations: It is recommended to increase revenue by \$8.5 million. It is further recommended the staffing changes described and outlined in the table above be adopted.

COMMUNITY SERVICES AGENCY

As the local community continues to struggle with an unemployment rate of approximately 18%, the need for public assistance in all social welfare programs continues, with 1 in every 3 people in Stanislaus County receiving some form of public assistance. Although the huge growth in caseload seen in the past two years has slowed somewhat, caseloads are still increasing as people seek help with food, shelter, cash assistance and employment. Three year growth trends for those served as of September 2011 show a 9.8% increase in CalWORKs, a 72.2% in CalFresh (Food Stamps) and a 14% increase in Medi-Cal. With this increased need for public assistance, State and Federal allocations supporting CalFresh Food Stamps and Medi-Cal have seen significant growth. Although this may seem counter-intuitive given that our local economy and County budget have seen considerable reductions in revenue, it is this very economic downturn that has increased State and Federal funding to support this need.

The Community Services Agency (CSA) is requesting an overall increase of \$4.1 million across all CSA budgets which is supported by Federal/State allocations and/or receipt of one-time 1990-1991 realignment growth funds and fund balance. With the Board's approval of these recommendations, CSA base budget will total \$263.7 million, an increase of 1.6%.

Services and Support: The Department has completed a thorough mid-year review of financial operations and has identified no issues requiring budgetary adjustment for this budget at this time. The Department is requesting however, to add 18 new casework positions and restore funding for 1 casework position for a total of 19 positions effective April 1, 2012. The customer need for assistance continues to increase and requires that staff be available to respond to meet the mandated workload. These positions will be supported with StanWORKs programs allocation funding provided by the State. These StanWORKs funds are ongoing and can support the sustainability of the new positions within current allocations. If these positions are approved, the Department will still be eleven positions below its highest staffing level of 955, achieved in the Fiscal Year 2008-2009 Final Budget.

As the Department continues to serve increased demands for services, space allocations within the Community Services Facility are under review to ensure that all departments housed within the facility (Community Services Agency, Department of Child Support Services, Alliance Worknet and the Women, Infant and Childrens (WIC) program of the Health Services Agency) have sufficient space for their workload needs. It is anticipated that CSA will need additional space in the very near future. The WIC program is

looking to improve its location in proximity to its customer base and will ensure partnership opportunities exist in the event a relocation occurs.

The original 1990-1991 Social Services Realignment revenue projections remain consistent with First Quarter Budget at \$1,779,130. Although an upward trend is currently experienced in Realignment cash receipts, only 4 months of Realignment revenue has been received and it is too early to confidently update the projections. After four fiscal years in which growth funding was non-existent, unanticipated prior year realignment growth funds were received October in the amount of \$294,747 for Child Welfare Services (CWS). Due to the ongoing statewide shortfalls in revenue for CWS case management, there are no budget adjustments at mid-year to increase CWS with realignment funds; CSA will recommend the dedication of the growth funding specific to CWS at Third Quarter. These growth funds represent a one-time benefit, and the State Controller has increased the county realignment base by the corresponding amount. Whether or not statewide sales tax receipts will materialize to achieve statewide base remains a question and no adjustment to base is recommended at this time. Continued evaluation of anticipated Realignment revenue will take place in the Third Quarter Budget analysis to determine if an adjustment is required.

The Department plans to implement two new Child Welfare Foster Care prevention strategies to better serve at risk youth and families and to mitigate some Foster Care cost exposure. These program services initiatives will be supported within the current level of Child Welfare Services program funding; there is no additional impact to the County General Fund resulting from these contracts. A brief description of these strategies is as follows:

- ◆ Intensive Family Maintenance Wraparound Services: This service will provide intensive in-home wraparound services to children/youth at risk of foster care entry in high levels of care, due to significant behavioral challenges. Intensive Family Maintenance Wraparound Services will provide the same Wraparound services they would likely receive in foster care, while still at home in order to prevent foster care entry.
- ◆ Signs of Safety (SOS) Coaching: Child Protective Services will be implementing another aspect to the safety and risk assessment system, known as Signs of Safety. Using these new techniques, social workers will complete intensive safety planning with the parents of abused and neglected children in order to prevent foster care entry.

Mid-year projections do not include the potential for a Work Participation Rate (WPR) penalty due to the uncertainty of the final Federal review. Given the current economic downturn and double digit unemployment rate in Stanislaus County and the immediate region, meeting the State and Federal requirements for WPR has been a difficult challenge for the Department in the past few years. Stanislaus County's WPR for Federal Fiscal Year 2009 was 12.1% for All Families as compared to the statewide average of 29.2%. The Stanislaus County WPR for Two Parent Families was 11.6% as compared to the statewide average of 32.5%. Federal mandates for WPR for 2009 are 29% for All Families and 90% for Two Parent Families. In order to increase the local work participation rate and focus on customer needs, the StanWORKs Division team is in an early implementation stage of a Welfare to Work (WTW) redesign. Although specific systems improvements have not yet been identified for this Fiscal Year, the focus will be on engagement or services to better assist families reach self-sufficiency. The Department will provide updates as to the status of WPR and any possible penalty as more information becomes available.

Public Economic Assistance: The Department is requesting to decrease appropriations by \$867,463 which represents the net of increases and decreases in aid programs consistent with current trends in caseload and grants. Although the Department is requesting to decrease this budget overall from the current budget level, a critical funding still exists for the Foster Care (FC) program due to lack of local match. Mid-year program savings in aid programs with relatively low county share match requirements cannot cover the FC need in which the County share match requirement was 42.6% and has increased to 70.2% with the implementation of 2011 Realignment. The Department has identified full County General Fund support of the mandated County need to be \$5,294,327 which represents an increase of \$2.9 million in net county costs. This will be reviewed at Third Quarter.

CalWORKS: The Department is requesting to increase appropriations by \$60,820 and estimated revenue of \$59,299 with the use of \$1,521 of Departmental fund balance to meet current CalWORKS program needs. Senate Bill 72 (SB72) reduced time limits from 60 to 48 months for adults, reduced income disregards, and adopted an Incremental Grant Reduction (IGR) for some CalWORKs Child Only Cases decreasing the CalWORKs caseloads. This caseload reduction is anticipated to be offset as high State and local unemployment continue, as well as increased numbers of the unemployed exhaust their full 99 weeks of unemployment insurance.

Foster Care: The Department is requesting to increase appropriations by \$1,375,894 and estimated revenue by \$1,042,383 with the use of \$333,511 of fund balance to meet current Foster Care program needs. The appropriation total need is \$15,391,891, a \$5,530,618 increase from the Fiscal Year 2011-2012 Legal Budget level of \$9,861,273, however, due to a shortfall of General Fund Match to meet the mandated county share, the appropriation level factored for Mid-year is \$11,237,167; this represents the requested increase in appropriations of \$1,375,894. Although the growth trend in Foster Care has slowed, the Department continues to experience significant caseload fluctuations each month due to emergency situations that arise and large sibling group needs for out-of-home placement. A significant contributor to increased Foster Care costs is legislated and/or court-ordered increases to the monthly grant. Average monthly grants in Fiscal Year 2009-2010 were approximately \$1,589.72 per child; at Mid-year these grants are estimated at \$2,315.27. With the implementation of Phase 1 of Assembly Bill 12 (AB 12) on January 1, 2012, FC caseloads and benefits are expected to increase as youth will receive extended Foster Care benefits beyond the age of 18. It is important to note that the growth trend and forecast for the FC program is contingent on maintaining current case management efforts within the Child and Family Services Programs. The Department will monitor child safety issues closely and report back to the Board by Third Quarter if additional foster care funding will be required.

Adoption Assistance Program: The Department is requesting a decrease in appropriations of \$2,046,803 and estimated revenue of \$1,860,826 resulting in the decreased use of \$185,977 in fund balance for the Adoption Assistance Program (AAP). This is primarily due to the decrease in the average grant related to State instruction that only prospective AAP cases are eligible to the Foster Family Home (FFH) court ordered rate increase.

Cash Assistance Programs: The Department is requesting a decrease in appropriations of \$257,374 and estimated revenue of \$256,087 resulting in the decreased use of fund balance of \$1,287 for the Cash Assistance Program for Immigrants (CAPI), Refugee and Kin-GAP as a result of reduced caseloads and the average grant amount received by clients.

The Department is requesting an increase in estimated revenue of \$55,109 as the result of prior year 1990-1991 Realignment Growth revenue. The original 1990-1991 Realignment and Vehicle License Fees continue to be budgeted at \$5,271,940. On September 20, 2011, the Board of Supervisors approved the Community Corrections Plan required by Assembly Bill 109 (AB 109) Public Safety Realignment. AB 109 Public Safety included three realigned social services programs; Foster Care, Adoptions Assistance Program (AAP), and Transitional Housing Program – Plus (THP-Plus). The 2011 Realignment replaced State General Fund allocations and monthly cash advances with monthly sales tax distribution based on statewide formulas established in the AB 118 legislation. Total 2011 Realignment is budgeted at \$7,482,920: FC at \$3,375,177, AAP at \$3,782,496, and THP-Plus at \$325,247. Through AB 109, 2011 Realignment legislation, the former 1990-1991 Mental Health Realignment Trust Fund was rededicated to replace State General Fund for the new CalWORKs Assistance Maintenance of Effort (MOE). CalWORKs assistance continues to require the current 2.5% county share for all aid payments. At this time there is no County General Fund impact related to the new MOE.

In-Home Supportive Services (IHSS) 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 a decrease in appropriations and estimated revenue of \$45,994 for this budget due to salary savings in contracted staff positions and a reduction in fingerprint fees.

In-Home Supportive Services – Benefits Administration: This budget includes the direct costs of the Individual Provider (IP) medical benefits plan only. There are no administrative costs associated with In-Home Supportive Services (IHSS) medical benefits accounted for within this budget. The Department is requesting to increase appropriations by \$275,423 and estimated revenue by \$270,865, and the use of departmental fund balance of \$4,558 to reduce the IHSS medical benefit exposure. At Proposed Budget, IHSS benefit projections were not fully funded. Since then, one-time revenues have been identified. Receipt of realignment funds in excess of funds anticipated for the month of June 2011 resulted in prior year fund balance in the amount of \$4,558. In addition, \$43,882 in realignment growth funds were received. The Department is requesting to use these funds to reduce the IHSS medical benefits exposure. The use of prior year fund balance and realignment growth funds allows for drawdown of an additional \$226,983 in Federal and State revenues. This will reduce the County share exposure from \$133,642 reported at Proposed Budget to \$85,202 projected at Mid-year. In addition, the balance of the savings to County share is offset by a small increase to authorized hours, consistent with recent IHSS trends. This increased the exposure by \$2,283 to \$87,485.

In-Home Supportive Services (IHSS) Provider Wages: The CSA IHSS Provider Wages budget supports the In-Home Supportive Services (IHSS) program which is a mandated entitlement program operated through the Individual Provider (IP) mode. Under the current approved labor agreement with United Domestic Workers of America (UDWA), IHSS Provider wages are budgeted at \$9.38 per hour. This agreement was approved by the Board of Supervisors on May 24, 2011, extended for eight months on October 11, 2011 and expires on May 31, 2012. County staff will be meeting with UDWA representatives to begin the collective bargaining process no later than March 1st, 2012 to discuss the new agreement period.

The IHSS Provider Wages budget needs exceed the budget appropriations of \$39,424,536 due to a shortfall of local match to meet the program mandates. As a result, the projection factored for this budget at Mid-year is discounted to remain balanced at the level the County General Fund Match can support.

The Mid-year projection of \$44,164,804 cannot meet the actual IHSS Wage need of \$50,653,065. This represents a critical need of \$6,488,261 for which the local match need is \$1,141,123. At the base budget level of funding, the Department can support only 87.2% of the 2011-2012 Mid-Year IHSS Wage program.

At Proposed Budget, IHSS wages projections were not fully funded. Since then, one-time revenues have been identified. Receipt of realignment funds in excess of funds anticipated for the month of June 2011 resulted in prior year fund balance in the amount of \$79,367. In addition, realignment growth funds were received in the amount of \$754,328. The Department is requesting to use these funds to reduce the IHSS wages exposure. The use of prior year fund balance and realignment growth funds allows for drawdown of an additional \$3,906,573 in Federal and State revenues. This will reduce the County share exposure from \$1,936,006 reported at Proposed Budget to \$1,102,311 projected at Mid-year. In addition, the balance of the savings to County share is offset by a small increase to authorized hours, consistent with recent IHSS trends. This increased the exposure by \$38,812 to \$1,141,123.

The Department recognizes significant reliance on one-time balancing solutions to meet the County share requirement of IHSS Wages. The actual outcome of State budget changes affecting IHSS recipient hours, and the approval of a Community First Choice Option which would provide enhanced Federal funding and reduce the County exposure, is unknown. The Department will review the impacts in future budget cycles and recognize any significant budgetary savings to mitigate the unmet need. Even with this new level of budget authority, the Department projects that they will not end the Fiscal Year within budgeted appropriations or estimated revenues.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
CSA-Public Economic Assistance	\$60,820	\$59,299	\$1,521	Increase appropriations and estimated revenues for CalWORKs to meet current program needs and reclassify State GF to CalWORKs MOE
CSA-Public Economic Assistance	\$1,375,894	\$1,042,383	\$333,511	Increase appropriations and estimated revenues for Foster Care to meet current program needs and reclassify State GF to 2011 Realignment
CSA-Public Economic Assistance	(\$2,046,803)	(\$1,860,826)	(\$185,977)	Decrease appropriations and estimated revenues for Adoptions to meet current program needs and reclassify State GF to 2011 Realignment
CSA-Public Economic Assistance	(\$257,374)	(\$256,087)	(\$1,287)	Decrease estimated appropriations and revenues for CAPI and Kin-GAP to meet current program needs and decrease in revenue in THP Plus and reclassify State GF to 2011 Realignment
CSA-Public Economic Assistance		\$55,109	(\$55,109)	Increase estimated revenues to recognize Prior Year Realigned Sales Tax Revenue
CSA - Public Authority Administration	(\$45,994)	(\$45,994)	\$0	Decrease appropriations and estimated revenues due to salary savings in contracted staff positions, reduction in fingerprint fees.
CSA - Public Authority Benefits Administration	\$275,423	\$270,865	\$4,558	Increase appropriations and estimates revenues for Benefits Administration consistent with existing MOU and corresponding Federal/State Revenue and dedication of fund balance
CSA - IHSS Provider Wages	\$4,740,268	\$4,660,901	\$79,367	Increase appropriations and estimated revenues for IHSS Provider Wages Federal/State Revenues and the dedication of fund balance
Total	\$4,102,234	\$3,925,650	\$176,584	

Staffing Requests: The Department is requesting to restore one unfunded Social Worker IV position and reclassify downward to a Family Services Specialist III. The Department is also requesting to add the following (18) eighteen new positions:

- (2) Two new Special Investigator II block-budgeted at the I/II level
- (1) One new Family Services Supervisor
- (15) Fifteen new Family Services Specialist II block-budgeted at the I/II level

The additional positions are needed to adequately address the increased customer need, meet the mandated workloads, and ensure program and agency integrity in the key areas of StanWORKs and Special Investigations. The position requests are sustainable into the coming years due to caseload growth driving the allocations higher. The new positions will be funded with 100% Federal and State CalWORKs

administration, CalFresh and Medi-Cal program allocations with no additional County share of cost. The Department will still be 11 positions below its highest staffing level of 955 achieved in the Fiscal Year 2008-2009 Final Budget.

COMMUNITY SERVICES AGENCY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Services and Support	1	8184	Social Worker IV	Restore unfunded position/Reclassify downward	Family Services Specialist III
	2	NEW	Special Investigator II	Add new positions	Special Investigator II block-budget
	1	NEW	Family Services Supervisor	Add new position	Family Services Supervisor
	15	NEW	Family Services Specialist II	Add new positions	Family Services Specialist II block-budget
CSA CHANGES	19				
Beginning Allocation	925				
Changes in Allocation	19				
Ending Allocation	944				

Summary of Recommendations: It is recommended to increase appropriations by \$4,102,234 and estimated revenue by \$3,925,650. This will result in an increase in the use of fund balance of \$176,584. On July 1, 2011, the beginning Fund Balance for all CSA funds was \$774,468. As of December 31, 2011, the operating budget includes the use of \$127,553 in department fund balance/retained earnings. As a result of the recommendation to increase the use of fund balance by \$176,584, the Department projects an ending fund balance in all funds of \$470,331. 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; with the exception of a continued projected shortfall in the Medically Indigent Adult (MIA) program as a result of changes in patient liability and increased utilization by those who qualify as Medically Indigent Adults.

Indigent Health Care Program: As part of the 2011-2012 Adopted Proposed Budget, the Health Services Agency identified a significant exposure of \$2.9 million in the current year for the Medically Indigent Adult (MIA) program that remains unfunded. This exposure is the result of increased utilization and program changes pertaining to patient liability approved by the Board of Supervisors and implemented over time since March 2010. The Department anticipates having sufficient retained earnings available in its Clinics and Ancillary Services budget to fund this exposure, as a result of receiving the Federally Qualified Health Center Look-Alike (FQHC-LA) designation which increased the Department's Medi-Cal Perspective Payment System (PPS) rate. The Department will return to the Board as part of the Third Quarter Financial Review with recommendations to ensure this budget ends the year in a positive position.

Public Health Vital and Health Statistics: The Department is requesting an increase in appropriations of \$8,000 in the HSA Public Health Vital and Health Statistics budget due to an unanticipated equipment purchase. The Department is unable to repair an existing stamp sealer; the purchase of a new stamp sealer is considered a "Vital Records Improvement." As such, the purchase is fundable by revenue collected in this budget in accordance with California Health and Safety Code section 103640. Departmental fund balance is available for the purchase.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
HSA Public Health Vital and Health Statistics	\$8,000	\$0	\$8,000	Increase Appropriations For Operating Transfers Out
Total	\$8,000	\$0	\$8,000	

Staffing Requests: The Department is requesting classification studies of an Accountant II position in Administration and a Manager II position in Clinics and Ancillary. A recommendation to study the positions is being made.

HEALTH SERVICES AGENCY TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Administration	1	2288	Accountant II	Classification Study	Study
Clinics and Ancillary	1	10163	Manager II	Classification Study	Study

Summary of Recommendations: It is recommended to increase appropriations by \$8,000. This will result in an increase in the use of department fund balance by \$8,000. On July 1, 2012, the beginning fund balance for all Health Services Agency funds was negative \$8,060,912. As of December 31, 2011, the operating budget includes the use of \$669,783 in department fund balance/retained earnings. As a result of the recommendation to increase the use of fund balance by \$8,000, the Department projects an ending fund balance in all funds of negative \$8,738,695. 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 increase \$4,348,349 and \$4,335,565 respectively, funded by \$12,784 of departmental fund balance/retained earnings. This amount does not include the technical adjustment in the Children and Families Commission's budget of \$8.5 million reflected as an increase in revenue.



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, and educational resources, 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 (Workforce Investment Act), while the Library is supported by a special 1/8 cent sales tax and a contribution from the General Fund.

