

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

DEPT: Chief Executive Office

BOARD AGENDA # B-12

Urgent Routine

AGENDA DATE November 4, 2014

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Consideration and Approval of the First Quarter Financial Report and County Closure Dates for the Fiscal Year 2014-2015 and Related Actions

STAFF RECOMMENDATIONS:

1. Accept the Chief Executive Officer's First Quarter Financial Report for Fiscal Year 2014-2015.
2. Authorize the Chief Executive Officer and the Auditor-Controller to make the necessary adjustments as recommended in the First Quarter Financial Report.
3. Amend the Salary and Position Allocation Resolution to reflect the recommendations included as part of the First Quarter Financial Report, as outlined in the Staffing Impacts section of this report and detailed in Attachment B to be effective the start of the first full pay period beginning on or after November 15, 2014, unless otherwise noted.

(Continued on Page 2)

FISCAL IMPACT:

The Operating Budget at the end of the first quarter is \$1,115,165,386, funded by \$1,039,389,036 in revenue and \$75,776,350 in fund-balance and one-time funding sources.

The First Quarter Financial Report includes an overall recommended appropriation increase to the Operating Budget, for all funds of \$1,098,176, along with an increase in departmental revenue of \$2,624,859. If approved, the recommendations contained in this report will result in a decrease in the use of departmental fund balance/retained earnings of \$1,526,683.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2014-562

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

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

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. Approve contracts and/or agreements listed on Attachment C in cumulative amounts of \$100,000 or greater as of July 1, 2012, and authorize the General Services Agency Director/Purchasing Agent or Department Head to sign.
5. Approve the Chief Executive Officer's updated County-wide office closure schedule detailed in Attachment E.

FISCAL IMPACT: (Continued)

The recommended increase in appropriations and estimated revenue is primarily within Community Services Agency and Health Services Agency, along with technical adjustments to support implementation of the Public Works Geographical Information Systems (GIS) cost distribution to General Fund departments.

The following is a brief description of recommended first quarter adjustments and funding sources by fund type.

General Fund

The recommended First Quarter General Fund appropriations are unchanged from the current operating budget of \$277,789,465. Revenue remains unchanged as well.

Special Revenue Funds

The recommended First Quarter Special Revenue expenditures are \$656,057,096, a decrease of \$123,332 from the current operating budget of \$656,180,428. Estimated revenue is recommended to increase by \$471,345 from the current operating budget of \$627,856,540 up to \$628,327,885. This adjustment to estimated revenue includes departmental revenue of \$593,831 offset by a reduction of \$122,486 in the County Match contribution to Public Works for GIS services that will now be allocated to General Fund departments. Note: In non-General Fund departments, County Match is included as department revenue.

The recommended changes in the Special Revenue Funds are largely due to various increases and decreases in programs within the Health Services Agency and Community Services Agency.

The Community Services Agency has recommended increases in appropriations and estimated revenue of \$101,345 in direct support of federally-grant funded Medi-Cal Outreach and Enrollment (O&E) services beginning January 2015. Additionally, the Community Services Agency is requesting an increase in Children's programs appropriations and estimated revenue of \$370,000 in support of core services for mandated programs in Fiscal Year 2014-2015. These ongoing direct client services are

supported with 2011 realignment funding, requiring no County share of cost and no additional cost to the County General Fund.

The Health Services Agency Indigent Health Care Program (IHCP) has a recommended decrease of \$594,677 in appropriations for staffing and program costs related to the Medically Indigent Adult (MIA) program due to implementation of the Affordable Care Act.

Capital Project Funds

The recommended first quarter Capital Project Fund appropriations are unchanged from the current operating budget of \$1,215,510. Revenue remains unchanged as well.

Enterprise Funds

The recommended first quarter Enterprise Fund expenses are \$82,438,727, an increase of \$1,221,508 from the current operating budget of \$81,217,219. Estimated department revenue is recommended to increase by \$2,153,514 from the current operating budget of \$54,410,587 up to \$56,564,101.

The increases are associated with the Health Services Agency Clinics and Ancillary Services budget. The Agency has recommended appropriation increases of \$208,466 for the costs associated with the Intergovernmental Transfer financing program (approved by the Board of Supervisors on September 9, 2014), \$237,085 for adjustments to departmental allocations and \$758,528 for negotiated labor costs, and \$17,429 in fixed assets for clinic equipment. The Agency is requesting an increase in estimated revenue of \$2,041,514 associated with the Rate Year 2012-2013 Intergovernmental Transfer and an increase in revenue of \$112,000 associated with the 340B pharmacy complement program.

Internal Service Funds

The recommended first quarter Internal Service Funds appropriations are unchanged from the current operating budget of \$98,762,764. Revenue remains unchanged as well.

Consideration and Approval of the First Quarter Financial Report and County Closure Dates for the Fiscal Year 2014-2015 and Related Actions

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Adjustments by Fund

Summary of First Quarter Adjustments by Fund				
Fund Type	Adopted Final Budget 2014-2015	First Quarter Operating Budget 2014-2015	Recommended First Quarter Adjustments	Recommended First Quarter Budget 2014-2015
General Fund	\$ 271,083,644	\$ 277,789,465	-	277,789,465
Special Revenue Fund	643,308,609	656,180,428	(123,332)	656,057,096
Capital Projects Fund	1,215,510	1,215,510	-	1,215,510
Enterprise Fund	79,199,819	81,217,219	1,221,508	82,438,727
Internal Service Fund	97,850,529	98,762,764	-	98,762,764
Total	\$ 1,092,658,111	\$ 1,115,165,386	\$ 1,098,176	\$ 1,116,263,562

Fund Balance

On July 1, 2014, the beginning fund balance for all funds was \$392,051,461. The current approved operating budget includes the use of \$75,776,350 in fund balance/retained earnings. If approved, the first quarter recommendations will decrease the use of departmental fund balance/retained earnings in all funds of \$1,526,683. As a result of these recommendations and previous Board actions, the June 30, 2015 year-end fund balance/retained earnings for all funds is projected to be \$317,801,794.

Summary of Fund Balance by Fund Type					
Fund Type	Beginning Fund Balance on 7/1/2014	Operating Budget Revenue on 9/30/2014	Operating Budget Appropriations on 9/30/2014	First Quarter Recommendation Use of Fund Balance	Projected Fund Balance on 6/30/2015
General Fund	\$ 137,870,659	\$ 241,644,022	\$ 277,789,465	-	\$ 101,725,216
Special Revenue Fund	202,992,705	627,856,540	656,180,428	(594,677)	175,263,494
Capital Projects Fund	5,486,560	1,137,000	1,215,510	-	5,408,050
Enterprise Fund	30,970,240	72,523,984	81,217,219	(932,006)	23,209,011
Internal Service Fund	14,731,297	96,227,490	98,762,764	-	12,196,023
Total	\$ 392,051,461	\$ 1,039,389,036	\$ 1,115,165,386	\$ (1,526,683)	\$ 317,801,794

DISCUSSION:

The primary focus of the First Quarter Financial Report is to provide an update on the current status of the County budget, correct any errors or omissions that may have

occurred in the Adopted Final Budget, and make any required adjustments resulting from State Budget actions, changes in accounting methodologies or changed economic conditions. Current revenue and expenditure patterns are also reviewed to ensure that budgets are on track to end the year in a positive fiscal position.

Summary of Adopted Final Budget

The Adopted Final Budget approved on September 16, 2014 totaled \$1,092,658,111, an increase of \$49,670,380 as compared to the 2013-2014 Adopted Final Budget. The General Fund totaled \$271,083,644, which was an increase of \$14,482,350 from the 2013-2014 Adopted Final Budget. Discretionary Revenue increased \$12,919,491 million when compared to the Fiscal Year 2013-2014 Adopted Final Budget.

Included in departmental recommendations was the use of \$12,345,632 in 2014-2015 General Fund fund balance for departments for the Net County Cost Savings Program. This amount reflects departmental net county cost savings in Fiscal Year 2013-2014 and the three prior fiscal years. For Fiscal Year 2014-2015, the Net County Cost Savings Program continues until individual department savings are exhausted, at which time each department will shift into the Funded Service Level Model. The Funded Service Level Budget Model was approved by the Board of Supervisors for implementation as part of the Adopted Final Budget 2014-2015 to fully support department budgets at Board of Supervisors-approved service levels going forward, and while maintaining an incentive to all departments to benefit for continued efficient operations.

The Adopted Final Budget was balanced with \$17,093,990 in General Fund fund balance, of which \$15 million reflected one-time use of one-time funds to accelerate pay down of the Health Services Agency long-term deficit.

With the Adoption of the Final Budget, the Board of Supervisors added two actions, directing staff as follows:

- To return to the Board at First Quarter to reduce the General Fund Contribution to Public Works by \$122,486 and to reallocate revenue and expense to the appropriate General Fund Departments for payment to Public Works for Geographic Information Systems (GIS) use. This change is reflected in the Recommended First Quarter Report as a Technical Adjustment and described in each priority area; and
- To return to the Board with a list of the proposed vehicles to be leased, that are ineligible to finance in-house for further direction, and to finance all remaining vehicles with in-house financing vs. external financing. Staff are actively researching options for in-house financing of vehicles and will bring a report to the Board for direction prior to Mid-Year 2014-2015.

Summary of Recommended First Quarter Adjustments

Overall, departments are requesting minimal changes resulting in an increase in appropriations of \$1,098,176 with an increase in estimated revenue of \$2,624,859, resulting in a decreased use of fund balance/retained earnings of \$1,526,683.

Recommended First Quarter Adjustments by Board of Supervisors Priority

The following table illustrates the recommended first quarter adjustments by priority area. A more detailed explanation is included in the First Quarter 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	2014-2015 Recommended Adjusted Budget
Adopted Final Budget	\$184,951,584	\$528,797,561	\$29,757,189	\$5,814,523	\$141,295,959	\$202,041,295	\$1,092,658,111
Legal Budget Adjustments	\$1,583,368	\$3,168,092	\$116,183	\$14,560	\$11,252,194	\$6,372,877	\$22,507,275
Recommended First Quarter Adjustments	\$16,679	\$1,098,176	-	\$6,974	\$26,154	(\$49,807)	\$1,098,176
Total Recommended First Quarter Appropriations	\$186,551,631	\$533,063,829	\$29,873,372	\$5,836,057	\$152,574,307	\$208,364,365	\$1,116,263,562

Issues and Ongoing Challenges

A more detailed description of Issues and Ongoing Challenges for the County are presented on pages 7-9 of the 2014-2015 First Quarter Financial Report. The following is a summary of that section:

Social Services and Health Care

As the result of the Affordable Care Act (ACA) implementation over 130,000 Stanislaus County individuals now have access to health care. Additionally, with the passage of Assembly Bill 109 – Public Safety Realignment and Assembly Bill 720 – Health Care Enrollment for Inmates, the Community Services Agency, Health Services Agency, Behavioral Health and Recovery Services, Probation and the Sheriff’s office continue to work collaboratively to enroll individuals who are in custody and those being released from the County Jail.

As reported in the Fiscal Year 2014-2015 Adopted Final Budget, due to the implementation of the Affordable Care Act the Health Services Agency Medically Indigent Adult (MIA) program has experienced a significant decline in enrollees. Most individuals previously eligible for the MIA program are now eligible for health care insurance through Covered California or are eligible for the Medi-Cal Expansion program. Over the past year, the Agency has been implementing changes using a

phased-in approach by decreasing staffing, services and supplies, medical services and other charges and allocations in anticipation of the decreased enrollment.

The implementation of these significant health care program changes are still in their first year of implementation. County staff will continue to analyze Affordable Care Act impacts and provide updates to the Board of Supervisors in the coming months as our organization continues to adjust to these significant changes.

Labor Update

On June 30, 2014 contracts with all 12 County labor associations expired. The County has now negotiated new agreements with five of the 12 labor associations: California Nurses Association, American Federation of State, County and Municipal Employees (AFSCME) Local 10, Stanislaus County Sheriff's Supervisor Association, Stanislaus Sworn Deputy Association, and Stanislaus County's Sheriff Management Association. A salary restoration plan is also in place for the Unrepresented Confidential and Management employees, and Elected Officials. In addition, the Service Employees International Union (SEIU) has ratified a tentative agreement scheduled for consideration by the Board of Supervisors for final approval on November 4, 2104 by a separate Board action. A tentative agreement with the Deputy Sheriff's Association (DSA) was reached and if ratified is scheduled for consideration by the Board of Supervisors for final approval on November 4, 2014 by a separate Board action. If the agreements with SEIU and DSA are approved by the Board of Supervisors, over 91% of the County workforce will be covered with current agreements.