DEPARTMENTAL REVENUES AND EXPENDITURES

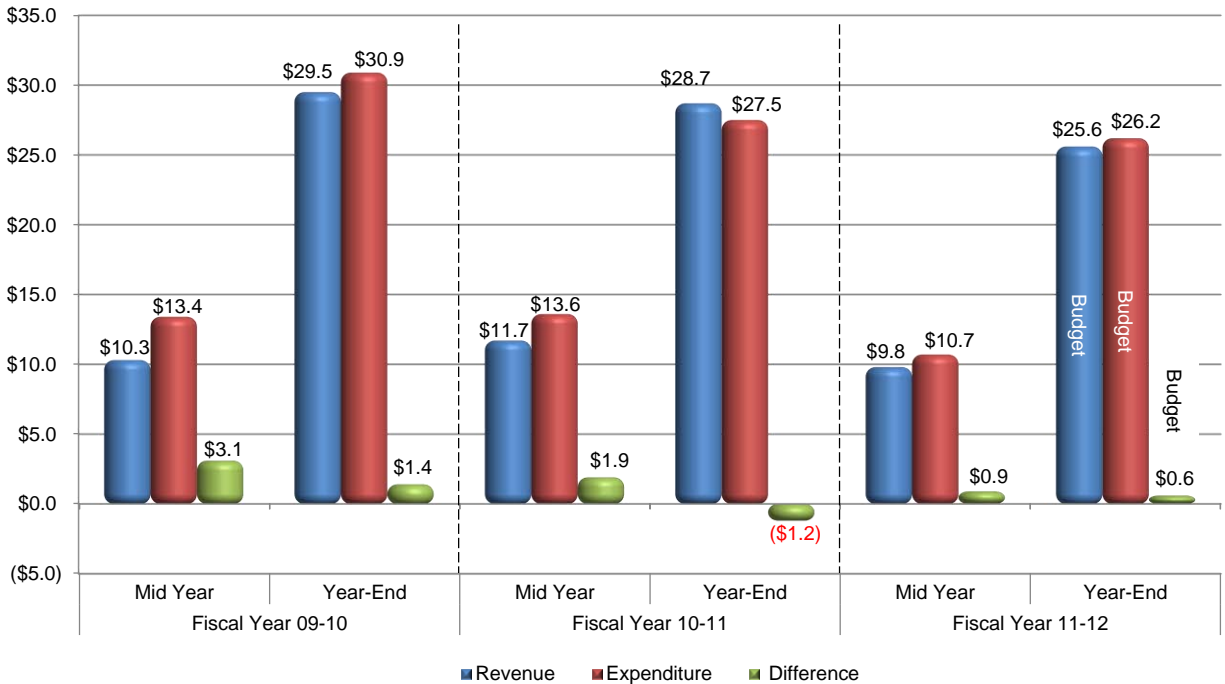
For the departmental budgets that are part of the Board of Supervisors priority area of A Strong Local Economy as of December 31, 2011, actual revenue collected is \$9.8 million, which represented 38.4% of the estimated annual revenue. This is within the range when compared to the mid-year point of the prior two years when collections were 35% and 40.6% of the final actual revenue. As of December 31, 2011, expenditures are \$10.7 million, representing 40.9% of the budgeted appropriations. Expenditures at the mid-year point of the prior two years were 43.4% and 49.3% 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:

- ◆ Alliance Worknet and Alliance StanWORKs – A decrease of \$2.1 million in revenue and \$2.8 million in expenditures compared to mid-year of the prior year is due to the loss of three special grants that ended on June 30, 2011 to provide employment and training services to the community and reduction in American Recovery and Reinvestment Act (ARRA) funding from Community Services Agency for Welfare-to-Work services; and
- ◆ Library – An increase in revenues of approximately \$302,800 compared to the same period last year is due to a combination of receipt of prior year's sales tax revenues and the loss of California Library Literacy Service (CLLS) funding.

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 2011-2012 is \$25.6 million with departmental expenditures budgeted at \$26.2 million and the difference of \$600,000 funded through the use of General Fund contributions and fund balance. Department revenue is down by \$1.9 million and expenditures by \$2.9 million from mid-year 2010-2011.

MID-YEAR ISSUES AND RECOMMENDATIONS

ALLIANCE WORKNET

Staffing Requests: The Department is requesting to delete a vacant unfunded Storekeeper II position. The position is no longer needed to conduct day to day business. Salary savings have already been realized since the position was unfunded at the beginning of Fiscal Year 2011-2012.

ALLIANCE WORKNET TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Alliance Worknet	1	7562	Storekeeper II	Delete vacant unfunded position	Delete unfunded position

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

LIBRARY

The Library has requested to increase appropriations by \$331,860 for full-time and part-time salaries, employee retirement cash-outs, utilities, information technology, and other operating costs. The Library also requests an increase in estimated revenue of \$514,860 due to prior year sales tax collections and a \$20,000 donation from the Library Foundation for the purchase of eBooks. The net increase in revenue also includes a decrease in State funding due to the elimination of California Library Literacy Service (CLLS) funding. The Library mid-year adjustments will result in a net increase to revenue that will be used to reduce the amount of fund balance needed to bridge the budget gap this fiscal year by \$183,000. On-going savings are necessary in order to continue to offset operating costs in the upcoming years.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Library	\$189,997	\$0	\$189,997	Increase in appropriations for salaries and retirement cashouts.
Library	\$128,942	\$0	\$128,942	Increase in appropriations for increases in services & supplies.
Library	\$12,921	\$0	\$12,921	Increase in appropriations for Self Insured General Liability and Commercial Insurance.
Library		\$629,742	(\$629,742)	Increase in revenue for prior years sales tax receipts.
Library		(\$134,882)	\$134,882	Decrease in State funding due to the elimination of CLLS funding.
Library		\$20,000	(\$20,000)	Increase in donations from Library Foundation for eBooks purchase.
Total	\$331,860	\$514,860	(\$183,000)	

Summary of Recommendations: It is recommended to increase appropriations in the amount of \$331,860 and estimated revenue in the amount of \$514,860. This will result in a decrease in the use of department fund balance by \$183,000. On July 1, 2011, the beginning fund balance was \$4,690,726. As of December 31, 2011 the operating budget includes the use of \$287,437 in department fund balance. As a result of these recommendations the Department projects an ending fund balance of \$4,220,289.

SUMMARY

Overall, appropriations and estimated revenue for A Strong Local Economy are recommended to increase by \$331,860 and \$514,860 respectively resulting in the decreased use of \$183,000 in departmental fund balance. The increase in appropriations and estimated revenue is attributable primarily to an increase in the use of part-time staff, increased operating costs and receipt of prior year sales tax receipts.



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

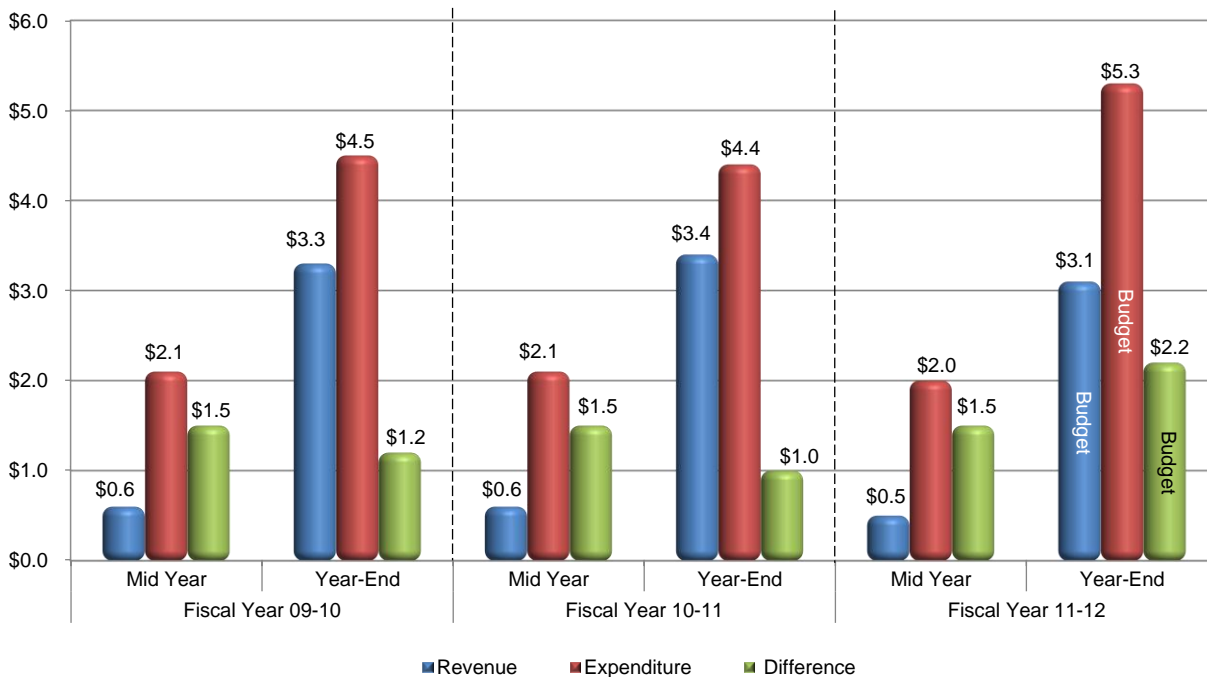
For the departmental budgets that are part of the Board of Supervisors priority area of A Strong Agricultural Economy/Heritage as of December 31, 2011 actual revenue collected is \$460,803, which represents 14.7% of the estimated annual revenue. This is below the range when compared to the mid-year point of the prior two years when collections were 18.3% and 19% of the final actual revenue. As of December 31, 2011, expenditures are \$2 million, representing 38.7% of the budget appropriations. Expenditures at the mid-year point of the prior two years were 47.1% and 48.4% 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 decrease in revenue and expenditures of \$179,687 and \$55,605 is due to reductions in the State contract for pest detection services and the timing of receipt of State reimbursements.

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 2011-2012 is \$3.1 million, with departmental expenditures of \$5.3 million. The difference of \$2.2 million is funded through a General Fund contribution and 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

AGRICULTURAL COMMISSIONER

During the Proposed Budget for Fiscal Year 2011-2012, the Agricultural Commissioner’s Office requested a classification study be conducted for one Account Clerk III position. The request was made by the Agricultural Commissioner to ensure that the position was correctly classified in light of the current duties and responsibilities being performed and the recent staffing changes and technological efficiencies instituted within the administrative office. In recent years, the Account Clerk III position has served as back-up to the duties and tasks performed by the Confidential Assistant IV. Therefore, in addition to having an accounting focus, the Account Clerk III is also expected to perform tasks in the areas of budget, finance and human resources. Both positions are critical to supporting the administrative needs of the Agricultural Commissioner.

Additionally, as part of the mid-year review, the Agricultural Commissioner conducted a thorough analysis of its current expenditures and revenue and made projections through the end of the fiscal year. Although the Department anticipates ending the year within budget, it did identify a potential need to transfer appropriations within accounts (and possibly from Fixed Assets at an amount above \$10,000 that requires Board approval). As such, the Department may need to return with a request to transfer appropriations during the Third Quarter Financial Report.

When adopted, the Agricultural Commissioner's Fiscal Year 2011-2012 budget assumed the use of a portion of the carry over savings from the prior two fiscal years—approximately \$856,000. Due to unanticipated salary savings that were realized in the current fiscal year through vacant positions, the Department instead plans to keep the full carry over amount intact and instead bring it forward in Fiscal Year 2012-2013 to assist with any budget shortfalls.

Staffing Requests: As mentioned above, the Chief Executive Office received a request as part of the 2011-2012 Proposed Budget to complete a classification study of an Account Clerk III position. This position is currently performing much of the support work in human resources, budget, and payroll for the Department. As a result after the completion of the study, it is recommended to reclassify the position to Confidential Assistant II.

AGRICULTURAL COMMISSIONER TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Agricultural Commissioner	1	3429	Account Clerk III	Reclassify upward	Confidential Assistant II

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

SUMMARY

It is recommended that the Account Clerk III position be reclassified upward as a Confidential Assistant II.



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, recreational opportunities, 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. On February 1, 2012, the Redevelopment Agency was dissolved and the Successor Agency was created. 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, 2011, actual revenue collected is \$33.2 million, which represents 37% of the estimated annual revenue. This is lower than the range when compared to the mid-year point of the prior two years when collections were 43.1% and 45.4% of the final actual revenue. As of December 31, 2011, expenditures are \$48.1 million, representing 39.7% of the budgeted appropriations. Expenditures at the mid-year point of the prior two years were 51.7% and 46.6% of the final actual expenditures, placing this year's expenditures lower than the range.

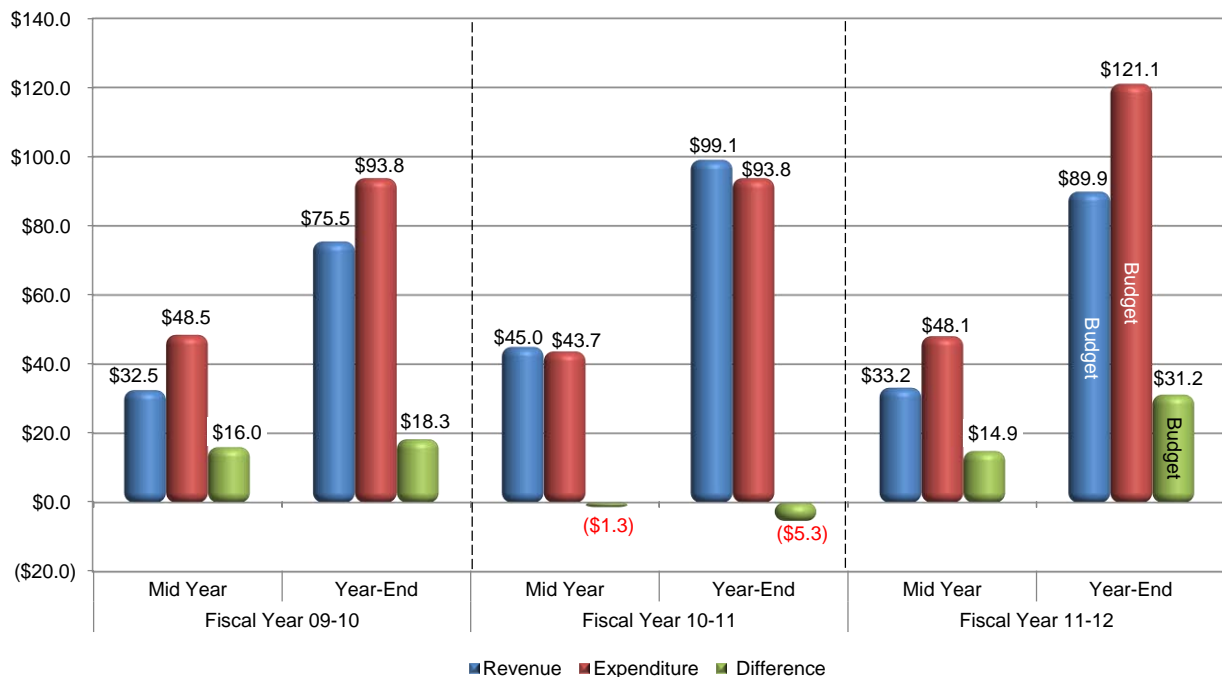
Significant variations this year, compared to the same time period one year ago include:

- ◆ Department of Environmental Resources - Geer Road Landfill – A decrease in revenue compared to the same period last year in the amount of \$1.9 million due in large part to an operating transfer out for an anticipated capital project in Fiscal Year 2010-2011 which was deferred;
- ◆ Department of Environmental Resources - Waste-to-Energy Program – A decrease of \$3.2 million in revenue and an increase in expenditures of \$11.5 million compared to mid-year of the prior year resulting from the change of this budget from a special revenue fund to an agency fund in the current fiscal year;

- ◆ Department of Public Works - Local Transit – An increase of \$1.3 million in revenue compared to mid-year of the prior year due to the timing of the receipt of Local transportation Funds and Proposition 1B funding.
- ◆ Department of Public Works - Road and Bridge – A decrease of \$6.1 million in revenue and \$4.3 million in expenditures compared to mid-year of the prior year is twofold. Due to the uncertainty of the State budget, Public Works was forced to delay some projects in the spring of Fiscal Year 2009-2010 that were completed in the fall of Fiscal Year 2010-2011. In addition, approximately \$6 million of Federal American Recovery and Reinvestment Act (ARRA) funds were distributed in Fiscal Year 2010-2011. These funds were used for two resurfacing projects, increasing expenditures and associated revenues in Fiscal Year 2010-2011. ARRA funding was one-time funding that is not available in the current fiscal year.
- ◆ Department of Public Works - Morgan Shop – A decrease of \$1 million in revenue compared to mid-year of the prior year due to an accounting error that was posted as a credit in expenditures instead of revenue, understating revenue by \$740,000. A correcting entry has been processed in January 2012. Actual revenues at mid-year were \$1,019,476 compared to \$1,325,289 during the same period last year. The variance is the result of a receivable being recorded in Fiscal Year 2009-2010 and identified as a duplicate and reversed in November 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 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 2011-2012 is \$89.9 million with departmental expenditures budgeted at \$121.1 million and the difference of \$31.2 million funded through the use of General Fund contributions and fund balance/retained earnings. Department revenue is down by \$11.8 million and expenditures are up \$4.4 million from mid-year 2010-2011.

MID-YEAR ISSUES AND RECOMMENDATIONS

ENVIRONMENTAL RESOURCES – ADMINISTRATION

The Department of Environmental Resources projects this budget to end the year within adopted appropriations and estimated revenue. There is a slight variance projected in expenditures as a result of several vacant positions that have materialized in the current fiscal year. In anticipation of continued budget challenges in Fiscal Year 2012-2013, the Department continues to reduce expenses wherever possible by not filling vacancies and minimizing services and supplies. Travel, fleet services and fixed asset expenses are also monitored carefully.

The Department has requested to transfer two vehicles from Abandoned Vehicle Abatement into Administration. The Department will reimburse the Abandoned Vehicle Abatement budget for the value of those vehicles by transferring \$31,300 into the fixed asset account. This is due to the reorganization of the

Code Enforcement and Abandoned Vehicles Abatement programs. In addition, the Department has requested to transfer \$23,800 to the fixed asset account to purchase a replacement vehicle needed for the Emergency Response program. In total, the Department requested that a transfer of \$55,100 from Salaries and Benefits to Fixed Assets to accommodate these expenses.

ENVIRONMENTAL RESOURCES – ABANDONED VEHICLE ABATEMENT

The County’s Abandoned Vehicle Abatement program has gone through significant changes due to budget reductions that resulted in the elimination of associated staffing (one full time employee and one part time employee). The Department of Environmental Resources Zoning Enforcement Officers are now responsible for both the Abandoned Vehicle Abatement and Code Enforcement programs. As part of the mid-year review, the Department identified a need for additional funding of \$21,555 for training as part of the reorganization. There is currently \$112,604 in Abandoned Vehicle Abatement fund balance that is sufficient to accommodate this request.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Environmental Resources - Administration	(\$55,100)	\$0	(\$55,100)	Transfer of appropriations from Salaries and Benefits for vehicle purchases.
Environmental Resources - Administration	\$55,100	\$0	\$55,100	Transfer of appropriations into Fixed Assets for vehicle purchases.
Environmental Resources - Abandoned Vehicle Abatement	\$21,555	\$0	\$21,555	Increase in Salaries and Benefits for additional training needs for Abandoned Vehicle Abatement program from departmental fund balance.
Total	\$21,555	\$0	\$21,555	

Summary of Recommendations: It is recommended to increase appropriations by \$21,555 for additional staff training needs for the Abandoned Vehicle Abatement Program funded from department fund balance. On July 1, 2011, the beginning fund balance for Environmental Resources – Abandoned Vehicle Abatement was \$111,763. As of December 31, 2011, the operating budget did not anticipate any use of department fund balance. As a result of the recommendation to increase the use of fund balance by \$21,555, the Department projects an ending fund balance of \$90,208. A transfer of appropriations of \$55,100 from Salaries and Benefits to Fixed Assets in Environmental Resources – Administration for vehicle purchases is also recommended.

PARKS AND RECREATION – MODESTO RESERVOIR PATROL

The Department of Parks and Recreation has requested increased appropriations in the Modesto Reservoir Patrol budget in order to pay for upgrading sewer pumps at the Modesto Reservoir Lift Station. With the increased appropriations, this budget will end the year within adopted appropriations and estimated revenue. Modesto Reservoir is a drinking water facility and there are regulatory requirements to protect the water quality. The pumps are over 30 years old and are not able to keep up with the current need. This project was noted in the First Quarter Financial Report and at that time it was requested that it be funded

from increased revenue in the Parks and Recreation – Administration budget. In order to reserve that additional revenue for other needs, the Department has requested that the pump upgrades come from existing fund balance in the Modesto Reservoir Patrol budget. The current fund balance in this budget is sufficient to accommodate this request.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Parks and Recreation - Modesto Reservoir	\$134,403	\$0	\$134,403	Increase appropriations for needed pump upgrades at Modesto Reservoir from departmental fund balance.
Total	\$134,403	\$0	\$134,403	

Summary of Recommendations: It is recommended to increase appropriations by \$134,403 funded from department fund balance for the sewer pump upgrades at Modesto Reservoir. On July 1, 2011, the beginning fund balance for Parks and Recreation – Modesto Reservoir was \$186,404. As of December 31, 2011, the operating budget includes the use of \$52,000 in department fund balance. As a result of the recommendation to increase the use of fund balance by \$134,203, the Department projects an ending fund balance of \$1.