An agreement has been reached with all County labor organizations and approved by the Board of Supervisors on October 28, 2014 regarding changes in the employee health insurance program for the period of January 1, 2015 through December 31, 2017.

Public Safety Facility Staffing – As previously reported to the Board of Supervisors, the County Public Safety Center expansion is expected to be completed in Budget Year 2016-2017, and will bring with it, significant additional operating costs including staffing, utilities, maintenance, contracted jail medical services, bedding, inmate clothing and various other costs which are factored into staff's analyses. As previously reported, the County has no obligation to immediately fully operate or staff the new facilities. A phased opening of the AB 900 Phase II Public Safety Center Expansion Project will be based on the County's fiscal recovery and the annual appropriations by the Board of Supervisors.

State Budget Update

The State legislature is in recess and there is minimal activity occurring now. John Chiang, the California State Controller, has reported on California's General Fund cash receipts for the first three months of the 2014-2015 Fiscal Year and they reveal the

State is running 2.5% ahead of budget in revenue collection. For the first quarter, the State collected \$21.8 billion in revenue compared to a budget of \$21.3 billion. Actual State collections for the first quarter of the 2013-2014 Fiscal Year were \$20.2 billion.

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, 2012, 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. In addition, Attachment D provides information on contracts or agreements and/or contract adjustments not previously approved by the Board of supervisors equal to \$50,000 but under \$100,000.

POLICY ISSUES:

Approval of the recommended actions support the Board's 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 by providing the County's financial status through the first quarter of the fiscal year and making necessary adjustments to remain fiscally responsible throughout the fiscal year.

STAFFING IMPACTS:

The 2014-2015 First Quarter Report incorporates funding for 4,001 allocated full-time positions. Since the 2014-2015 Adopted Final Budget, the approved staffing changes resulted in an increase of 14 positions bringing the total allocation count from 3,978 to 3,992 full-time allocated positions. With the recommendation of nine additional positions in the 2014-2015 First Quarter Financial Report, this will bring the total allocation count to 4,001 full-time allocated positions. This is a total increase of 23 positions from the 3,978 approved in the 2014-2015 Adopted Final Budget. The First Quarter recommendations include adding 14 new positions, restoring one position, deleting four vacant positions, and unfunding two vacant positions. The positions will be funded by department revenue or by existing appropriations through net county cost savings.

Consideration and Approval of the First Quarter Financial Report and County Closure Dates for the Fiscal Year 2014-2015 and Related Actions

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Total Current Authorized Positions as of 2014-2015 Adopted Final Budget	3,978
September 30, 2014 Separate Board Agenda item: Approval to Adopt the Fiscal Year 2014-2015 Mental Health Services Act Plan Update Increasing the Budget and Position Allocations; and Approval to Authorize the Behavioral Health Director to Submit the Plan Update to the Mental Health Services Oversight and Accountability Commission. Add 12 new positions and restore two unfunded positions. Transfer one position. Total increase to allocation: +14	14
Total full-time allocated positions	3,992
Net Changes to the Position Allocation Reflected in the Recommended First Quarter Report	9
Total Authorized Positions with Approval of the 2014-2015 Recommended First Quarter Financial Report	4,001

The Community Services Agency submitted a request in the 2014-2015 Adopted Final Budget to add 11 new Family Services Specialist II positions and it was recommended for a study. After a comprehensive review by the Chief Executive Office, it is recommended to add the 11 Family Services Specialist II positions to handle and process the additional cases resulting from the massive expansion of the Medi-Cal program. It is recommended to add three Mental Health Clinician II positions at Behavioral Health and Recovery Services to partner with the Community Services Agency to provide services to youth/children in the Child Welfare system, including Foster Care children who need mental health services as required by the Katie A. class action lawsuit settlement. It is recommended to restore one unfunded Confidential Assistant IV position in the Clerk of the Board to lead the ongoing archival process and assist with the weekly agenda item process. It is also recommended to delete four vacant positions and unfund two vacant positions. These staffing changes result in a net increase of nine positions to the total position allocation count.

There are several technical adjustments included in the 2014-2015 First Quarter Financial Report and are listed in the chart below. Several of the technical changes and reductions of vacant positions are from Health Services Agency due to the implementation of Health Care Reform and the decline of enrollees in the Medically Indigent Adult (MIA) program. Due to the significant decline, the Agency is taking a phased approach with the reduction of positions while maintaining a base infrastructure that could support the limited Medically Indigent Adult program and still provide support to the Healthy Cubs program. The Agency is requesting the staffing changes in the Indigent Health Care program (IHCP) to be effective December 31, 2014.

Consideration and Approval of the First Quarter Financial Report and County Closure Dates for the Fiscal Year 2014-2015 and Related Actions

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Listed below are the staffing recommendations:

FIRST QUARTER RECOMMENDATIONS AFFECTING POSITION ALLOCATION COUNT

Department	Add New Position	Restore Unfunded Position	Unfund Vacant Position	Delete Vacant Position	Subtotal
Auditor-Controller				-1	-1
Behavioral Health & Recovery Services	3				3
Chief Executive Office		1	-1		0
Community Services Agency	11				11
Health Services Agency			-1	-3	-4
Grand Total	14	1	-2	-4	9

FIRST QUARTER TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION

Department	Transfer In	Transfer Out	Reclassify upward	Study
Auditor-Controller				1
Behavioral Health & Recovery Services			1	
Community Services Agency			1	
Health Services Agency	3	3		1
Sheriff			2	
Grand Total	3	3	4	2

The staffing attachment (Attachment “B”) reflects the changes to authorized positions recommended as part of the First Quarter 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 on or after November 15, 2014, unless otherwise noted.

First Quarter Financial Report Conclusion

The First Quarter Financial Report shows the County is balanced and actual performance is tracking well with the 2014-2015 Operating Budget and year-end projections, with only minor budget adjustments that have been highlighted in this report. Public Safety Restoration analysis is ongoing and the Department Long Range Model is being fully developed through this process, with a planned report to the Board of Supervisors at Mid-Year. County staff will continue to monitor the 2014-2015 budget operations and be prepared to make appropriate recommendations and changes at the Mid-Year Financial Report on March 3, 2015.

CONTACT PERSON:

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 Patrice Dietrich, Deputy Executive Officer. Telephone: (209) 525-6333



First Quarter Financial Report July — September 2014

BOARD OF SUPERVISORS

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

Submitted by
Chief Executive Officer
Stan Risen



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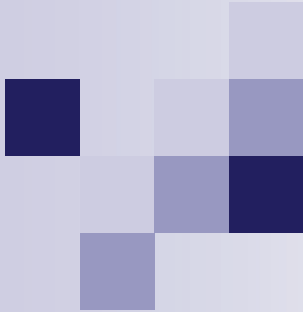


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INTRODUCTION

This is the First Quarter Financial Report submitted by the Chief Executive Office for the period of July 1, 2014 to September 30, 2014 for the 2014-2015 Fiscal Year for Stanislaus County. It has been prepared to inform the Board of Supervisors, County leadership and the public of the County's fiscal status. The report provides revenue and expenditure summaries for County programs by each Board of Supervisors' Priority and recommends department-requested adjustments to County budgets since the adoption of the Final Budget in September 2014. It also identifies or provides the status of the County's ongoing challenges and issues based on current information.

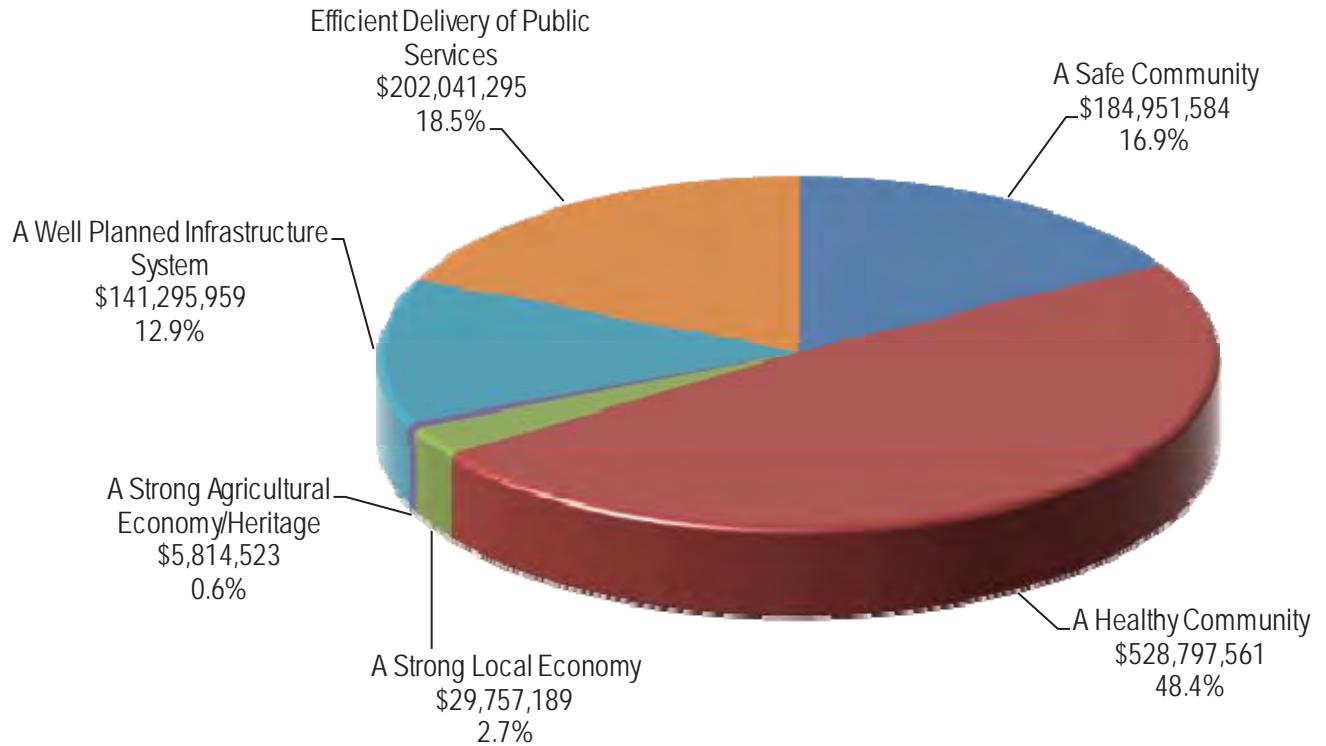
BACKGROUND

On September 16, 2014, the Board of Supervisors adopted the Fiscal Year 2014-2015 Final Budget for Stanislaus County. This spending plan of \$1.1 billion for all funds reflected a 4.8% increase from the 2013-2014 Adopted Final Budget of \$1 billion. The 4.8% increase is primarily due to accelerated pay down of the Health Services Agency long-term deficit and increases in health and social services programs. The 2014-2015 Adopted Final Budget was balanced using a combination of \$1 billion in revenue and \$53.3 million in fund balance and one-time funding sources. It also included funding for 3,978 allocated full-time positions, an increase of 58 positions from the 2013-2014 Adopted Final Budget.

BUDGET OVERVIEW

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

Fiscal Year 2014-2015
 Adopted Final Budget Expenditures
 By Board Priority
 \$1,092,658,111



Comparison of Final Budget by Fund

Fund Type	FY 2013-2014 Final Budget Appropriations	FY 2014-2015 Final Budget Appropriations	Difference	Percent Change
General	\$ 256,601,294	\$ 271,083,644	\$ 14,482,350	5.6%
Special Revenue	627,635,853	643,308,609	15,672,756	2.5%
Capital Projects	731,898	1,215,510	483,612	66.1%
Enterprise	67,174,904	79,199,819	12,024,915	17.9%
Internal Service	90,843,782	97,850,529	7,006,747	7.7%
Total	\$ 1,042,987,731	\$ 1,092,658,111	\$ 49,670,380	4.8%

Funding Sources of Final Budget by Fund

Fund Type	FY 2014-2015 Final Budget Appropriations	Funding Sources		
		Department Revenue	Department Fund Balance	General Fund Contribution
General	\$ 271,083,644	\$ 72,605,544	\$ -	\$ 198,478,100
Special Revenue	643,308,609	609,312,902	15,452,069	18,543,638
Capital Projects	1,215,510	1,137,000	78,510	\$ -
Enterprise	79,199,819	54,410,587	6,675,835	18,113,397
Internal Service	97,850,529	96,227,490	1,623,039	\$ -
Total	\$ 1,092,658,111	\$ 833,693,523	\$ 23,829,453	\$ 235,135,135

The net county cost for General Fund budgets consists of \$169 million in discretionary revenue and \$29.4 million of assigned fund balance.