PLANNING AND COMMUNITY DEVELOPMENT – BUILDING PERMITS

The Planning and Community Development Department anticipates the Building Permits budget to end the year within budgeted appropriations and will achieve most of the estimated revenue. The Department requested a \$50,000 increase in appropriations from available departmental fund balance. The additional appropriations will cover possible unforeseen expenses associated with the purchase of the software permitting system and also to assist with the unfunded programs such as Stanislaus Customer Relationship Management (SCRM) complaint system, increased Dangerous Building activity and staffing costs associated with general operations and unfunded programs.

Summary of Recommendations: The request to increase appropriations in the Building Permits budget will be re-evaluated as part of the Third Quarter Financial review.

PUBLIC WORKS

Morgan Shop: The Public Works Department has requested to increase appropriations by \$263,394 for increased fuel costs and department fuel usage, increased materials for repair and maintenance of vehicles, and depreciation of the new bio-diesel on site fuel tank. The Department is also requesting an increase in estimated revenues of \$257,670 from fuel supplied to other departments and heavy equipment rental.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
PW - Morgan Shop	\$263,394	\$257,670	\$5,724	Increase appropriations for fuel usage, materials for repair & maintenance of vehicles and depreciation of bio-diesel on site fuel tank. Increase in revenue from department fuel usage and heavy equipment rental.
Total	\$263,394	\$257,670	\$5,724	

Summary of Recommendations: It is recommended to increase appropriations by \$263,394 to be funded by an increase in revenue of \$257,670 and the use of \$5,724 in fund balance. This will result in an increase in the use of department fund balance by \$5,724. On July 1, 2011, the beginning fund balance was \$9,462,272. As of December 31, 2011, the operating budget includes the use of \$1,155,458 in department fund balance. As a result of the recommendation to increase the use of fund balance by \$5,724, the Department projects an ending fund balance of \$8,301,090.

SUMMARY

Overall, appropriations and estimated revenue for the Board of Supervisors priority area of A Well Planned Infrastructure System are recommended to increase by \$419,352 and \$257,670 respectively funded by \$161,682 fund balance/retained earnings.



Efficient Delivery of Public Services

COUNTY DEPARTMENTS

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

Efficient Delivery of Public Services

OVERVIEW

The public expects government to be responsive to their needs and to conduct business efficiently. County departments provide services to a diverse customer base and to serve these customers efficiently, it is important to consistently understand and review how to improve County services. Departments assigned to the Board of Supervisors priority area of Efficient Delivery of Public Services include: Assessor, Auditor - Controller, 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, 2011, actual revenue collected is \$49.6 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 46.3% and 47.6% of the final actual revenue. As of December 31, 2011, expenditures are \$72.4 million, representing 41.4% of the budgeted appropriations. Expenditures at the mid-year point of the prior two years were 47.3% and 49.8% of the final actual expenditures, placing this year's expenditures below the range.

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

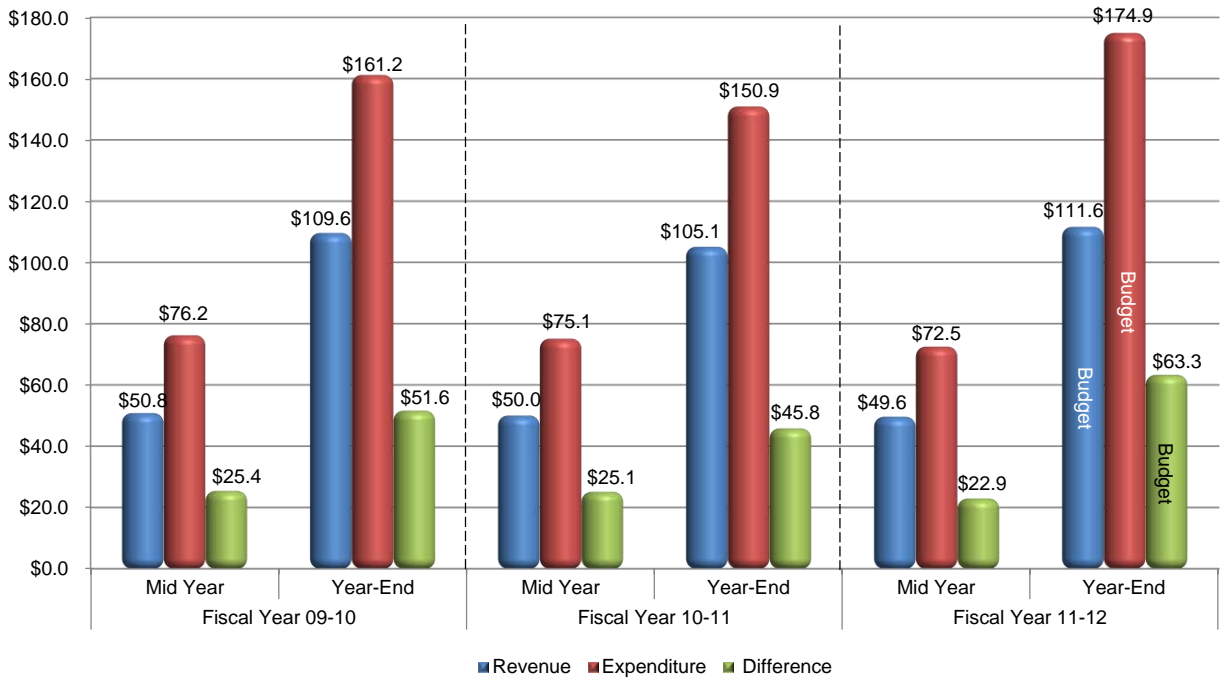
- ◆ Chief Executive Office – Debt Service Fund - A \$2.6 million increase in revenue due to the timing of the allocation in Public Facility Fees and Criminal justice Facilities Fees;
- ◆ Chief Executive Office – General Fund Match Vehicle License Fee - A \$2.7 million decrease in expenditures and estimated revenues due to the reduced funding received during the 2011-2012 Fiscal Year. This is due to a new realignment fund that was established through Assembly Bill 118. As part of this bill, the vehicle license fee portion formerly designated for Mental Health programs was diverted to the Social Services subaccount to cover an additional county share of cost for CalWORKs grants.
- ◆ Chief Executive Office – General Liability Self-Insurance – A \$1.7 million decrease in expenditures due to higher claims expenses in the first six months of the prior fiscal year. Revenue is approximately \$600,000 lower than that of the same period last year because a large insurance reimbursement check

was received in the first six months of the prior fiscal year and there has been very minimal insurance reimbursements received in this fiscal year to date.

- ◆ Chief Executive Office – Purchased Insurance – Both estimated revenue and expenditures are down by approximately \$2 million primarily attributed to a decrease in employee census.
- ◆ Chief Executive Office – Workers’ Compensation – Estimated revenue is approximately \$2 million higher than that of the same period last year due to the \$4 million increase in departmental charges this fiscal year. Expenditures have also increased by approximately \$500,000 due to higher claims expenses and increased insurance premiums in the current 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 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 2011-2012 is \$111.6 million and total budgeted expenditures are \$174.9 with a difference of \$63.3 million funded through the use of General Fund contributions and the use of fund balance/retained earnings. Revenue is down by \$0.4 million and expenditures are down by \$2.6 million from mid-year 2010-2011.

MID-YEAR ISSUES AND RECOMMENDATIONS

ASSESSOR

Staffing Requests: The Assessor has reviewed operations within the Department and has determined a need to improve the information technology (IT) structure. Without a change in the department IT structure there is concern that the Department may not be able to maintain essential programs such as direct sales enrollment and Proposition 8 Value Analysis. These functions are currently supported by the Strategic Business Technologies (SBT) Department, however the programmers associated with the development of the Assessor's Programs at SBT have recently retired.

The Department is requesting to reclassify a Software Developer/Analyst III position to a Senior Software Developer/Analyst. The Senior Software Developer/Analyst will be able to provide the leadership and promote the development needed for a long-term business plan, creating more efficient and productive programs. This position will also have oversight of software vendors and in determining future programming needs. In an effort to improve efficiency and productivity, and to complete the IT structure, the Department is also requesting to restore an unfunded Application Specialist III position. Filling the Application Specialist III position will allow the Software Developer/Analyst III and the Senior Software Developer to focus on the programming needs of the office and also create time for the additional oversight responsibilities assigned to the Senior Software Developer/Analyst. The Department feels that the new IT structure would be a process improvement in that there would be long-term consistency and greater productivity of IT functions. The additional salary cost of the Senior Software Developer/Analyst and Application Specialist III positions will be offset by unfunding a Supervising Appraiser position that will be vacant effective April 1, 2012.

In addition, the Department is requesting to delete a filled Cadastral Technician position resulting in a reduction-in-force action. As a result of the decline in new construction, the mapping workload has been substantially reduced. The Department currently has two Cadastral Technician positions, but the current workload does not support staffing two positions. It is anticipated that new construction may not increase for a number of years. Due to budget reductions, the Assessor must commit the funding to functions that are directly related to mandated needs. The reduction-in-force action will be effective June 30, 2012.

ASSESSOR STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Assessor	-1	1185	Cadastral Technician	Delete filled position	Delete position/Reduction-in-Force effective 06/30/12
	1	8023	Application Specialist III	Restore unfunded position	Restore vacant position
	-1	2261	Supervising Appraiser	Unfund vacancy	Unfund vacant position effective 04/01/12
ASSESSOR CHANGES	-1				
Beginning Allocation	58				
Changes in Allocation	-1				
Ending Allocation	57				
ASSESSOR TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Assessor	1	2108	Software Developer/Analyst III	Reclassify upward	Senior Software Developer/Analyst

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

CHIEF EXECUTIVE OFFICE – OPERATIONS AND SERVICES

Staffing Requests: The Department is requesting to restore one unfunded Confidential Assistant III position for administrative support in the Capital Projects Division due to the increase in workload due to the number of current projects either in construction or planning stage. These include the Juvenile Commitment Facility, Honor Farm 192 Bed Replacement Facility, Coroner Video Visitation Project, Strategic Business Technology Data Center Relocation Project, and AB900 Phase II Jail Construction Project. The volume of construction projects is expected to continue for the next several years and specific project funding will support this position.

CHIEF EXECUTIVE OFFICE STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
CEO Operations & Services	1	7084	Confidential Assistant III	Restore unfunded position	Restore vacant position
CEO CHANGES	1				
Beginning Allocation	52				
Changes in Allocation	1				
Ending Allocation	53				

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

CHIEF EXECUTIVE OFFICE – COUNTY FACILITIES

The Chief Executive Office County Facilities budget provides funding for minor facility improvements and costs associated with maintaining certain County property. The Fiscal Year 2011-2012 Final Budget was approved with appropriations of \$374,122 and revenue of \$4,000. This level of funding provides for elevator repairs, security at County Center III, a one-time carryover for lease charges up to \$9,800 for the Stanislaus County Arts Commission, telecommunications and internet service for the United Community Center in Grayson, utilities, building and preventive maintenance, and janitorial costs for the Ray Simon Regional Training Center, the Keyes Community Center, the Law Library, Mancini Hall and for County facility related expenses.

In the Fall of 2011, County staff began to mitigate and abate unsafe conditions at 4555 North Star Avenue, the abandoned Indalex Plant in Modesto. The abatement activities were recommended to be temporarily funded out of existing appropriations in the County Facilities budget.

The total costs through the mid-year for this cleanup effort are estimated to be \$60,000 which includes site mitigation and abatement services of the site by Modesto Sand and Gravel, Sheriff staffing to supervise inmate work crews, and other associated costs. Staff recommends approval to use up to \$60,000 in discretionary revenue for this abatement project to ensure this budget ends the year within budgeted appropriations.

Budget Unit	Recommended			Description
	Appropriations	Revenue	General Fund Contribution	
Chief Executive Office- County Facilities	\$60,000	\$0	\$60,000	Increase appropriations and estimated revenue up to \$60,000 for mitigation and abatement activities for the Indalex site clean-up to be funded by discretionary revenue.
Total	\$60,000	\$0	\$60,000	

Summary of Recommendations: It is recommended to increase appropriations by up to \$60,000 to be funded by discretionary revenue.

CHIEF EXECUTIVE OFFICE – GENERAL FUND CONTRIBUTION TO OTHER PROGRAMS

Funding for County Match has been separated into the following legal budgets: *General Fund Contributions to Other Programs* budget and *Mandated County Match* budget. Programs that receive General Fund funding based on contractual obligations and Board of Supervisor policy decisions, and contributions to outside agencies are included in the Chief Executive Office – General Fund Contributions to Other Programs. It is requested to decrease appropriations by \$341,278 due to the receipt of the Fiscal Year 2010-2011 operational cost true-up credit from the Stanislaus Animal Services Agency.

CHIEF EXECUTIVE OFFICE – GENERAL FUND MATCH VEHICLE LICENSE FEE

This budget receives and distributes Vehicle License Fee realignment revenue and is used to fund County Public Health, Mental Health and Social Service programs. Vehicle License Fee General Fund monies received by the County are transferred to the programs within the Realignment Health Trust Funds.

Through Fiscal Year 2010-2011, Behavioral Health and Recovery Services (BHRS) received funding through what is known as 1991 Realignment. This funding consisted of a portion of sales tax and vehicle license fees deposited into an account for Health, Social Services and Mental Health. As part of the Fiscal Year 2011-2012 budget process, a new realignment stream was developed that included funding for former State General Fund programs, including Drug and Alcohol, Early Periodic Screening Diagnosis and Treatment, and Mental Health Managed Care. This new realignment fund does not replace the 1991 Realignment. The new fund was established through Assembly Bill 118. As part of this bill, the vehicle license fee portion formerly designated for Mental Health programs was diverted to the Social Services subaccount to cover an additional county share of cost for CalWORKs grants. There is no fiscal impact to the Department associated with this change as an equal amount of sales tax is now deposited into the Mental Health subaccount to cover the vehicle license fees diversion. In addition, beginning in Fiscal Year 2011-2012, counties are paid a set monthly amount from 1991 Realignment. In previous years, allocations were made based on collections. Currently, the amount provided monthly reflects an approximate 5% increase over the Fiscal Year 2010-2011 allocation.

The 2011 Realignment comes into the County by the State established sub accounts. The Auditor deposits these funds into the fund/org/account that have been designated. Funds do not pass through the CEO General Fund Match – Vehicle License Fee budget. The 1991 Realignment account still exists. It is

requested to decrease expenditures and estimated revenues by \$4,817,846 due to the reallocation of the Mental Health 1991 Realignment.

Budget Unit	Recommended			Description
	Appropriations	Revenue	General Fund Contribution	
CEO - General Fund Contribution to Other Programs	(\$341,278)	\$0	(\$341,278)	Decrease expenditures due to the receipt of 10-11 Operational Cost True-Up credit from Animal Services Agency.
CEO - General Fund Match VLF	(\$4,817,846)	(\$4,817,846)	\$0	Decrease expenditures and estimated revenue in VLF due to the reallocation of the Mental Health 1991 Realignment.
Total	(\$5,159,124)	(\$4,817,846)	(\$341,278)	

Summary of Recommendations: It is recommended to decrease appropriations by \$5,159,124 and decrease estimated revenue by \$4,817,846. This results in an increase of \$341,278 in General Fund fund balance.

CHIEF EXECUTIVE OFFICE – RISK MANAGEMENT DIVISION – PURCHASED INSURANCE

The Risk Management Division requests that the name of this budget be changed to Chief Executive Office – Risk Management Division Medical Self-Insurance. This name is consistent with the titles of the other self-insurance funds, and reflects the purpose of this fund beginning January 1, 2012. This budget provides funding for medical insurance for full-time County employees and their families.

It is also requested to transfer \$100,000 in appropriations and estimated revenue from this budget to the newly-created Other Employee Benefits budget. The amount represents the cost of administering all County benefits, which has historically been captured in this budget and offset with administration fee revenue. At this time, it is requested to transfer this funding out of this budget in order to isolate the costs associated with the self-insured medical program.

CHIEF EXECUTIVE OFFICE – RISK MANAGEMENT DIVISION – OTHER EMPLOYEE BENEFITS

It is requested to increase appropriations and estimated revenue in the CEO – Risk Management Division Other Employee Benefits budget by \$100,000 and \$220,000 respectively. This budget was approved by the Board of Supervisors and established on December 20, 2011 with the purpose of capturing the costs of other employee benefits (not medical, dental, or vision) which included life insurance, management long-term disability, and deferred compensation. At this time, it is requested that the costs of administering all County benefits, estimated at \$100,000, be transferred from the Purchased Insurance budget to this budget with offsetting administration fee revenue. It is necessary to transfer these costs and revenue out of the Purchased Insurance budget because the medical insurance program is changing from a fully-insured program to a self-insured program, and it is important to capture the costs of the self-insured program separately.

The additional \$120,000 in estimated revenue reflects the anticipated revenue from the County's participation in the deferred compensation with Hartford Financial. This is a result of a recent evaluation of the deferred compensation program by the County's Deferred Compensation Committee and Hartford Financial that revealed that revenue collected from portfolio investments for such things as training and

independent financial reviews could be redirected for other program uses. This funding will be set aside for future deferred compensation program expenses, and cannot be used for any other purpose.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
Chief Executive Office - Risk Management Division - Purchased Insurance	(\$100,000)	(\$100,000)	\$0	Decrease appropriations and estimated revenue to transfer costs and revenue associated with administering all County benefits to Other Employee Benefits.
Chief Executive Office - Risk Management Division - Other Employee Benefits	\$100,000	\$220,000	(\$120,000)	Increase appropriations and estimated revenue by \$100,000 to account for costs of administering County benefits from Purchased Insurance. Increase estimated revenue by \$120,000 for deferred compensation program revenue.
Total	\$0	\$120,000	(\$120,000)	

Summary of Recommendations: It is recommended to increase revenue in CEO – Risk Management Division Other Employee Benefits by \$120,000 from the deferred compensation program portfolio investments resulting in a positive contribution to retained earnings at year-end. As of December 31, 2011, the operating budget did not anticipate any use of retained earnings. As a result of the recommendation to contribute \$120,000 to retained earnings, the Department projects this amount as its ending balance.

CLERK RECORDER

Recorder Division:

Staffing Requests: The Chief Executive Office previously received a request to complete a classification study of a Systems Engineer II position. The study has been completed and based on the job duties and responsibilities of the position, it is recommended to reclassify the position to Senior Systems Engineer.

CLERK RECORDER TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Recorder Division	1	7930	Systems Engineer II	Reclassify upward	Senior Systems Engineer

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

Elections Division

The Clerk-Recorder- Registrar of Voters expects to exceed their budget due to an unfunded Presidential Primary election that will be held in June of this fiscal year. The Department is projecting the cost of the election to be \$743,700. The cost of the Presidential Primary election would result in the Department exceeding their current budget by \$522,614. In addition, the Department has estimated additional revenue of \$241,168, therefore requesting a net county cost increase of \$281,446.

Budget Unit	Recommended			Description
	Appropriations	Revenue	General Fund Contribution	
Clerk Recorder - Elections	\$522,614	\$241,148	\$281,466	Increase appropriations and estimated revenue due to the Presidential Primary Election to be funded from the estimated increase in revenue in Discretionary Revenue.
Total	\$522,614	\$241,148	\$281,466	

Summary of Recommendations: It is recommended to increase appropriations by \$522,614 and estimated revenue by \$241,148 in the Clerk Recorder – Elections Department to fund the Presidential Primary Election resulting in an increased General Fund contribution of \$281,466 funded from increased Discretionary Revenue.

GENERAL SERVICES AGENCY

Utilities: In the Fiscal Year 2011-2012 Adopted Proposed Budget, General Services Agency (GSA) Utilities was separated from the GSA – Facilities Maintenance Division to become an internal Service Fund devoted to processing payments for several County departments and Joint Powers Agreements. Previously, as a General Fund department charging other General Fund departments, charges to these departments were processed through an expense account. With the change to an Internal Service Fund charges to General Fund departments should be processed through a revenue account. GSA - Utilities is requesting an increase in appropriations and estimated revenue by \$2,602,020 as a result of this change.

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance/ Retained Earnings	
GSA - Utilities	\$2,602,020	\$2,602,020	\$0	Increase appropriations and revenue to account for charges to General Fund departments.
Total	\$2,602,020	\$2,602,020	\$0	

Summary of Recommendations: It is recommended to increase appropriations and estimated revenue by \$2,602,020.

SUMMARY

Overall, appropriations and estimated revenue for the Board of Supervisors priority area of Efficient Delivery of Public Services are recommended to decrease by \$1,974,490 and \$1,854,658 respectively results in a decrease of \$119,832 in the use of General Funds.