General Fund departments were allocated nearly \$12.3 million in net county cost savings from Fiscal Year 2013-2014. General Fund departments that achieved savings in appropriations carried forward 100% of unused net county cost savings from Fiscal Years 2009-2010 through to Fiscal Year 2012-2013 and 75% of unused net county cost savings from Fiscal Year 2013-2014. Many departments are using savings for health increases, salary costs and the increased costs from negotiated salary increases. Departments are also setting aside funds for increases in operational costs in 2015-2016 and beyond; including further anticipated increases in salary and retirement charges.

2014-2015 OPERATING BUDGET

The Final Budget is adjusted throughout the year. These adjustments include prior year appropriations for obligations from the previous fiscal year, adjustments approved as part of any separate Board of Supervisors agenda item, as well as adjustments as part of quarterly financial reports such as this. Combined, these adjustments result in the recommended First Quarter Budget.

Operating Budget						
Fund Type	Prior Year Appropriations	FY 2014-2015 Final Budget Appropriations	First Quarter Board Agenda Items Posted Through 9/30/2014	Operating Budget Appropriations on 9/30/2014	FY 2014-2015 First Quarter Recommendations	Recommended First Quarter Budget
General Fund	\$ 6,554,721	\$ 271,083,644	\$ 151,100	\$ 277,789,465	-	\$ 277,789,465
Special Revenue Fund	12,713,819	643,308,609	158,000	656,180,428	(123,332)	656,057,096
Capital Projects Fund	-	1,215,510	-	1,215,510	-	1,215,510
Enterprise Fund	2,017,400	79,199,819	-	81,217,219	1,221,508	82,438,727
Internal Service Fund	912,235	97,850,529	-	98,762,764	-	98,762,764
Total	\$ 22,198,175	\$ 1,092,658,111	\$ 309,100	\$ 1,115,165,386	\$ 1,098,176	\$ 1,116,263,562

2014-2015 FIRST QUARTER OVERVIEW

Overall Summary of Requested First Quarter Adjustments

The Chief Executive Office's first quarter recommendations include a total increase in estimated revenue of \$2.6 million and an increase in appropriations of \$1.1 million. If approved, the recommendations contained in this report will result in a decrease in the use of fund balance retained earnings of \$1.5 million.

The recommended increase in appropriations and estimated revenue is primarily within Community Services Agency and Health Services Agency, along with technical adjustments to support implementation of the Public Works Geographical Information Systems (GIS) cost distribution to General Fund departments.

Within the Health Services Agency (HSA), an increase of estimated revenue is recommended due to the Rate Year 2012-2013 Intergovernmental Transfer Program as approved by the Board of Supervisors on September 9, 2014 and the expansion of the Agency's 340(b) Complement Program (a federally approved cooperative pharmacy program for federally Qualified Health Centers). An increase in appropriations is also recommended, primarily as a result of negotiated increases in salary costs. Community Services Agency is recommended to increase appropriations and estimated revenue due to the Medi-Cal Outreach Grant related to the Affordable Care Act and for children's mandated programs funded through 2011 realignment. As requested by the Board of Supervisors with adoption of the Final Budget 2014-2015, technical adjustments are recommended within the First Quarter Report to support Public Works GIS cost distribution to General Fund departments.

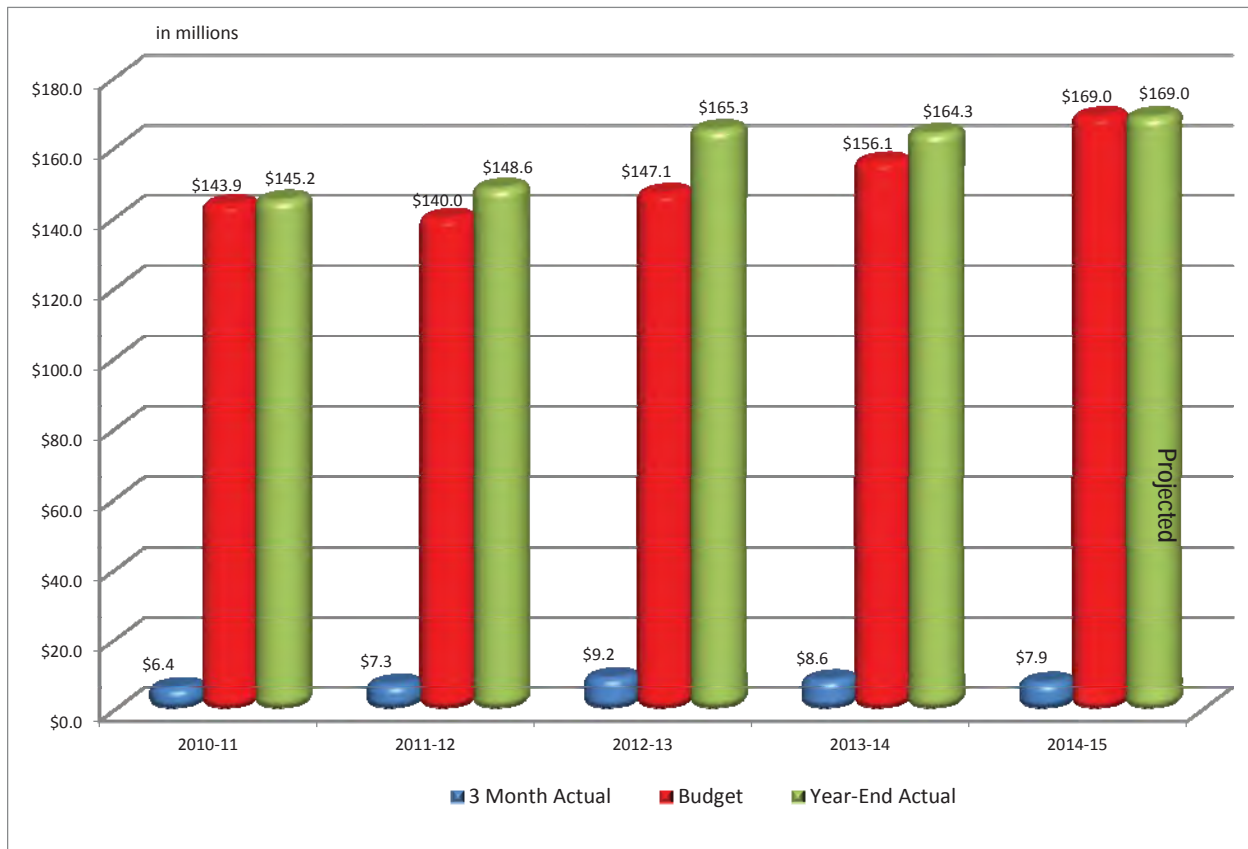
The following chart illustrates the beginning fund balances on July 1, 2014 for the various fund types, as well as the projected fiscal year end balances adjusted for the recommendations contained in this report.

Summary of Fund Balance by Fund Type					
Fund Type	Beginning Fund Balance on 7/1/2014	Operating Budget Revenue on 9/30/2014	Operating Budget Appropriations on 9/30/2014	First Quarter Recommendation Use of Fund Balance	Projected Fund Balance on 6/30/2015
General Fund	\$ 137,870,659	\$ 241,644,022	\$ 277,789,465	-	\$ 101,725,216
Special Revenue Fund	202,992,705	627,856,540	656,180,428	(594,677)	175,263,494
Capital Projects Fund	5,486,560	1,137,000	1,215,510	-	5,408,050
Enterprise Fund	30,970,240	72,523,984	81,217,219	(932,006)	23,209,011
Internal Service Fund	14,731,297	96,227,490	98,762,764	-	12,196,023
Total	\$ 392,051,461	\$ 1,039,389,036	\$ 1,115,165,386	\$ (1,526,683)	\$ 317,801,794

DISCRETIONARY REVENUE

As of September 30, 2014, \$7.9 million of discretionary revenue was received, which represents about 4.7% of the 2014-2015 Final Budget of \$169 million. For the last five years, discretionary revenue collected by the end of first quarter ranged from 4.4% to 6.3% of the final budget and from 4.4% to 5.6% of the year-end actual collections. This indicates that the current year discretionary revenue at first quarter is within the above-mentioned ranges. Additionally, the five-year average of actual revenue at first quarter is \$7.9 million, and the 2014-2015 first quarter revenue of \$7.9 million is equal to the average. The following chart shows a five-year history of first quarter activity:

General Fund—Discretionary Revenue Five Year Comparison



It is important to note that the year-end actuals for Fiscal Year 2012-2013 reflected on this chart, included one-time revenue of \$11.9 million, of which \$8.4 million was for repayment of property tax monies borrowed by the State pursuant to Proposition 1A (2004) and \$3.5 million was for dissolution of the Redevelopment District Agencies. Absent this one-time revenue, the 2012-2013 year-end actual was \$153.4 million.

The Chief Executive Office closely monitors discretionary revenue and may recommend changes as necessary with the Mid-Year Financial Report in March 2015 when additional months of revenue will be realized. While the sales and use tax revenue showed a decline over the same period last year, it is due to the posting of prior year revenue in first quarter of Fiscal Year 2013-2014. It is too early to establish any trend in this revenue source since only two months of actual revenue had posted by end of first quarter. Proposition 172 Public Safety sales tax revenue showed an increase over the same period last year, and is in line with the 2014-2015 Final Budget. The first installment of the other major source of discretionary revenue, the property tax and related revenue will be received in December. Each year only a small portion of the discretionary revenue posts by the end of the first quarter and any adjustments to this budget are generally postponed until six months of actuals are posted.

ISSUES AND ONGOING CHALLENGES

As discussed in the 2014-2015 Adopted Final Budget, the County faces a number of issues and ongoing challenges in the coming fiscal years. The following is an update on those that have had significant change or progress through the first quarter of the fiscal year.

Social Services and Health Care

We remain in the first year of the implementation of historic health care reform. As the result of the Affordable Care Act (ACA) implementation over 130,000 Stanislaus County individuals now have access to health care. Additionally with the passage of Assembly Bill 109 - 2011 Public Safety Realignment and Assembly Bill 720 - Health Care enrollment for Inmates, the Community Services Agency, Health Services Agency, Behavioral Health and Recovery Services, Probation and the Sheriff's Office continue to work collaboratively to enroll individuals who are in custody and those being released from the County Jail. While the Affordable Care Act has presented great opportunities for individuals who otherwise would not have access to health care or who were part of the County's Medically Indigent Adult program, there have also been operational challenges to meet the high demand of individuals applying for health care coverage. Although the ACA has been operational for less than a year and there have been great strides to work through the workload processes that are components of the ACA, it continues to be a challenge to project out how ultimately the Affordable Care Act will impact County operations. County staff will continue to analyze Affordable Care Act impacts and provide updates to the Board of Supervisors as needed.

As reported in the Fiscal Year 2014-2015 Adopted Final Budget, due to the implementation of the Affordable Care Act the Health Services Agency – Indigent Health Care Program (IHCP) has experienced a significant decline in Medically Indigent Adult (MIA) enrollees. Most individuals previously eligible for MIA are now eligible for health care insurance through Covered California or are eligible for the Medi-Cal Expansion program. As a result, over the past year, the Agency has implemented a phased approach to reduce staffing and program costs, to correspond to fewer MIA enrollees. As the ACA progresses the Agency will continue to monitor and evaluate any fiscal impact to the program.

The Katie A. Lawsuit settlement agreement requires counties to provide comprehensive services to children with an open child welfare case in need of mental health services. This new mandate impacts the Community Services Agency as well as Behavioral Health and Recovery Services. It will increase the number of cases and the intensity of services provided. Both departments will monitor the impact of Katie A. on existing resources and will provide updates to the Board of Supervisors in future financial reports.

Labor Update

On June 30, 2014 contracts with all 12 County labor associations expired. The County has now negotiated new agreements with five of the 12 labor associations: California Nurses Association, American Federation of State, County and Municipal Employees (AFSCME) Local 10, Stanislaus County Sheriff's Supervisor Association, Stanislaus Sworn Deputy Association, and Stanislaus County's Sheriff Management Association. A salary restoration plan is also in place for the Unrepresented Confidential and Management employees, and Elected Officials.

The Service Employee International Union ratified a tentative agreement and is scheduled for consideration by the Board of Supervisors for final approval on November 4, 2014 by a separate Board action. A tentative agreement with the Deputy Sheriff's Association was reached and if ratified is scheduled for consideration by the Board of Supervisors for final approval on November 4, 2014 by a separate Board action. Labor negotiations are still taking place for the following labor groups: County Attorney's Association, Stanislaus County Deputy Probation Officers Association, Stanislaus Regional Emergency Dispatchers' Association, Stanislaus County's Probation Correction Officers Association and Stanislaus County District Attorney Investigators Association.