DEPENDENT LIGHTING DISTRICTS AND COUNTY SERVICE AREAS

As part of the 2011-2012 Adopted 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/or increased utility rates, some of these districts need an increase in appropriations to pay the final expenditures for this fiscal 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	Final Budget 2011-2012	Budget Adjustment Recommended	Total Adjusted Budget
1850	Airport Neighborhood	\$23,204	\$1,400	\$24,604
1851	Almond Wood	\$8,066	\$1,750	\$9,816
1852	Country Club – A	\$2,375	\$300	\$2,675
1854	Crows Landing	\$2,555	\$270	\$2,825
1858	Fairview	\$7,127	\$500	\$7,627
1860	Gibbs Ranch	\$2,067	\$1,200	\$3,267
1862	Hillcrest	\$10,563	\$3,000	\$13,563
1876	Schwartz-Baize	\$198	\$180	\$378
1973	Kenwood Park	\$0	\$2,460	\$2,460
Total		\$56,155	\$11,060	\$67,215

Kenwood Park Lighting District was formed by Board Resolution 2011-462 on August 2, 2011. Due to the timing of the formation, the district was not previously budgeted. The recommended budget reflects the Engineer's Report that was part of the formation proceedings.

All of the lighting districts listed have an approved formula for calculating the annual assessment. Therefore, any deficit will be factored into the assessment for Budget Year 2012-2013. In addition, the Public Works Department has begun factoring into the annual assessments a capital replacement component to ensure that adequate funds are available in the future to cover any emergency costs.

Community Service Areas

Fund	District Name	Final Budget 2011-2012	Budget Adjustment Requested	Total Adjusted Budget
1830	CSA 23 – Hillsborough Schutz	\$8,602	\$500	\$9,102
Total		\$8,602	\$500	\$9,102

Unanticipated drainage work in CSA 23 – Hillsborough Schutz has resulted in the need for additional appropriations. The CSA is projected to have a positive cash balance of approximately \$70,000 on June 30, 2012.

Summary of Recommendations: It is recommended to increase appropriations in the Dependent Lighting Districts by \$11,060 to more accurately reflect the revised estimated costs of services provided to these districts. There are sufficient fund balances in all but three of the lighting districts to cover the requested increased appropriations. The three districts without sufficient fund balance are Gibbs Ranch, Hillcrest, and Schwartz-Baize. The deficit will be factored into the assessment for Budget Year 2012-2013. It is also recommended to increase appropriations in CSA 23 – Hillsborough Schutz by \$500.

BUDGET SCHEDULE

The following schedule is recommended for the final 2011-2012 quarterly financial reporting and for the 2012-2013 Proposed Budget:

- | | |
|----------------------|--|
| ◆ March 9, 2012 | Issue 2012-2013 Proposed Budget Instructions to Departments |
| ◆ April 9, 2012 | Department's Proposed Budget Submittals due to Chief Executive Office |
| ◆ May 1, 2012 | Third Quarter Financial Report to the Board of Supervisors |
| ◆ May 25, 2012 | 2012-2013 Proposed Budget available to the Public |
| ◆ June 5, 6, 7, 2012 | Proposed Budget Presentation and Public Hearing to the Board of Supervisors |
| ◆ September 11, 2012 | 2012-2013 Final Budget Presentation and Public Hearing to the Board of Supervisors |

STAFFING RECOMMENDATIONS

FISCAL YEAR 2011-2012 MID-YEAR BUDGET--ATTACHMENT B

DEPARTMENT	BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Agricultural Commissioner	Agricultural Commissioner	0	3429	Account Clerk III	Reclassify upward	Confidential Assistant II
Alliance Worknet	Alliance Worknet		7562	Storekeeper II	Delete vacant unfunded position	Delete unfunded position
Assessor	Assessor	-1	1185	Cadastral Technician	Delete filled position	Delete position/Reduction-in-Force effective 06/30/12
		0	2108	Software Developer/Analyst III	Reclassify upward	Senior Software Developer/Analyst
		1	8023	Application Specialist III	Restore unfunded position	Restore vacant position
		-1	2261	Supervising Appraiser	Unfund vacancy	Unfund vacant position effective 04/01/12
Behavioral Health & Recovery Services	Behavioral Health & Recovery Services	1	8412	Clinical Services Technician II	Restore unfunded position/Reclassify upward	Mental Health Clinician II block-budget
		-1	6879	Mental Health Clinician II	Transfer out	Transfer to Mental Health Services Act
	Mental Health Services Act	1	6879	Mental Health Clinician II	Transfer in	Transfer from Behavioral Health & Recovery Services
Chief Executive Office	Operations & Services	1	7084	Confidential Assistant III	Restore unfunded position	Restore vacant position
Child Support Services	Child Support Services	-3	7327, 9776, 10082	Account Clerk III	Delete vacant positions	Delete positions
		-1	10327	Legal Clerk IV	Unfund vacancy	Unfund vacant position
		-2	3100, 10104	Legal Clerk III	Unfund vacancies	Unfund vacant positions
		0	3004, 6242, 9228	Legal Clerk IV	Reclassify upward	Child Support Officer II block-budget
Children & Families Commission	Children & Families Commission	-1	10683	Staff Services Coordinator	Delete filled position	Delete position/Reduction-in-Force effective 06/30/12
		-1	10912	Staff Services Coordinator	Delete vacant position	Delete position
Clerk Recorder	Recorder Division	0	7930	Systems Engineer II	Reclassify upward	Senior Systems Engineer
Community Services Agency	Services and Support	1	8184	Social Worker IV	Restore unfunded position/Reclassify downward	Family Services Specialist III
		2	NEW	Special Investigator II	Add new positions	Special Investigator II block-budget
		1	NEW	Family Services Supervisor	Add new position	Family Services Supervisor
		15	NEW	Family Services Specialist II	Add new positions	Family Services Specialist II block-budget
Health Services Agency	Administration	0	2288	Accountant II	Classification study	Study
	Clinics & Ancillary	0	10163	Manager II	Classification study	Study
Probation	Administration	1	NEW	Systems Technician II	Add new position	Systems Technician II block-budget
		-1	1788	Manager II	Unfund vacancy	Unfund vacant position
	Field Services	1	2159	Supervising Legal Clerk II	Restore unfunded position	Restore vacant position

STAFFING RECOMMENDATIONS

FISCAL YEAR 2011-2012 MID-YEAR BUDGET--ATTACHMENT B

DEPARTMENT	BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Sheriff	Contract Cities	1	11362	Legal Clerk III	Restore unfunded position/Reclassify upward	Supervising Legal Clerk II block-budget
	Operations	0	426	Manager II-Safety	Reclassify downward	Sergeant
CHANGES TO POSITION ALLOCATION REPORT		14				
TOTAL CURRENT AUTHORIZED POSITIONS		3,710				
Reduction-in-Force		-2				
Unfund Vacant Positions		-5				
Delete Vacant Positions		-4				
Restore Unfunded Positions		6				
Add New Positions		19				
RECOMMENDED AUTHORIZED POSITIONS		3,724				

**Contract Summary Sheet
All Funds
Contracts over \$100,000**

Attachment C

Department	Budget Unit	Contractor	Brief Description of Service Provided or Position Held	Previous contractual amount	Proposed Contract Amount	Cumulative Contract Total
Alliance Worknet	Alliance Worknet	Central Valley Opportunity Center (CVOC)	Provides employment and training services for youth aged 17-24	\$519,316 7/1/09-6/30/11	\$173,414 7/1/11-6/30/12	\$692,730
Alliance Worknet	Alliance Worknet	Ceres Unified School District	Provides employment and training services for youth aged 14-24. In addition, provides educational opportunities to identify youth at risk of Gang involvement	\$2,581,847 7/1/09-6/30/11	\$875,847 7/1/11-6/30/12	\$3,457,694
Alliance Worknet	Alliance Worknet	Computer Tutor	Provides services to improve educational and skill competencies for youth aged 17-21	\$951,883 7/1/09-6/30/11	\$407,722 7/1/11-6/30/12	\$1,359,605
Alliance Worknet	Alliance Worknet	Friends Outside	Provides employment and training services to: ex-offenders paroled into Stanislaus County; youth aged 17-21; older youth at risk of gang involvement	\$752,134 7/1/09-6/30/11	\$320,500 7/1/11-6/30/12	\$1,072,634
Alliance Worknet	Alliance Worknet	Fresno Regional Workforce Investment Board	Provide State Energy Sector Partnership Grant services		\$184,318 11/1/11-1/28/13	\$184,318
Alliance Worknet	Alliance Worknet	Kern, Inyo, Mono Counties Consortium	Provide State Energy Sector Partnership Grant services		\$176,682 3/1/11-1/28/13	\$176,682

**Contract Summary Sheet
All Funds
Contracts over \$100,000**

Attachment C

Department	Budget Unit	Contractor	Brief Description of Service Provided or Position Held	Previous contractual amount	Proposed Contract Amount	Cumulative Contract Total
Alliance Worknet	Alliance Worknet	San Joaquin County Employment and Economic Development Department	Provide State Energy Sector Partnership Grant services		\$143,904 3/1/11-1/28/13	\$143,904
Behavioral Health & Recovery Services	Mental Health Services Act Prevention & Early Intervention	Sierra Vista Child and Family Services	Early Psychosis Prevention & Intervention Services	\$215,908 12/1/10-6/30/11	\$325,000 7/1/11-06/30/12	\$540,908
Behavioral Health & Recovery Services	Mental Health Services Act Prevention & Early Intervention	Omer Njajou-Tchikamgoua	Research & Outcomes Support Services	\$56,239 11/29/10-6/30/11	\$105,000 7/1/11-6/30/12	\$161,239
Chief Executive Office	Operations & Services	Don Phemister	Construction Management	N/A	\$182,000 2/1/12-1/31/13	\$182,000
CEO-Plant Acquisition	CEO-Plant Acquisition	Wulfsberg, Reese and Fristman	Legal Services	\$35,000 7/1/09-6/30/10 \$145,000 7/1/10-6/30/11	\$90,000 7/1/11-6/30/12	\$270,000
CEO-Risk Management Division	Workers' Comp Self-Insurance	Acclamation Insurance Management Services	Claims Administrator	\$1,068,195 7/1/09-6/30/11	\$566,347 7/1/11-6/30/12 Increase contract amount	\$1,634,542
CEO-Risk Management Division	General Liability Self-Insurance	Curtis Legal Group	Legal Services, Costs & Expenses	\$775,777 7/1/09-6/30/11	\$400,000 7/1/11-6/30/12 Increase contract amount	\$1,175,777
CEO-Risk Management Division	General Liability Self-Insurance	Dan Farrar Attorney at Law	Legal Services, Costs & Expenses	\$404,745 7/1/09-6/30/11	\$275,000 7/1/11 - 6/30/12 Increase contract amount	\$679,745
Department of Child Support Services	Department of Child Support Services	Contra Costa County Dep't of Child Support Services	Early Intervention and Delinquency Prevention services by Maximus	\$25,000 4/1/11-6/30/11	\$135,000 7/1/11-6/30/12	\$160,000
Clerk Recorder	Modernization Trust Fund	Kofile Preservation	Restoration of Historical Books	\$800,000 10/1/09-9/30/11	\$150,000 10/1/09-12/30/15	\$950,000
Community Services Agency	Services & Support	Arbor E & T LLC	WTW Employment Services	\$1,202,400 7/1/09 - 6/30/12	\$15,000 7/1/11-6/30/12 Increase Contract and Scope of Work	\$1,217,400

**Contract Summary Sheet
All Funds
Contracts over \$100,000**

Attachment C

Department	Budget Unit	Contractor	Brief Description of Service Provided or Position Held	Previous contractual amount	Proposed Contract Amount	Cumulative Contract Total
Community Services Agency	Services & Support	Aspiranet	THP+	\$851,127 7/1/09 - 6/30/12	\$7,836 7/1/11-6/30/12 Increase Contract and Scope of Work	\$858,963
Community Services Agency	Services & Support	Modesto City Schools	ROP/WTW Participant Advisor Services	\$323,556 7/1/09 - 6/30/12	\$31,132 7/1/11-6/30/12 Increase Contract and Scope of Work	\$354,688
Community Services Agency	Services & Support	Nirvana	Sober Living Environment & alcohol/Drug Treatment	\$930,000 7/1/09 - 6/30/12	\$30,000 7/1/11-6/30/12 Increase Contract	\$960,000
Community Services Agency	Services & Support	San Bernardino County	CIV Imaging Operations Charges	N/A	\$109,753 11/1/11- 10/31/13 Increase Contract and Scope of Work	\$109,753
Community Services Agency	Services & Support	Stanislaus Literacy Center	GED services	\$416,090 7/1/09-9/30/12	\$50,000 7/1/11-6/30/12 Increase Contract and Scope of Work	\$466,090
Community Services Agency	Services & Support	United Way	211 Services	N/A	\$106,000 1/1/12 - 6/30/12	\$106,000
Community Services Agency	Services & Support	UC Davis	Staff Training	\$21,318 10/1/11-6/30/12	\$150,000 3/6/12 - 6/30/12	\$171,318
General Services	Facility Maintenance	Consolidated Facility Services	Janitorial	\$44,940 7/01/09-6/30/11	\$24,343 7/1/11-1/15/12	\$69,283
General Services	Facility Maintenance	Gandarilla Building Services	Janitorial	\$296,544 7/1/09-6/30/10 \$273,404 7/1/10-6/30/11	\$154,486 7/1/11-1/31/12	\$724,434

**Contract Summary Sheet
All Funds
Contracts over \$100,000**

Attachment C

Department	Budget Unit	Contractor	Brief Description of Service Provided or Position Held	Previous contractual amount	Proposed Contract Amount	Cumulative Contract Total
General Services	Facility Maintenance	Thyssenkrup Elevator Corp	Elevator	\$33,000 7/1/09-6/30/10 \$85,170 7/1/10-6/30/11	\$83,412 7/1/11-6/30/12	\$201,582
General Services	Facility Maintenance	Universal Building Services	Janitorial	\$58,290 7/1/09-6/30/10 \$116,580 7/1/10-6/30/11	\$43,336 7/1/11-1/2/12	\$218,206
General Services	Facility Maintenance	Pride Industries	Janitorial	\$0	\$139,661 7/1/16/12-6/30/12	\$139,661
General Services	Facility Maintenance	Guardsmark LLC	Security	\$77,066 7/01/09-6/30/10 \$103,206 7/1/10-6/30/11	\$96,000 7/1/11-6/30/12	\$276,272
Health Services Agency	Clinic & Ancillary	Davis Wright Tremaine	Healthcare Legal Services	\$325,000 7/1/09 - 6/30/11	\$525,000 7/1/11-6/30/12	\$850,000
ICJIS	ICJIS	Atomogy	Provides software development and system maintenance services for Stanislaus County ICJIS	\$250,000 7/1/09-6/30/10 \$250,000 7/1/10-6/30/11 \$250,000 7/1/11-6/30/12	\$10,000 7/1/12-6/30/12 Increase Contract Amount	\$760,000

Contract Summary Sheet

Attachment D

All Funds

Contracts between \$50,000-\$100,000

Department	Budget Unit	Contractor	Brief Description of Service Provided or Position Held	Previous contractual amount	Proposed Contract Amount	Cumulative Contract Total
Alliance Worknet	Alliance Worknet - StanWORKs	Stanislaus Literacy Center	Provides GED preparation, basic education, and limited vocational english as second language services	N/A	\$65,000 7/1/11-6/30/12	\$65,000
Alliance Worknet	Alliance Worknet	Merced County Department of Workforce Investment	Provide State Energy Sector Partnership Grant services	N/A	\$57,403 9/1/11-1/23/13	\$57,403
Alliance Worknet	Alliance Worknet	Tulare County Workforce Investment Board	Provide State Energy Sector Partnership Grant services	N/A	\$86,527 11/1/11-1/28/13	\$86,527
Alliance Worknet	Alliance Worknet	Madera County Superintendent of Schools, Workforce Development Office	Provide veterans services under the Vet Connect program	N/A	\$85,000 6/1/11-3/31/13	\$85,000
Behavioral Health and Recovery Services	Managed Care	California Psychiatric Transitions	Residential care for clients needing an Institution for Mental Disease	\$97,200 1/3/12-6/30/12	\$36,300 3/15/12-6/30/12	\$133,500
CEO-Risk Management Division	Purchased Insurance	Arnerich, Massena, & Wood	Deferred Comp Consultants	\$53,078 7/1/09-6/0/11	\$30,000 7/1/11-6/30/12 Increase contract amount	\$83,078
CEO-Risk Management	Workers' Comp Self-Insurance	Permanente Medical Group	Pre-employment Testing	\$25,402 7/1/09 -6/0/11	\$45,159 7/1/11-6/30/12	\$70,561
Clerk Recorder	Modernization Trust Fund	Coneth Solutions	IT Consulting Services	\$17,000 11/12/10-12/31/11	\$55,000 11/12/10-12/31/12	\$72,000
Community Services Agency	Services & Support	California State University Fresno Foundation	Signs of Safety Training	N/A	\$25,000 1/1/12-6/30/12 New Contract	*\$25,000
Community Services Agency	Services & Support	Vicki Sieber-Benson	Ghostwriter	\$45,310 7/1/09-6/30/12	\$7,000 7/1/11-6/30/12 Increase Contract	\$52,310

*Contract totals listed that are less than \$50,000 represent separate contracts where the total contracted services with the vendor exceed \$50,000

Contract Summary Sheet
All Funds
Contracts between \$50,000-\$100,000

Attachment D

Department	Budget Unit	Contractor	Brief Description of Service Provided or Position Held	Previous contractual amount	Proposed Contract Amount	Cumulative Contract Total
Health Services Agency	Clinic & Ancillary	EKCITA	Health Information Exchange	N/A	\$85,000 7/1/11-6/30/12	\$85,000
Health Services Agency	Indigent Health Care Program	Afshin Bidgol, DMD	Dentist	\$25,000 7/1/11-6/30/12	\$50,000 7/1/12-6/30/13	\$75,000
Sheriff	Operations	Ballard, Gary	Aircraft Mechanic	\$46,750 7/1/09-6/30/11	\$25,700 7/1/10-6/30/13	\$72,450

*Contract totals listed that are less than \$50,000 represent separate contracts where the total contracted services with the vendor exceed \$50,000



Mid-Year
FINANCIAL REPORT 2011-2012



Monica Nino
CHIEF EXECUTIVE OFFICER

EXECUTIVE SUMMARY

- Despite significant reductions, we project ending the fiscal year in a positive financial position.
- Since the economic decline began we have used \$24 million in reserve funding to balance the last three budgets.
- On-going use of one-time funding is needed through 2014-2015.

EXECUTIVE SUMMARY

- Labor has played a valuable role over the last two years with 5% pay deductions.
- For the 2012-2013 and 2013-2014 Fiscal Years, 8 of the 12 bargaining units have agreed to an additional 1% deduction for a total of 6%.
- Remaining outstanding labor agreements are critical to minimize further significant reductions in service levels.

EXECUTIVE SUMMARY

- Continued structural shortfalls projected to remain beyond Fiscal Year 2012/13 due to increases in retirement costs and County Match requirements.
- Recommendations before Board of Supervisors for approval include the 2012/13 Budget Strategy; critical to the County's financial sustainability and service levels to the community.

MID-YEAR FISCAL REVIEW

- Provide mid-year fiscal review of departmental budgets and cash analysis by fund.
- Recommend adjustments to County budgets since the adoption of the First Quarter Report in November 2011.
- Identify and provide status of the County's ongoing challenges and issues based on current information.
- Present 2012-2013 Budget Strategy.

BOARD PRIORITIES

The 2011-2012 Mid-Year Report is organized by the seven Board of Supervisors Priorities of:

A Safe Community;

A Healthy Community;

A Strong Local Economy;

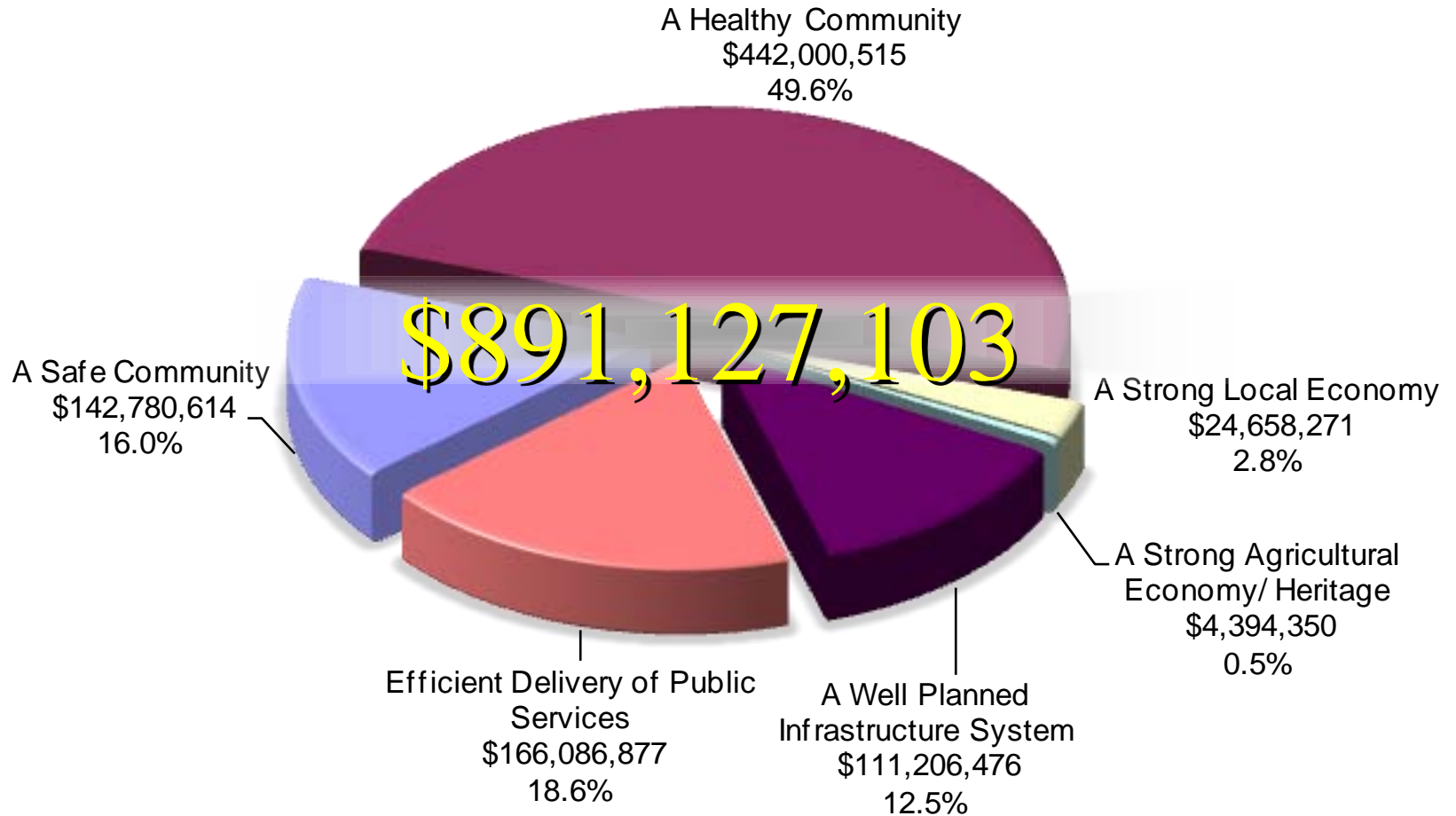
Effective Partnerships;

A Strong Agricultural Economy/Heritage;

A Well Planned Infrastructure System; and

Efficient Delivery of Public Services

FINAL ADOPTED BUDGET 2011-2012



Mid-Year General Fund Balancing

General Fund	2011-2012		2011-2012 Recommend.
	Mid-Year Legal Budget	Mid-Year Budget Recommend.	Mid-Year Budget (Legal plus recommend.)
Departmental Appropriations	\$ 247,373,568	\$ (4,493,961)	\$ 242,879,607
Appropriations for Contingencies	\$ 4,410,864	\$ -	\$ 4,410,864
Total Appropriations	\$ 251,784,432	\$ (4,493,961)	\$ 247,290,471
Departmental Revenue	\$ 84,316,359	\$ (4,516,678)	\$ 79,799,681
Net County Cost	\$ 167,468,073	\$ \$22,717	\$ 167,490,790
Sources of Funding			
Discretionary Revenue	\$ 140,029,000	\$ 5,471,000	\$ 145,500,000
Use of Discretionary Rev.			\$ -
Unreserv./Undesign. Fund Balance	\$ 14,865,010		\$ 14,865,010
Fund Balance - Agenda Items	\$ (518,852)		\$ (518,852)
Fund Balance - 75% CarryOver	\$ 9,205,858		\$ 9,205,858
Fund Balance - Encumbrance	\$ 1,264,780		\$ 1,264,780
Prior Year Encumbrances	\$ 2,622,277		\$ 2,622,277
Total Sources of Funding	\$ 167,468,073	\$ 5,471,000	\$ 172,939,073
Balance	\$ -	(\$5, 448,283)	\$ (5,448,283)

Discretionary Revenue

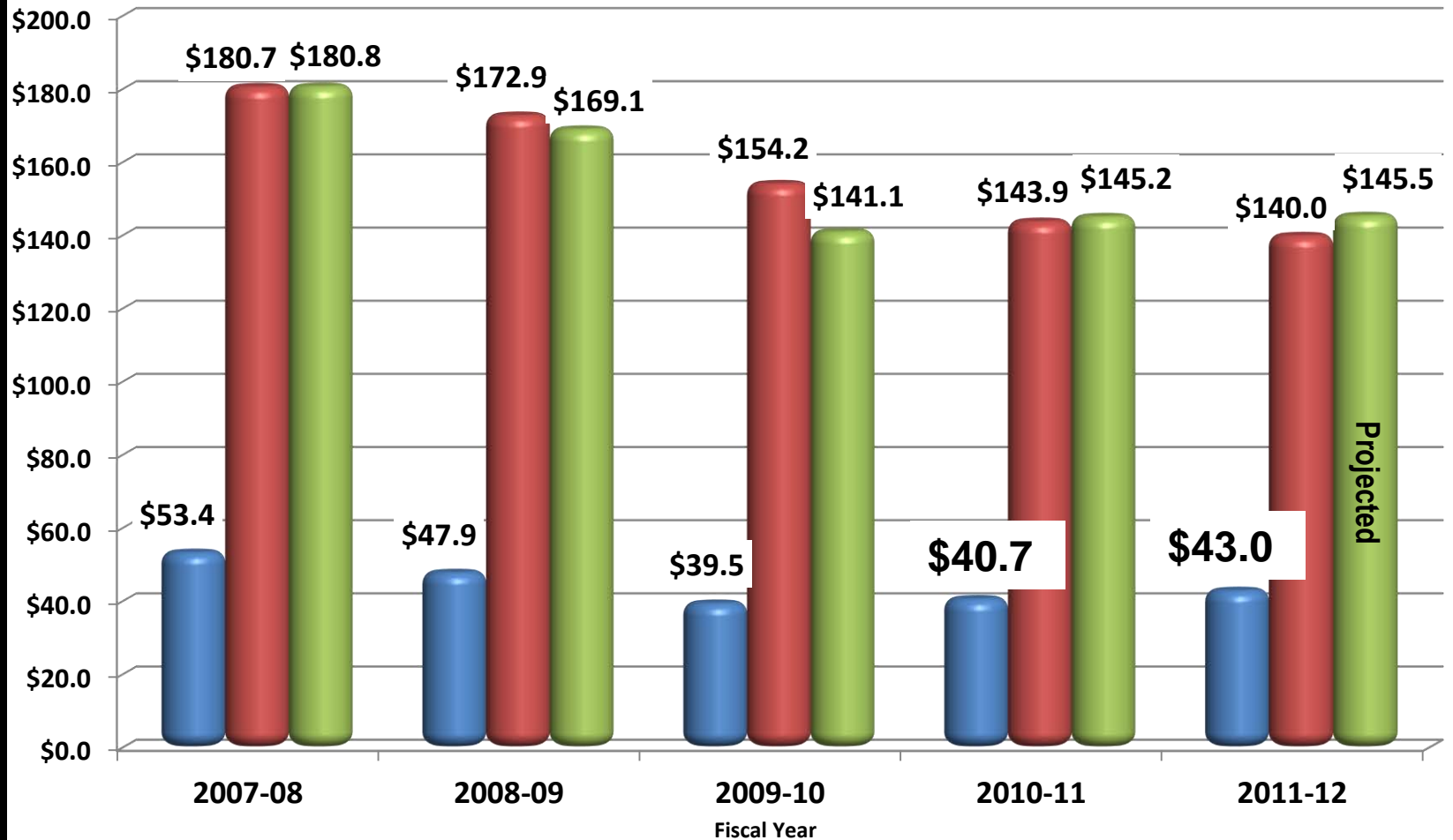
Adjustments to the overall discretionary budget total a net increase of \$5.5 million:

- Proposition 172 Sales Tax - \$2 million higher.
- Collection of property and sales related taxes - \$3.3 million higher.
- Penalties for delinquent property taxes - \$2.1 million lower.
- Williamson Act revenue - projected at \$1.4 million.
- Additional miscellaneous revenue - \$900,000.

Discretionary Revenue

in millions

6 Month Actual Budget Year-End Actual



Adjustments by Priority

Board Priority Area	Recommended Appropriations	Recommended Revenue	Use of Recommended Fund Balance / Retained Earnings	Appropriations for Contingencies
A Safe Community	\$359,355	\$291,608	\$67,747	\$0
A Healthy Community	\$4,348,349	\$12,835,565	(\$8,487,216)	\$0
A Strong Local Economy	\$331,860	\$514,860	(\$183,000)	\$0
A Strong Agricultural Economy/Heritage	\$0	\$0	\$0	\$0
A Well Planned Infrastructure System	\$419,352	\$257,670	\$161,682	\$0
Efficient Delivery of Public Services	(\$1,974,490)	(\$1,854,658)	(\$119,832)	\$0
Total Priority Adjustments	\$3,484,426	\$12,045,045	(\$8,560,619)	\$0
Discretionary Revenue	-	\$5,471,000	(\$5,471,000)	\$0
TOTAL	\$3,484,426	\$17,516,045	(\$14,031,619)	\$0

A SAFE COMMUNITY

	Recommended Appropriations	Recommended Revenue	Recommended Fund Balance / Retained Earnings	Appropriations for Contingencies
A Safe Community	\$359,355	\$291,608	\$67,747	\$0

District Attorney:

\$8,909 increase - Rural Crimes Grant.

Chief Executive Office – Emergency Services:

\$57,451 decrease – Budget correction.

A SAFE COMMUNITY

Grand Jury:

\$80,000 increase - Criminal Grand Jury (\$50,000) and increase for contempt case (\$30,000).

Sheriff:

\$327,897 increase - Cal-MMET, vehicle and equipment purchases from the Local Safety and Protection Account (LSPA), several technical adjustments for computer equipment related to Realignment and authority for transferring appropriations as needed between Sheriff's budget.

A HEALTHY COMMUNITY

	Recommended Appropriations	Recommended Revenue	Recommended Fund Balance / Retained Earnings	Appropriations for Contingencies
A Healthy Community	\$4,348,349	\$12,835,565	(\$8,487,216)	\$0

Aging and Veterans Services:

\$76,659 increase – Additional Older Americans Act funding and grants from Community Services Agency and the National Multiple Sclerosis Society.

A HEALTHY COMMUNITY

Behavioral Health and Recovery Services:

\$161,456 net increase - for increased contract expenses for hospitalization, increased revenue for electronic health record projects, and staff time to support Alcohol and Drug Services at the Stanislaus Recovery Center and various other transfers of funding.

\$75,000 for contract expenses for prior year inpatient hospital invoices received this fiscal year.

A HEALTHY COMMUNITY

Child Support Services:

Internal Transfer \$900,000 - Customer service solution hardware, infrastructure maintenance and equipment and HVAC repairs.

A HEALTHY COMMUNITY

Community Services Agency:

\$4,102,234 increase - for all the CSA aid budgets supported by Federal/State allocations and/or receipt of one-time 1990-1991 realignment growth funds and fund balance.

Children and Families Commission:

\$8.5 million increase – technical adjustment to change revenue reduction to a liability.

Health Services Agency:

\$8,000 increase – for unexpected equipment costs associated with new stamp sealer for Vital Records in Public Health.

A STRONG LOCAL ECONOMY

	Recommended Appropriations	Recommended Revenue	Recommended Fund Balance / Retained Earnings	Appropriations for Contingencies
A Strong Local Economy	\$331,860	\$514,860	(\$183,000)	\$0

Library:

\$514,860 increased revenue from increased sales tax and donations.

\$331,860 increase appropriations - salaries, retirement cash-outs, utilities, information technology, and other operating costs.

A WELL PLANNED

INFRASTRUCTURE SYSTEM

	Recommended Appropriations	Recommended Revenue	Recommended Fund Balance / Retained Earnings	Appropriations for Contingencies
A Well Planned Infrastructure System	\$419,352	\$257,670	\$161,682	\$0

Parks and Recreation:

\$134,403 increase - sewer pump upgrades at Modesto Reservoir funded by departmental fund balance.

A WELL PLANNED

INFRASTRUCTURE SYSTEM

Environmental Resources:

\$21,555 increase - staff training for the Abandoned Vehicle Abatement (AVA) Program and transfer of appropriations into Fixed Assets for transfer of two vehicles and purchase of a vehicle for the Emergency Response Program.

A WELL PLANNED

INFRASTRUCTURE SYSTEM

Public Works:

\$263,394 increase – Morgan Shop increased fuel costs , vehicle repair costs, and depreciation of new bio-diesel on- site fuel tank.

EFFICIENT DELIVERY

OF PUBLIC SERVICES

	Recommended Appropriations	Recommended Revenue	Recommended Fund Balance / Retained Earnings	Appropriations for Contingencies
Efficient Delivery of Public Services	(\$1,974,490)	(\$1,854,658)	(\$119,832)	\$0

Clerk/Recorder - Elections:

\$522,614 increase - Presidential Primary Election funded from departmental revenue and an increased General Fund contribution of \$281,446.

EFFICIENT DELIVERY

OF PUBLIC SERVICES

Chief Executive Office:

\$4,817,846 decrease in the General Fund VLF pass through budget - reallocation of the Mental Health 1991 Realignment funding.

\$341,278 savings in Animal Services from the prior operating year.

\$60,000 increase in appropriations from discretionary revenue for Indalex site mitigation and cleanup costs.

EFFICIENT DELIVERY

OF PUBLIC SERVICES

General Services Agency:

\$2,602,020 increase to appropriations and revenue - technical accounting adjustment related to the shift to an internal service fund and the processing of utility charges.

Risk Management:

\$100,000 transfer of costs and revenue to self-insured medical program.

\$120,000 increase - portfolio investments for training and independent financial reviews.

TOTAL RECOMMENDED

STAFFING CHANGE

Total Current Authorized Positions	3,710
Reductions-in Force	-2
Unfund Vacant Positions	-5
Delete Vacant Positions	-4
Restore Unfunded Positions	6
Add New Positions	19
Total Changes to Positions Allocation Report	14
Total Authorized Positions with Approval of the Recommended Mid-Year Budget	3,724

STAFFING

Assessor:

Reduction-in-Force of a Cadastral Technician position due to workload reduction related to decline in new housing construction.

Children and Families Commission:

Reduction-in-Force of a Staff Services Coordinator and deletion of a vacant Staff Services Coordinator position due to decreased workload resulting from the elimination of the school readiness program and a decline in revenue resources.

STAFFING

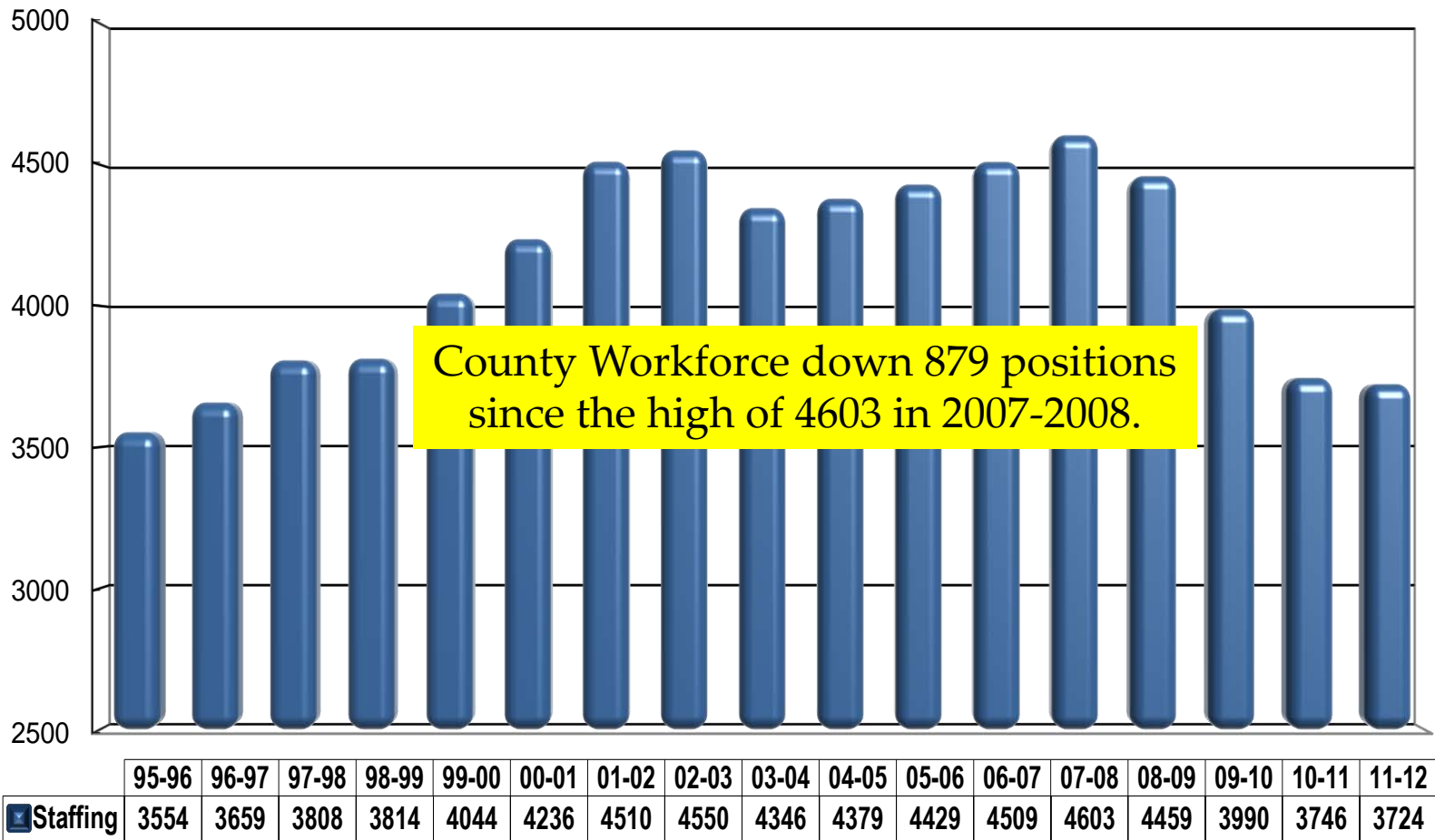
Community Services Agency:

18 positions recommended to be added and one position restored (for a total of 19) to maintain workload in key areas of StanWORKs and Special Investigations. The department remains 11 positions below its highest staffing level of 955 in FY 2008-2009.

Probation:

One position recommended to be added to Probation's technical support unit due to additional workload created by the State Realignment program.

STAFFING



2012-2013 BUDGET STRATEGY -

Looking Back

- Deteriorating economic conditions since Fiscal Year 2008-2009.
- Unprecedented losses in local Discretionary Revenue.
- Discretionary Revenue is projected to end the 2011-2012 Fiscal Year at \$145.5 million, a 20% decrease from its peak.

2012-2013 BUDGET STRATEGY -

Looking Back

- The General Fund has decreased by 17.5% or \$48.8 million from its peak of \$278.8 million.
- 2011-2012 Adopted Final Budget was \$62 million less for all funds from its peak, an 8.5% decrease.