An agreement has been reached with all County labor organizations and approved by the Board of Supervisors on October 28, 2014 regarding changes in the employee health insurance program for the period of January 1, 2015 through December 31, 2017.

Public Safety Facility Staffing – The County Public Safety Center expansion (AB900 Phase Two Project: Housing/Medical/Mental Health and Intake Release and Transportation Projects) is expected to be completed in Budget Year 2016-2017. There will be significant additional operating costs associated with this including staffing, utilities, maintenance, contracted jail medical services, bedding, inmate clothing and various other costs which are factored into staff's analyses. As previously reported, the County has no obligation to immediately fully operate or staff the new facilities. A phased opening of the AB 900 Phase II Public Safety Center Expansion Project will be based on the County's fiscal recovery and the annual appropriations by the Board of Supervisors. The total estimated cost, including both sworn/non-sworn staff, in today's dollars range from \$13.3 million in the Initial Model and \$14.6 million in the Optimal Model. Full occupancy of all available jail beds at the Public Safety Center site following AB 900 Phase II construction completion may result in an additional 72 sworn positions needed with an increased General Fund obligation of approximately \$7.7 million annually. The companion facility and corresponding functions constructed by Public Facilities Fees, if fully staffed, may result in an additional 22 sworn positions needed with an increased General Fund obligation of approximately \$2.3 million.



A Safe Community

COUNTY DEPARTMENTS

CEO-OES/Fire Warden

CEO-Capital Projects

CEO-County Operations

District Attorney

Grand Jury

Integrated Criminal Justice Information System

Probation

Public Defender

Sheriff

A Safe Community

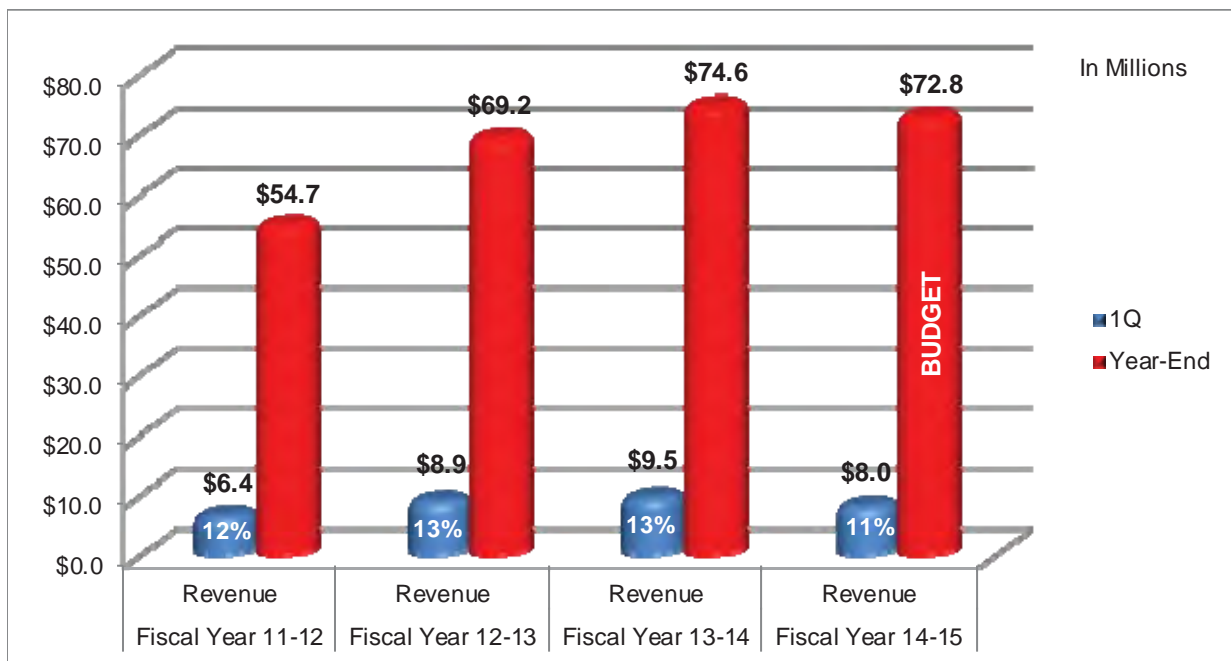
OVERVIEW

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

For the departmental budgets that are part of the Board of Supervisors priority area of A Safe Community as of September 30, 2014, actual revenue collected is \$8 million, which represents 11% of the estimated annual revenue. This is slightly below the range when compared to the first quarter point of the prior three years when collections ranged from 12% to 13% of the final actual revenue. This is mainly due to the Sheriff-Court Security revenues from the State being appropriately booked as a receivable for the 2013-2014 Fiscal Year. These funds were previously recognized in the year they were received.

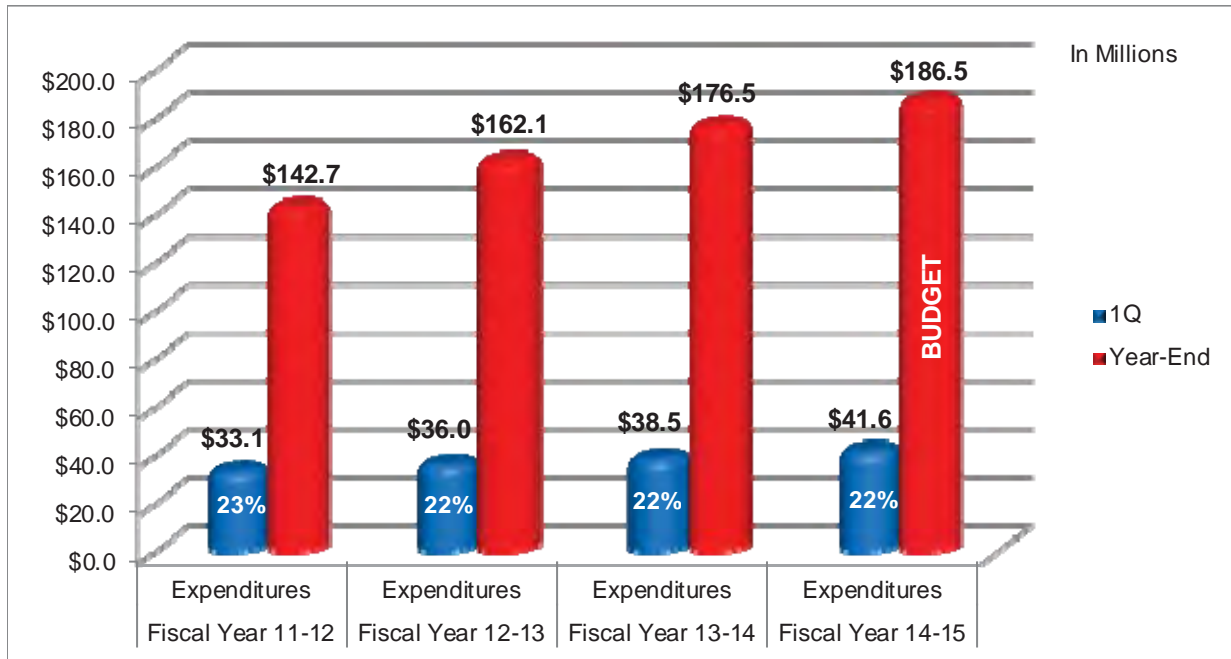
A Safe Community Four Year Revenue Comparison