2012-2013 BUDGET STRATEGY -

Looking Back

Significant Budget restructuring efforts to respond to decreased revenue. Departments were issued the following reductions in General Fund contributions:

- 2009-2010 - 5% reduction for Public Safety departments; 12% reduction for all other departments.
- 2010-2011 - 9% reduction for all departments
- 2011-2012 - 5% -14% reduction for Public Safety departments; 10% - 30% reduction for all other departments.

2012-2013 BUDGET STRATEGY -

Looking Back

- Continued reliance on one-time funding for on-going programs/operational expenses is not sustainable in the long term.
- The County has instituted service level reductions; focus on basic core services with the elimination of support for some programs entirely.

2012-2013 BUDGET STRATEGY -

Looking Back

- No Back-fill policy for State or Federal Budget reductions.
- County Workforce down 879 positions since the high of 4603 in 2007-2008.
- Cutbacks in every County department

Ongoing Issues and Challenges

State Budget:

- Proposed Budget impacts are still unclear.
- Deficit uncertain (\$13 Billion vs. \$9.2 Billion); unlikely that needed revenue will materialize.
- Legislature inaction will likely worsen the State's deficit by hundreds of millions of dollars.

Ongoing Issues and Challenges

Public Safety Realignment (AB 109):

- County will receive \$6.6 million this year; it is uncertain if this will be adequate to fund all expenses incurred.
- The Governor has included continued Realignment funding with the Budget Year 2012-13 Proposed State Budget. However, there is no constitutional guarantee of funding in place at this time.
- Apportionment formula currently in debate.

Ongoing Issues and Challenges

Redevelopment:

- The Chief Executive Office is working with the Board of Supervisors to develop a strategy for the creation of the Oversight Boards to direct administration of Successor Agencies for former redevelopment agencies.

Ongoing Issues and Challenges

Health and Human Services:

Significant unmet needs include:

- \$2.9 million shortfall in Foster Care Assistance impacting an estimated 554 children in the current budget year.
- Potential \$1.2 million General Fund shortfall in IHSS Wages and Benefits.
- \$2.9 million exposure in the Medically Indigent Adult (MIA) program remains.

Ongoing Issues and Challenges

Labor Relations:

- Original agreements set to expire July 1, 2012.
- In the Fall of 2011, a majority of the County Labor Associations engaged in voluntary salary discussions with the County on a permanent 6% Salary Deduction Agreement to be effective July 1, 2012, after the expiration of the current 5% Salary Deduction Agreement.

Ongoing Issues and Challenges

Labor Relations:

- The County is currently starting negotiations with the remaining four labor groups (Stanislaus County Employees Association AFSCME Local 10, Service Employees' International Union, County's Attorneys Association, and California Nurse's Association).

Ongoing Issues and Challenges

Retirement Costs Continue to Increase:

- Reserves no longer available to subsidize employer rates for the 2012-2013 Budget Year.
- Result is an estimated 25% increase to the General Fund (\$4.8 million) and 29% increase (\$11.9 million) for All Funds above current Fiscal Year 2011-2012 rates.

Ongoing Issues and Challenges

Retirement:

- Anticipate rates may climb over the next few years as the StanCERA Board discusses the earning assumption rate, amortization period for unfunded liability and potential methodology changes proposed by the Government Accounting Standards Board (GASB).

Ongoing Issues and Challenges

Health Insurance:

- January 1, 2012, the County implemented a new self-insured medical plan and a new three-year health insurance agreement for all bargaining units (excluding SEIU).
- County anticipates a \$1.6 million savings in calendar year 2012 to the General Fund and \$4.9 million for all funds.
- County anticipates total health insurance program cost increases on average of 5% - 7.5% per year starting January 2013.

Ongoing Issues and Challenges

AB 900 Jail Construction:

- Jail Facilities urgently needed, and State realignment presents even more pressure on local County jails.
- Applied for \$80 million in State Jail Construction Funding - AB 900 Phase II.
- Proposed \$89.5 million project - 384 Maximum Security Beds, 72 Medical/Mental Health Beds and Day Reporting Facility, \$9.5 million local match.

Ongoing Issues and Challenges

AB 900 Jail Construction: cont'd

- Executive Steering Committee has recommended full funding for Stanislaus County.
- Corrections Standards Authority to consider funding awards on March 8, 2012.

Ongoing Issues and Challenges

Aging County Facilities Need Repair and Renovation:

- Various facilities rapidly aging and are in need of repair and renovation.
- Juvenile Detention Facility needs are real and could exceed \$4.1 million alone.
- Funds need to be allocated for these expenses to ensure continuous operation.
- Funding Strategies are being developed to meet the most urgent facility needs.

Ongoing Issues and Challenges

Presidential General Election:

- The Clerk/Recorder-Registrar of Voters anticipates an additional need of \$250,000 to \$500,000 for costs associated with the Presidential General Election that will be held in November 2012.

Ongoing Issues and Challenges

Library Sales Tax Measure:

- Dedicated Library Sales Tax due for renewal on July 1, 2013.
- Sales Tax provides over 70% of Library budget.
- The new 1/8 cent sales tax will be on the June 5, 2012 ballot and requires a 2/3 voter approval.

LOOKING FORWARD

2012- 2013 Budget Assumptions:

- Economic pressure continues.
- State Budget is not balanced.
- Structural shortfall remains between annual revenue collections and on-going operational costs.
- One-time money still needed now and in the next few years.

LOOKING FORWARD

2012- 2013 Budget Assumptions:

- \$147.5 million in projected Discretionary Revenue for 2012-2013 represents a slight increase.
- \$1.4 million in Health Insurance savings.
- \$685,000 savings to General Fund from 6% Pay Deduction as part of eight negotiated labor agreements.

LOOKING FORWARD

2012- 2013 Budget Assumptions:

- \$4.8 million in increased retirement employer costs as rates subsidy no longer available.
- \$1.7 million exposure to the General Fund due to the end of the 5% pay deduction for remaining 4 labor groups.
- \$7 million exposure for Mandated Program Match costs.
- \$3 million exposure for urgent facility repairs.

2012-2013 BUDGET STRATEGY

- \$14.7 million operational structural deficit for Fiscal Year 2012-2013.
- Can be partially mitigated with the use of \$9.2 million of committed fund balance previously set aside as Teeter reserve.
- Remaining \$5.5 million gap - labor concessions needed from remaining groups and further year-end savings required from departments.

LOOKING FORWARD

Projections

- CEO projections at Mid-Year forecasts a \$5.5 million shortfall for 2012-2013 Proposed Budget.
- This projection does not include fully funding urgent needs for aging facilities or additional State Budget impacts.

2012-2013 BUDGET STRATEGY

For Proposed Budget preparation:

- Departments will be allocated the same General Fund contribution as in Fiscal Year 2011-2012.
- Increases in salary costs for employees in bargaining units without a negotiated pay deduction will be absorbed by departments either through Reductions-in-Force or other program reductions; estimated cost is \$1.7 million for the General Fund and \$9 million for All Funds.

2012-2013 BUDGET STRATEGY

- Many departments will still have 75% Net County Cost savings to help mitigate some of the impacts.
- County will continue to re-evaluate and re-engineer the way services are delivered to our community, create innovative partnerships and look for cost effective alternatives to traditional service delivery systems.

LOOKING AHEAD

Current modeling indicates operational deficit for the General Fund of:

- \$19.5 million in Fiscal Year 2013-2014.
- \$14.5 million in 2014-2015.
- Driven by increased retirement costs and increased mandated match.



- » [Departments](#)
- » [Services](#)
- » [County Sites of Interest](#)
- » [Job Opportunities](#)
- » [Stanislaus County Home](#)

■ Stanislaus County Sites of Interest

- [Board Priorities](#) [PDF]
- [County Budget](#)
- [Capital Projects](#)
- [Economic Development](#)
- [Education and Training](#)
- [GIS - Geographical Information Systems](#)
- [Health & Safety](#)
- [HIPAA - Health Insurance Portability & Accountability Act](#)
- [Job Opportunities](#)
- [Living and Working](#)

STAFF RECOMMENDATIONS

- 1. Accept the Chief Executive Officer's Mid-Year Financial Report for Fiscal Year 2011-2012.**
- 2. Authorize the Chief Executive Officer and the Auditor-Controller to make the necessary adjustments as recommended in the Mid-Year Financial Report.**

STAFF RECOMMENDATIONS

- 3. Approval to allow Behavioral Health and Recovery Services to pay prior year inpatient hospital invoices for services that were provided last fiscal year.**

STAFF RECOMMENDATIONS

- 4. Authorize the use of \$900,000 of the Department of Child Support Services' contingency account, as recommended in the Mid-Year Financial Report by 4/5 vote of the Board of Supervisors.**
- 5. Approve the 2012-2013 General Fund Budget Strategy as outlined in the report.**

STAFF RECOMMENDATIONS

- 6. Amend the Salary and Position Allocation Resolution to reflect the recommendations included as part of the Mid-Year Financial Report, as outlined in the Staffing Impacts section of this report and detailed in Attachment B to be effective the start of the March 10, 2012 pay period, or as otherwise noted.**

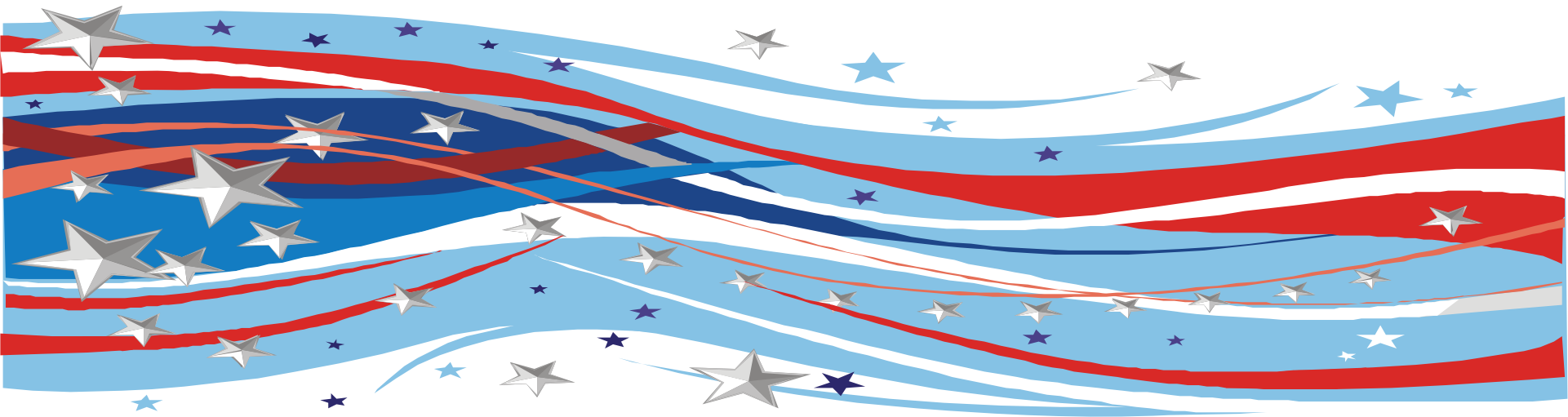
STAFF RECOMMENDATIONS

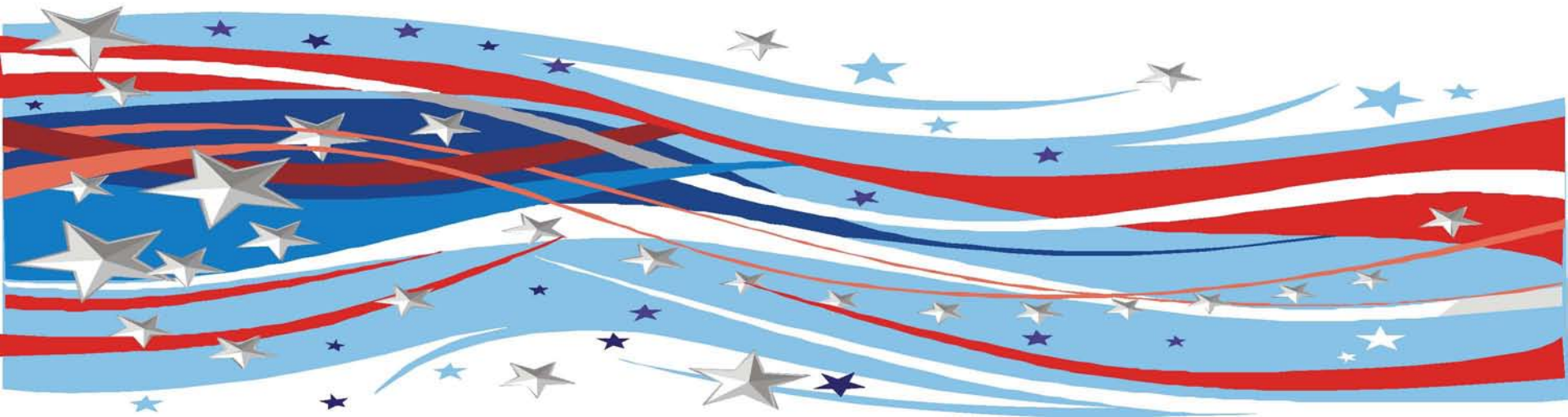
7. Approve the reduction-in-force of one filled position in the Assessor's Office and one filled position in the Children and Families Commission effective June 30, 2012.
8. Approve contracts and/or agreements listed on Attachment C in cumulative amounts of \$100,000 or greater since July 1, 2009.

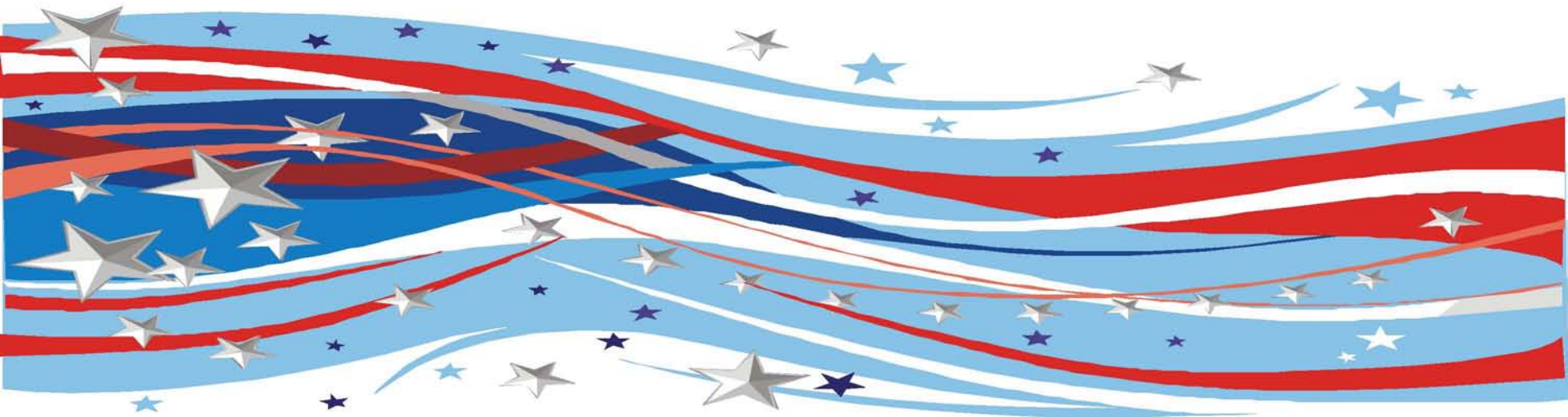


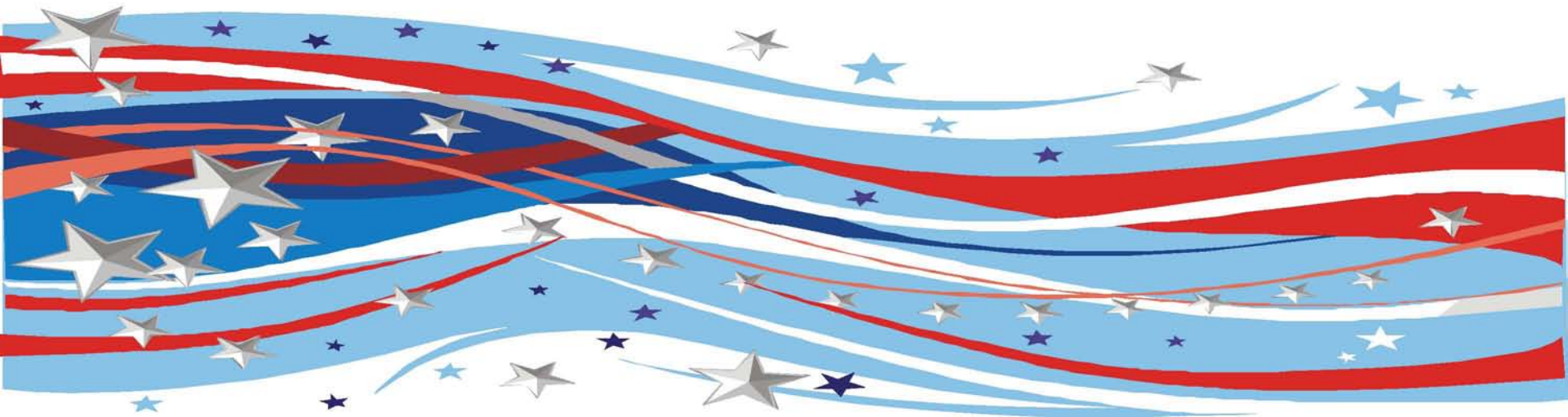
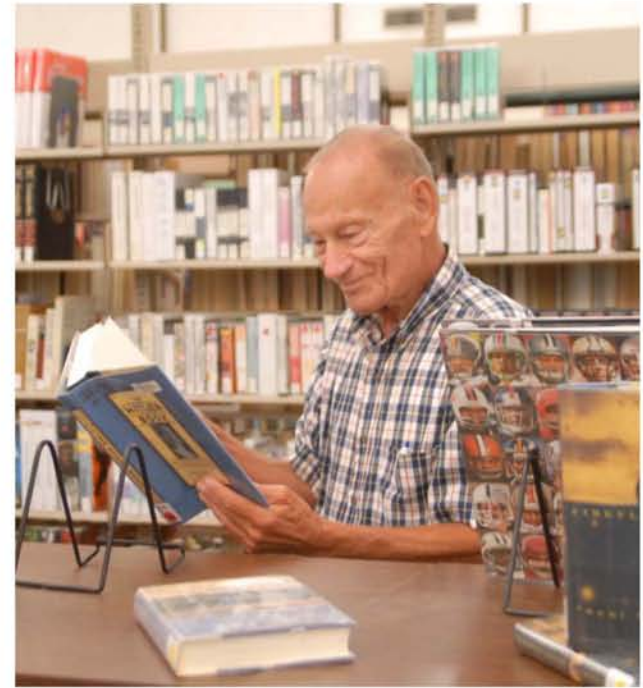
QUESTIONS

The Library

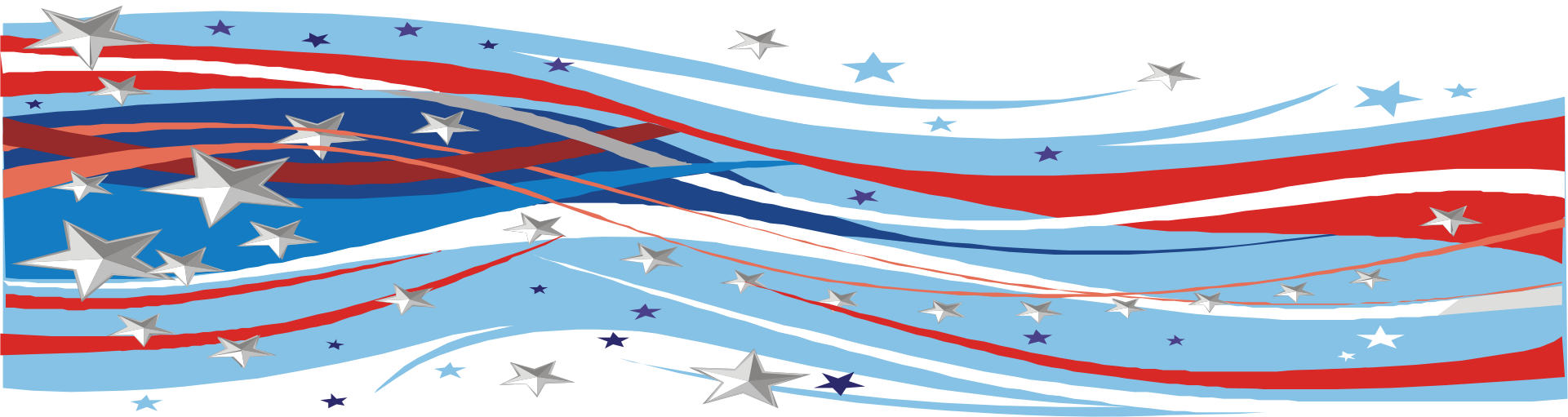


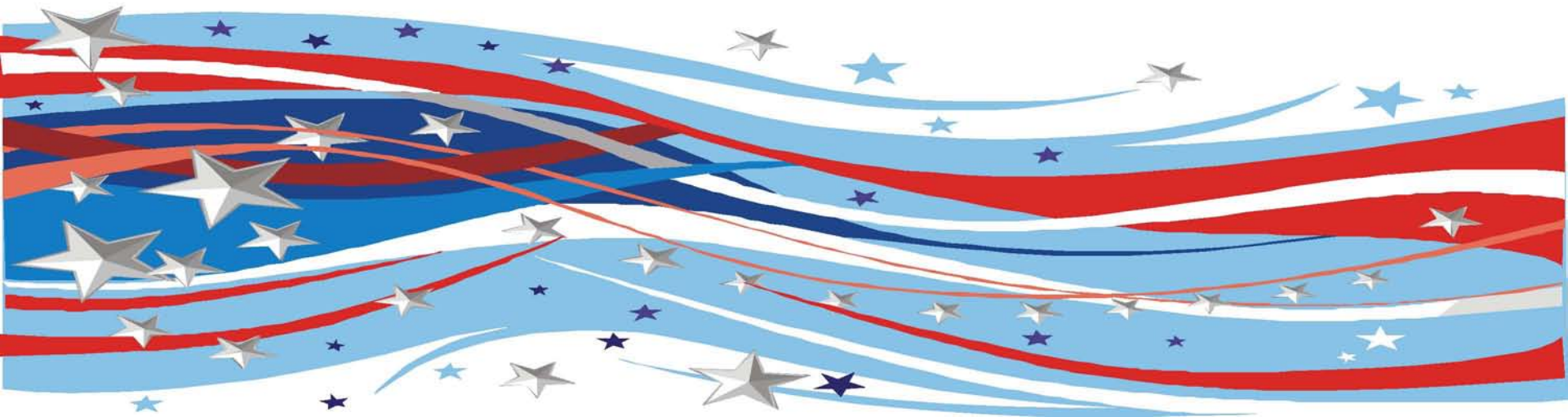


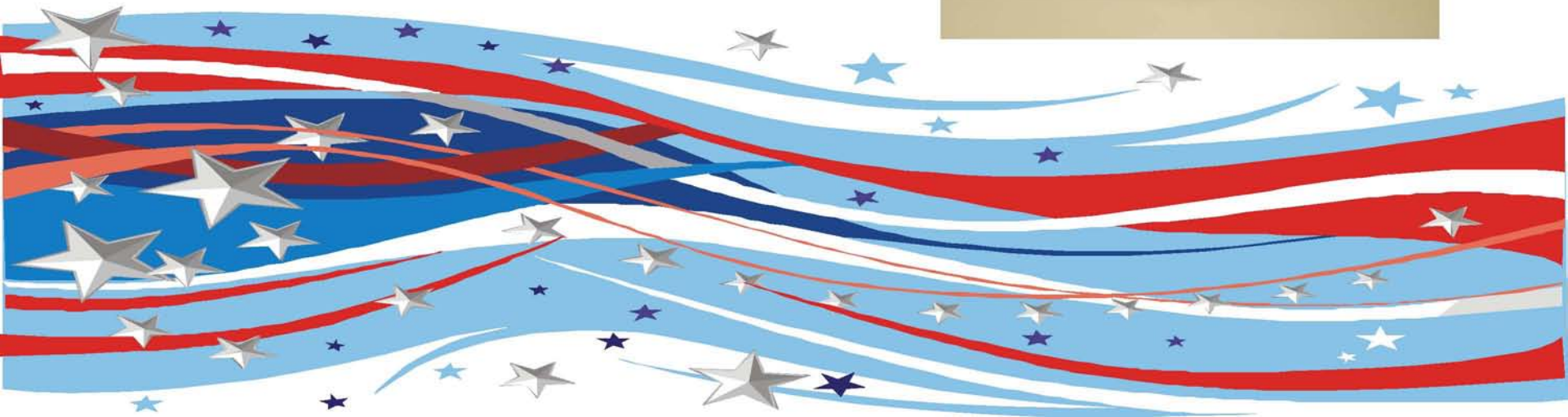
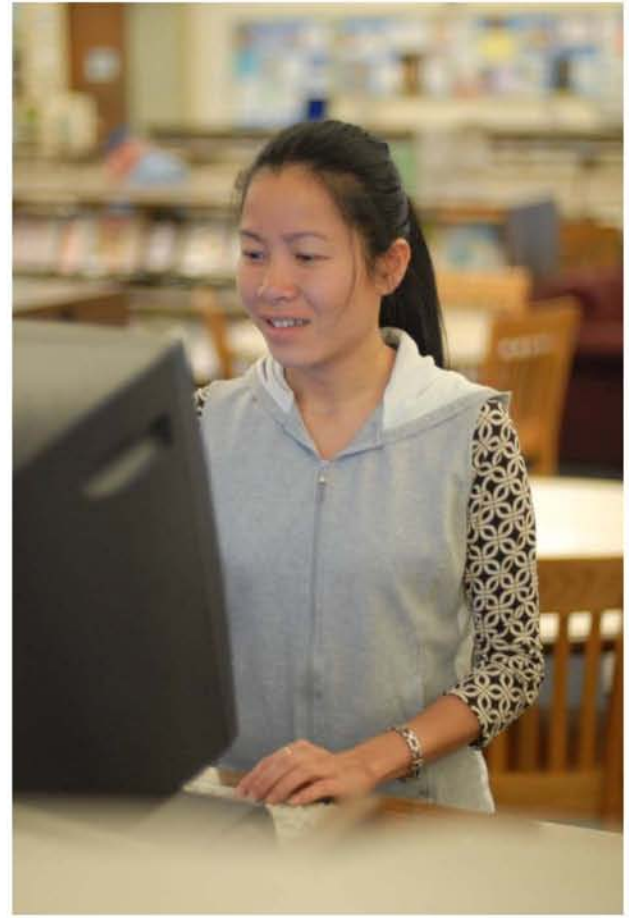


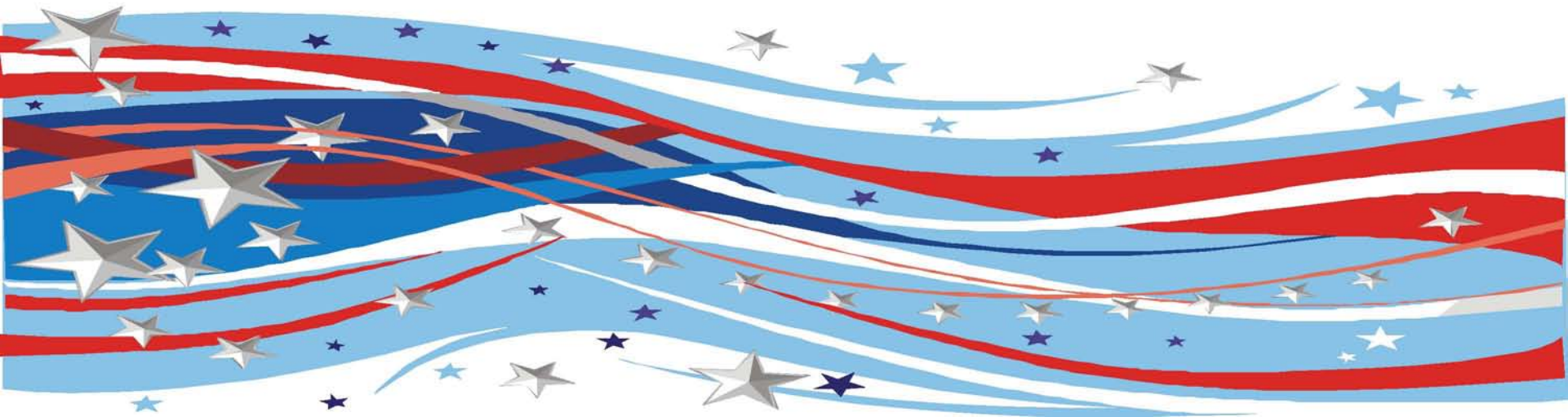


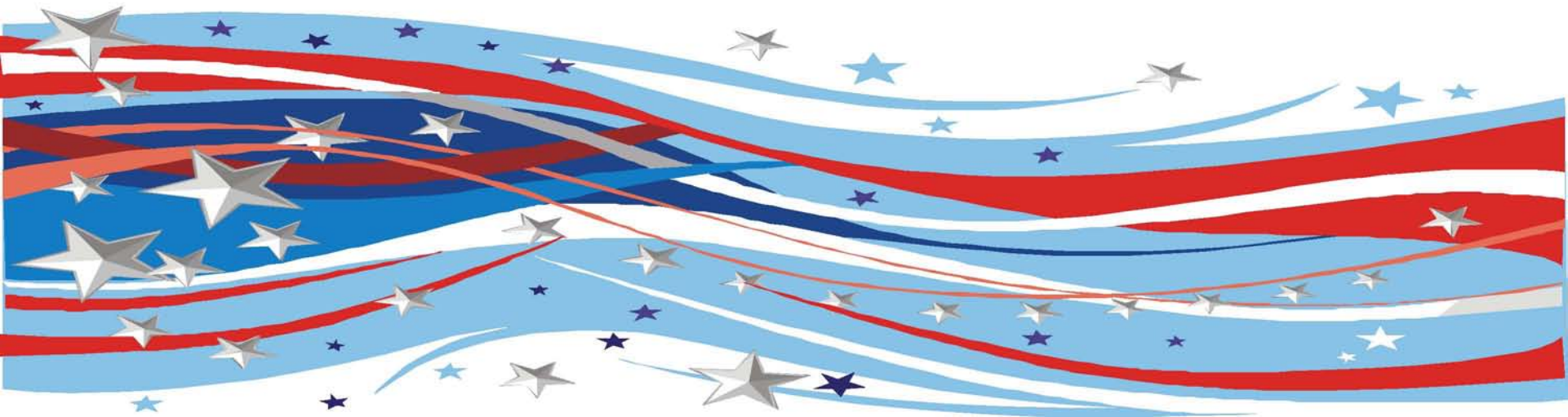
- ☑ 87% of library budget from sales tax revenue
- ☑ 1/8 of a penny, dedicated
- ☑ \$1.66 per month/ \$20 per year
- ☑ June 5, 2012











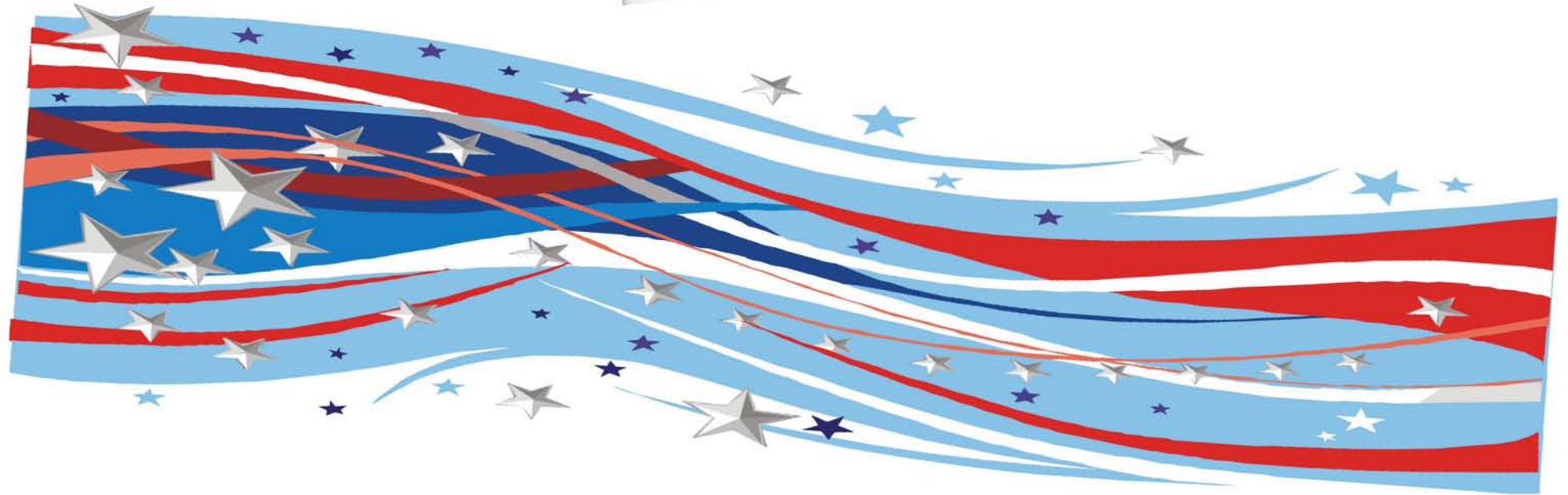
GOVERNING

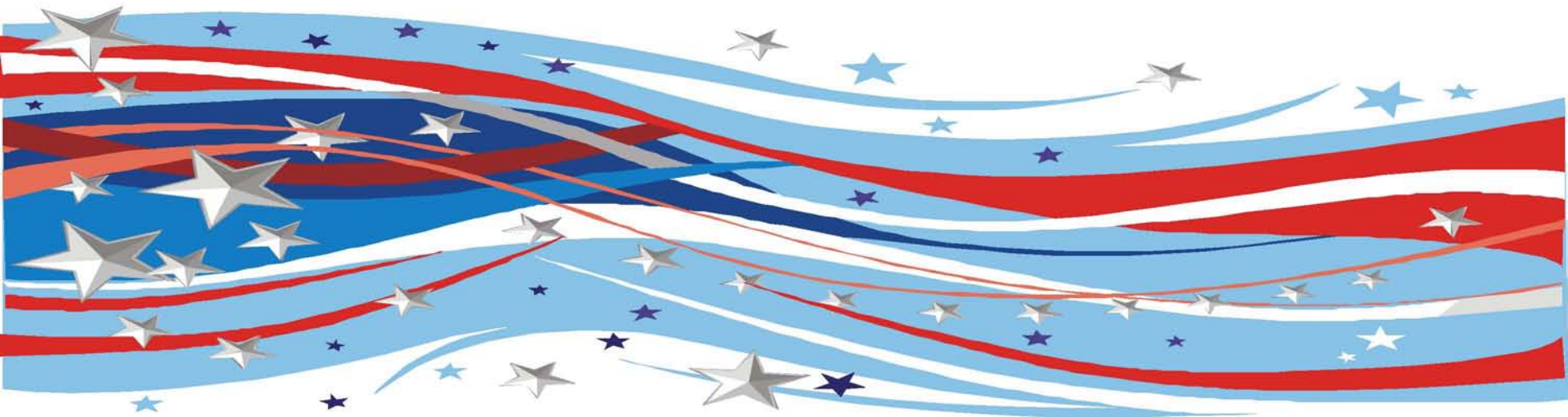
January 2012 \$4.50

THE STATES AND LOCALITIES

Fracking, voting,
transportation and more ...

ISSUES TO WATCH IN 2012



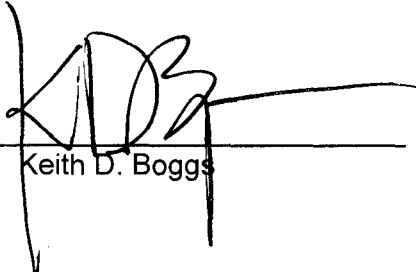



This Agreement has been signed by the parties or their duly authorized representatives to become effective as of the date referenced on the first page.

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

COUNTY OF STANISLAUS

VICKI SIEBER-BENSON

By: 
Keith D. Boggs
Title: Deputy Executive Officer
GSA Director/Purchasing Agent

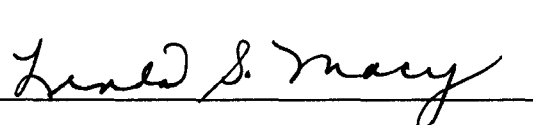
By: 
Vicki Sieber-Benson
Title: _____

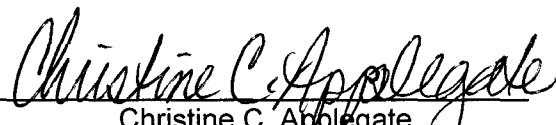
Dated: _____

Dated: _____

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

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

By: 
Title: Deputy County Counsel

By: 
Christine C. Applegate
Title: Director

Dated: 2-1-12

Dated: 3/12/12

COUNTY OF STANISLAUS

Approved per BOS Item #: 2012-098

Dated: 3/6/12

AMENDMENT 1

**COUNTY OF STANISLAUS
COMMUNITY SERVICES AGENCY
AGREEMENT TO PROVIDE
PARTICIPANT ADVISOR SERVICES
JULY 1, 2011 THROUGH JUNE 30, 2012**

It is hereby mutually agreed between the County of Stanislaus, Community Services Agency, (hereinafter referred to as "County") and **MODESTO CITY SCHOOLS**, (hereinafter referred to as "Consultant") that the Agreement entered into on July 1, 2011, for the purpose of providing participant advisor and class room training for Welfare-to-Work (WtW) participants is hereby amended as follows:

WHEREAS the need for additional services is required; and

WHEREAS the need for additional services requires additional funds; and

Whereas Paragraph 18. AMENDMENT provides for the amendment of the Agreement by mutual written consent of the parties.

FIRST: EXHIBIT A, I. SCOPE OF WORK: is hereby deleted and replaced with the following:

I. SCOPE OF WORK:

Contractor shall provide participant advisor services for Welfare-to-Work (WtW) participants:

Contractor shall provide designated staff for approximately one hundred twenty-five (125) WtW participants enrolled in the Consolidated Employment & Training Academy (CETA) program at Modesto City Schools. Contractor staff will also deliver occupational skills training, career assessment and guidance, literacy assistance, supportive services and General Educational Development (GED) training to WtW participants. Courses shall include, but not be limited to:

Certified Nursing Assistance

Course Description:

Participants will spend the first eight (8) weeks of class in the classroom learning the theory of basic nurses training. That time will include cardio-pulmonary resuscitation (CPR) training and practice in a lab setting. The next eight (8) weeks will be spent in clinical training at local convalescent hospitals. The last two (2) weeks in class are spent on review for the state exam. Participants who successfully complete the course will meet theoretical and practical requirements for a state-issued Certified Nursing Assistant (CAN) license.

Participants in need of academic enrichment shall have the opportunity to meet with a tutor from the Stanislaus Literacy Center, on-site for two (2) one-hour sessions per week.

Class Duration: Eighteen (18) weeks

Class Times: 7:30-11:30 am, four (4) hours per day for a total of twenty (20) hours per week

Study Time: 12-15 hours a week unsupervised study time

Class Prerequisites: Participants must have clean records

Class Goals: Those participants that complete the course will earn state issued license and move to employment or advanced education.

Office Occupations/Medical Office Occupations

Course Description:

In the first eight (8) weeks of class, it is expected that participants will acquire office skills in the area of typing, computer processes, office machines and telephone techniques. Word processing competency is an important marketable office support skill. Participants will spend the next eight (8) weeks, utilizing their skills, in a community classroom setting at local businesses. They will return to the classroom for the last two (2) weeks of class to finish the class. Participants can earn certificates of proficiency for different applications of the computer such as Word, Excel and PowerPoint.

Class Duration: Eighteen (18) weeks

Class Times: 8:00-10:00 am (Community classroom times can increase two (2) hours minimal)

Study Time: Ten (10) hours unsupervised study time

Clinical: 4 to 6 hours daily

Class Prerequisite: Have some familiarity with computers and keyboarding

Class Goals: Participants will have the necessary computer skills to be employed at the entry-level

In addition, Contractor staff shall also provide the following services:

- A. Conduct group/individual orientations to explain the CETA program to WtW participants referred by the County.
- B. Adult Basic Education (ABE) instruction to participants enrolled in the CNA program through a subcontract with the Stanislaus Literacy Center, and provide General Educational Development (GED), off-site, to appropriate WtW participants enrolled in occupational skills training.
- C. Maintain contact with the participant in-person, by phone and/or by mail on a bi-weekly basis. Contractor staff shall make visits to the classroom as well.
- D. Monitor participant progress and program activities. Report the progress monthly to the County Supervisor and Manager Liaison.
- E. Finding Opportunities to Choose Unlimited Success (FOCUS) sixteen (16) hour workshop class for all participants in order to assure satisfactory participation.
- F. Make referrals to supportive services as required as well as make referrals for those participants who are ready to take the General Educational Development (GED) exam.

- G. Utilize assessment information for appropriate vocational training and job site placement.
- H. Maintain written and/or verbal contact with individual County Family Services Specialists (FSS) to keep them apprised of their participant's progress.
- I. Instructional materials as necessary to assure participant success.
- J. A safe and appropriate learning environment.
- K. Perform fiscal and attendance services in a timely manner.
- L. Weekly attendance reports three (3) business days following the completed week of instruction.
- M. Engage participants within ten (10) business days of receipt of referral for service.
- N. Weekly attendance report to County.
- O. Contractor shall be required to distribute County Customer Satisfaction Survey to all participants.
- P. Staff shall acquire a release from participant to use their success story and photos for future recruitments. The release will indicate that the participant's photo and success story may be used for County staff presentations, newsletters, participant recruitment orientations, flyers and brochures as well as posted for general public.
- Q. Contractor shall actively recruit and engage community members and consumers of services as participants in planning and implementing these contracted services.
- R. Contractor shall meet monthly with the County Supervisor and/or Manager Liaison to discuss program progress and service levels.
- S. In partnership with County, Contractor shall develop measurement outcomes to be captured in performance tracking reports.
- T. Contractor shall meet monthly with the County Supervisor and/or Manager Liaison to submit completed performance tracking reports and discuss program progress and service levels.
- U. At the end of the Agreement year, Contractor shall submit an annual narrative to the County Manager Liaison describing if the expected outcomes of the program were met, the current status of the program, accomplishments and/or successes beyond those outlined in the Scope of Work, and challenges experienced during the Agreement year. This report is due July 29, 2012.

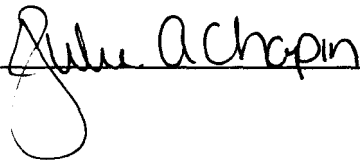
This Agreement has been signed by the parties or their duly authorized representatives to become effective as of the date referenced on the first page.

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

COUNTY OF STANISLAUS

MODESTO CITY SCHOOLS

By: 
Keith D. Boggs

By: 

Title: Deputy Executive Officer
GSA Director/Purchasing Agent


Title: _____

Dated: 4-5-12

Dated: 3/19/12

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

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

By: 

By: 
Christine C. Applegate

Title: Deputy County Counsel

Title: Director

Dated: 2/6/12

Dated: 4/3/12

COUNTY OF STANISLAUS

Approved per BOS Item #: 2011-337

Approved per BOS Item #: 2012-098

Dated: June 7, 2011

Dated: 3/6/12

**MODESTO CITY SCHOOLS
AGREEMENT TO PROVIDE
PARTICIPANT ADVISOR SERVICES
JULY 1, 2011 THROUGH JUNE 30, 2012
AGREEMENT BUDGET**

<u>BUDGET CATEGORY</u>	<u>TOTAL</u>
Personal Services	
Salaries and Fringe Benefits (Invoice actual employer paid only)	\$128,572
Total Personal	\$128,572
Operating Expenses	\$ 7,712
Contracted Services	
Stanislaus Literacy Center	\$ 2,700
Total Costs	<u>\$138,984</u>

COUNTY OF STANISLAUS
COMMUNITY SERVICES AGENCY
AGREEMENT TO PROVIDE
EMPLOYMENT PLACEMENT AND RETENTION SERVICES
JULY 1, 2011 THROUGH JUNE 30, 2012

It is hereby mutually agreed between the County of Stanislaus, Community Services Agency, (hereinafter referred to as "County") and ARBOR E & T, LLC, (hereinafter referred to as "Contractor") that the Agreement entered into on July 1, 2011, for the purpose of providing employment placement and retention services hereby amended as follows:

WHEREAS the need for additional services is required; and

WHEREAS the need for additional services requires additional funds; and

Whereas Paragraph 18. AMENDMENT provides for the amendment of the Agreement by mutual written consent of the parties.

FIRST: EXHIBIT A, I. SCOPE OF WORK:, paragraph A. is hereby deleted and replaced with the following:

- 1. Contractor shall keep no less than eighty (80) Job Services referrals from County every week, and shall serve all County referred participants that present for services. The show rate ranges from thirty-five (35) to forty (40) participants every week, historically.

SECOND: EXHIBIT A, I. SCOPE OF WORK:, paragraph B. is hereby deleted.

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

- 1. The maximum amount of this Agreement for the period July 1, 2011, through June 30, 2012, shall not exceed \$415,800.00. The maximum amount per time period is as follows:
 - a. July 1, 2011, through December 31, 2011, shall not exceed \$200,400.00. This amount will purchase a maximum of 6 units of service at a fixed rate of \$33,400.00 per unit of service.
 - b. January 1, 2012, through June 30, 2012, shall not exceed \$215,400.00. This amount will purchase a maximum of 6 units of service at a fixed rate of \$35,900.00 per unit of service.

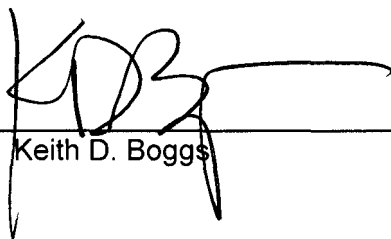
All other terms and conditions of the Agreement shall remain in full force and effect.

////////////////////////////////////

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

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

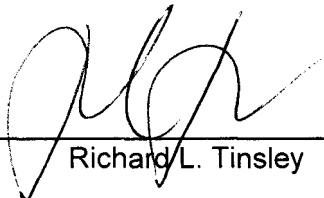
COUNTY OF STANISLAUS

By: 
Keith D. Boggs

Title: Deputy Executive Officer
GSA Director/Purchasing Agent

Dated: 4-5-12

ARBOR E & T, LLC

By: 
Richard L. Tinsley

Title: Executive Vice President

Dated: 3-29-12

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

By: 

Title: Deputy County Counsel

Dated: 2/10/12

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

By: 
Christine C. Applegate

Title: Director

Dated: 4/3/12

COUNTY OF STANISLAUS

Approved per BOS Item #: 2012-098

Dated: 3/6/12

UNIVERSITY OF CALIFORNIA, DAVIS

BERKELEY • DAVIS • IRVINE • LOS ANGELES • MERCED • RIVERSIDE • SAN DIEGO • SAN FRANCISCO



SANTA BARBARA • SANTA CRUZ

UC DAVIS EXTENSION
 WEB SITE: WWW.EXTENSION.UCDAVIS.EDU

1632 DA VINCI COURT
 DAVIS, CA 95618-4852

March 26, 2012

Agreement WK-2011-34
 Amendment #1

Amendment to Training Agreement

By mutual agreement indicated by authorized signatures below, The Regents of the University of California (University) and Stanislaus (County) agree to amend Exhibit A to this agreement as stated below. All other terms and conditions remain the same.

	Original	Added	New total
Total number of training units	6.00	23.00	29.00
Total cost of training	\$ 25,080.00	\$ 96,140.00	\$ 121,220.00
University's in-kind contribution	\$ 3,762.00	\$ 14,421.00	\$ 18,183.00
County's share of cost	\$ 21,318.00	\$ 81,719.00	\$ 103,037.00

IN WITNESS WHEREOF, this agreement has been executed as of the date first set forth above.

REGENTS OF THE
 UNIVERSITY OF CALIFORNIA
 FEIN 94-6036496

STANISLAUS COUNTY
 DEPT OF HEALTH & HUMAN SERVICES

By

By

Name Dennis Pendleton
 Title Dean

Name Christine C. Applegate
 Title Director

Date 4/12/12

Date 4/10/12

COUNTY OF STANISLAUS
 By
 Name Keith D. Boggs
 Title GSA Director, Purchasing Agent
 Date _____

APPROVED AS TO FORM:
 STANISLAUS COUNTY COUNSEL
 BY
 DATE: 4/10/12

California SAWS Consortium IV



**County Purchase ST-05-2011
Stanislaus County - Imaging Operations Charges**



I. Overview:

Pursuant to Section 6.11 of the Amended and Restated Revised System Agreement between the California SAWS Consortium IV Joint Powers Authority ("Consortium") and Accenture LLP and Proquire, LLC, with an effective date of June 29, 2007 (as amended, the "Agreement"), the four original C-IV Counties executed County Purchases in State Fiscal Year 2008/09 to migrate to the ImageNow imaging system. This County Purchase includes Stanislaus County's share of the costs required for ongoing support of the Imaging system.

The scope of this County Purchase consists of the following:

- Monthly recurring lease payments for central Equipment
- Equipment and Software annual maintenance charges
- Monthly recurring Production Operations charges

Assumptions:

- The Total Cost is an estimate and is subject to changes at the time of ordering. The final cost will be provided to the Consortium at the time of invoicing.
- Stanislaus County will be responsible for its share of monthly recurring central equipment lease payments, equipment and software support renewals and production operations charges through the end of the Agreement. The scope of this County Purchase includes charges for November 2011 through October 2013.
- With regard to lease payments for Central equipment:
 - The charges for October 2013 include those for October as well as all remaining lease payments that run beyond the end of the Agreement (October 31, 2013) in order to show the total remaining payments for the leases. These lease payments will, however, continue to be incurred during the appropriate months in future State Fiscal Years until the leases expire in January 2015.
 - Charges will be shared among the four original C-IV Counties - Merced, Riverside, San Bernardino and Stanislaus. Of these charges, Stanislaus County will be responsible for approximately 13.38%. This percentage allocation is based on the County's person count relative to that of the other three counties.
- Stanislaus County will be responsible for monthly recurring operations charges for servicing scanners and scanner maintenance kits. These charges apply to Stanislaus County's Type 1 scanners and will run through the end of the Agreement, October 31, 2013. Production Operations charges will be invoiced in monthly arrears to the Consortium, who will then invoice the County.
- Stanislaus County must approve this County Purchase and provide the corresponding approved Advance Planning Document (APD) by March 31, 2012. Otherwise, the estimates provided in this County Purchase will not be valid and a new County Purchase will be required.

II. Schedule:



The charges associated with this County Purchase will be incurred during State Fiscal Years 2011/12 through 2013/14.

III. Total Cost:

The following table outlines the total charges for this County Purchase.

Total County Purchase Charges (Central + Local)	SFY 2011/12	SFY 2012/13	SFY 2013/14	TOTAL
Services Charges	\$0	\$0	\$0	\$0
One-Time Charges - Payment Milestones	\$0	\$0	\$0	\$0
Recurring Charges	\$0	\$0	\$0	\$0
Hardware & Software Charges	\$21,753	\$28,198	\$21,437	\$71,388
Hardware Charges	\$8,064	\$13,825	\$21,437	\$43,326
Hardware Maintenance & Support Charges	\$4,455	\$4,678	\$0	\$9,133
Software Charges	\$0	\$0	\$0	\$0
Software Maintenance & Support Charges	\$9,234	\$9,696	\$0	\$18,930
Production Operations Charges	\$11,077	\$19,221	\$8,106	\$38,404
One-Time Charges	\$0	\$0	\$0	\$0
Recurring Charges	\$11,077	\$19,221	\$8,106	\$38,404
Totals	\$32,831	\$47,419	\$29,543	\$109,793

COUNTY PURCHASE APPROVAL



Subject: County Purchase – ST-05-2011

The subject document is accepted as allowing Accenture LLP to proceed with the subject County Purchase.

Stanislaus County

By: Christine C. Applegate
Printed Name: Christine C. Applegate
Title: Director
Date: 3/27/12

Notice Address:
CSA Stanislaus
251 E. Hackett Road
Modesto, CA 95358

SAWS CONSORTIUM-IV JOINT POWERS AUTHORITY

By: John Boule
Printed Name: John Boule
Title: C-IV Project Director
Date: 3/28/12

Notice Address:
SAWS Consortium-IV Joint Powers Authority
Attention: C-IV Project Director
11290 Pyrites Way, Suite 150
Rancho Cordova, CA 95670-4481

COUNTY OF STANISLAUS

By: Keith D. Boggs
Printed Name: Keith D. Boggs
Title: Assistant Executive Officer
GSA Director/Purchasing Agent
Dated: 4.16.12

**APPROVED AS TO FORM
STANISLAUS COUNTY COUNSEL
BY**

Judith S. Tracy 3/22/12

**COUNTY OF STANISLAUS
COMMUNITY SERVICES AGENCY
AGREEMENT TO PROVIDE
YOUTH TRANSITIONAL HOUSING PROGRAM PLUS (THP+) SERVICES
JULY 1, 2011 THROUGH JUNE 30, 2012**

It is hereby mutually agreed between the County of Stanislaus, Community Services Agency, (hereinafter referred to as "County") and **ASPIRANET**, (hereinafter referred to as "Contractor") that the Agreement entered into on July 1, 2011, for the purpose of providing youth Transitional Housing Program Plus (THP+) services hereby amended as follows:

WHEREAS the need for additional services is required; and

WHEREAS the need for additional services requires additional funds; and

Whereas Paragraph 18. AMENDMENT provides for the amendment of the Agreement by mutual written consent of the parties.

FIRST: EXHIBIT A, I. SCOPE OF WORK: C. SCATTERED SITES SERVICES PROGRAM, 4. Economic Stabilization, paragraph d. is hereby deleted and replaced with the following:

- d. Contractor shall pay participants' from a minimum of \$433.00 up to a maximum of \$700.00 per month, initially. The responsibility for payment shall transition to the participants upon approval of the Contractor and the County.

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

- 1. The maximum amount of this Agreement for the period July 1, 2011, through June 30, 2012, shall not exceed \$335,139.

THIRD: EXHIBIT A, II. COMPENSATION: A. Costs:, paragraph 2. is hereby deleted and replaced with the following:

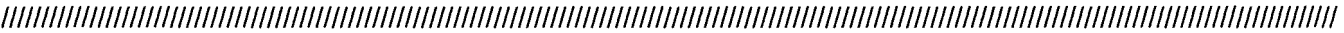
- 2. This is a cost reimbursement Agreement. The costs attendant to the provision of services are described in EXHIBIT C which is hereby incorporated by reference and made a part hereof.

FOURTH: EXHIBIT A, II. COMPENSATION:, A. Costs:, paragraph 3. is hereby deleted and replaced with the following:

- 3. Contractor shall not exceed any funds provided pursuant to this Agreement except as expressly authorized in EXHIBIT C, or as the budget is thereafter amended or obligated.

FIFTH: EXHIBIT B is hereby deleted and replaced with EXHIBIT C.

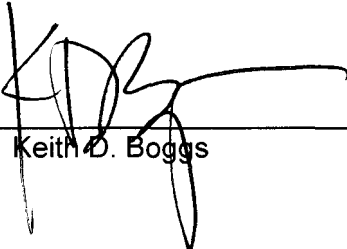
All other terms and conditions of the Agreement shall remain in full force and effect.



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

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

COUNTY OF STANISLAUS

By:  _____
Keith D. Boggs

Title: Assistant Executive Officer
GSA Director/Purchasing Agent

Dated: 4.16.12

ASPIRANET

By:  _____
Vernon Brown

Title: CEO

Dated: 3/27/12

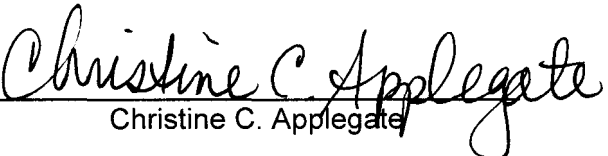
**APPROVED AS TO FORM:
COUNTY COUNSEL
JOHN P. DOERING**

By:  _____

Title: Deputy County Counsel

Dated: 3/15/12

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

By:  _____
Christine C. Applegate

Title: Director

Dated: 7/10/12

COUNTY OF STANISLAUS

Approved per BOS Item #: 2012-098

Dated: March 6, 2012

**ASPIRANET
AGREEMENT TO PROVIDE
YOUTH TRANSITIONAL HOUSING PROGRAM PLUS (THP+) SERVICES
JULY 1, 2011 THROUGH JUNE 30, 2012
AGREEMENT BUDGET**

<u>BUDGET CATEGORY</u>	<u>TOTAL</u>
Personal Services	
Salaries	\$ 85,100
Fringe Benefits (Invoice actual employer paid only)	18,722
Total Personal	\$103,822
Operating Expenses	\$32,224
Youth Related Expenses	\$188,711
Indirect (10% of Salaries & Benefits)	\$10,382
Total Costs	<u>\$335,139</u>

COUNTY OF STANISLAUS
COMMUNITY SERVICES AGENCY
AGREEMENT TO PROVIDE
SUBSTANCE ABUSE COUNSELING AND TREATMENT SERVICES
JULY 1, 2011 THROUGH JUNE 30, 2012

It is hereby mutually agreed between the County of Stanislaus, Community Services Agency, (hereinafter referred to as "County") and NIRVANA DRUG AND ALCOHOL TREATMENT INSTITUTE, (hereinafter referred to as "Consultant") that the Agreement entered into on July 1, 2011, for the purpose of providing substance abuse counseling and treatment services hereby amended as follows:

WHEREAS the need for additional services is required; and

WHEREAS the need for additional services requires additional funds; and

Whereas Paragraph 18. AMENDMENT provides for the amendment of the Agreement by mutual written consent of the parties.

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

- 1. The maximum amount of this Agreement for the period July 1, 2011, through June 30, 2012, shall not exceed \$410,000.00. This amount shall purchase any combination of units of service at the following rates:

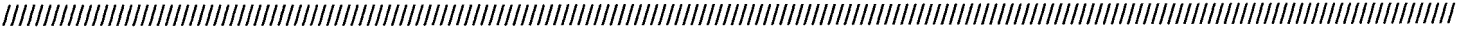
Table with 2 columns: Service Type and Rate. Rows include Assessment (\$ 35 per assessment), Outpatient group counseling (\$ 30 per session), Outpatient individual counseling (\$ 30 per session), Day treatment (\$ 700 per month), Sober living environment for outpatient treatment services only (\$ 800 per month), Sober living environment for intensive day treatment services only (\$1,200 per month), Residential substance abuse treatment (\$1,498 per month*), (28 day program) (*53.50 per day)

SECOND: EXHIBIT A, II. COMPENSATION:, A. Costs:, paragraph 2. is hereby deleted and replaced with the following:

- 2. This is a fixed rate per unit of service Agreement. A unit of service is as follows:

Table with 2 columns: Service Type and Unit. Rows include Assessment (One (1) assessment), Outpatient group counseling (One (1) session), Outpatient individual counseling (One (1) session), Day treatment (One (1) month), Sober living environment for outpatient treatment services only (One (1) month), Sober living environment for intensive day treatment services only (One (1) month), Residential substance abuse treatment (One (1) month), (28 day program)

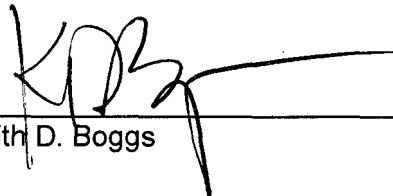
All other terms and conditions of the Agreement shall remain in full force and effect.



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

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

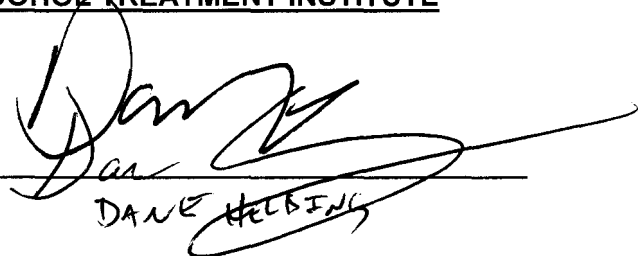
COUNTY OF STANISLAUS

By: 
Keith D. Boggs

Title: Deputy Executive Officer
GSA Director/Purchasing Agent

Dated: 4-27-12


NIRVANA DRUG AND ALCOHOL TREATMENT INSTITUTE

By: 
DAVE HELBING

Title: Executive Director

Dated: 4-16-12


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

By: 

Title: Deputy County Counsel

Dated: 4/16/12

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

By: 
Christine C. Applegate

Title: Director

Dated: 4/18/12

COUNTY OF STANISLAUS

Approved per BOS Item #: 2012-098

Dated: March 6, 2012