DEPARTMENTAL EXPENDITURES

As of September 30, 2014, expenditures are \$41.6 million, representing 22% of the budgeted appropriations. Expenditures at the first quarter point of the prior three years ranged from 22% to 23% of the final actual expenditures, placing this year within the range.

A Safe Community Four Year Expenditure Comparison



Overall, the departments within A Safe Community are on track to end the year within budget and in a positive fiscal position.

The recommendations contained in this report, including any technical adjustments, for A Safe Community will increase appropriations by \$16,679 funded with net county cost.

FIRST QUARTER ISSUES AND RECOMMENDATIONS

SHERIFF

Staffing Requests: The Department is requesting to reclassify upward two Deputy Sheriff-Custodial positions. The first is an upgrade of a Deputy Sheriff to Sergeant-Custodial in Internal Affairs. The Internal Affairs Investigator is responsible for conducting both internal affairs and citizen complaint investigations. These complaints are typically against line staff. A Sergeant-Custodial serves at a higher classification and is more experienced, knowledgeable and trained on departmental policies, practices and legal challenges facing the department. The nature, complexity and skills required to perform this critical function support the need for the higher level classification. This position is funded by the Community Corrections Partnership program. It is recommended to reclassify upward one Deputy Sheriff-Custodial position to Sergeant-Custodial.

The Department is also requesting to reclassify upward one Deputy Sheriff-Custodial position to Sergeant-Custodial in Detention. The change in dynamics seen in the inmate population related to AB 109 Public Safety Realignment creates a challenge of increased grievances due to longer incarceration terms being served and a more criminally sophisticated, more litigious population. The Sergeant-Custodial position will oversee the inmate grievance/appeal process including staff training, monitoring of staff responses for continuity and compliance with State policy. Additionally, the position will facilitate all responses to requests for public information associated with detention operations and provide direct supervision of the Prison Rape Elimination Act (PREA) coordinator. Assigning this responsibility to a Sergeant is a proactive measure to reduce liability on the part of both the Department and County on the expected significant increase of inmate litigation. This position is funded by the Community Corrections Partnership program. It is recommended to reclassify upward one Deputy Sheriff-Custodial position to Sergeant-Custodial.

SHERIFF DEPARTMENT TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Administration	1	13069	Deputy Sheriff-Custodial	Reclassify upward	Sergeant-Custodial
Detention	1	12829	Deputy Sheriff-Custodial	Reclassify upward	Sergeant-Custodial

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



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

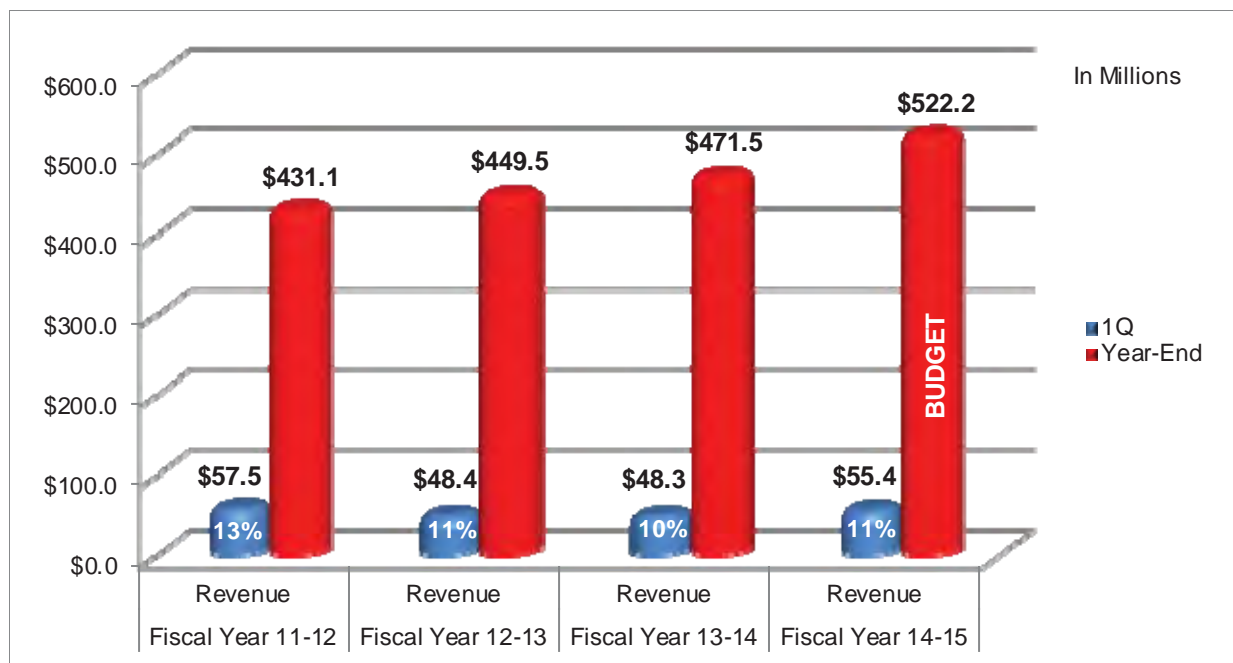
OVERVIEW

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

For the departmental budgets that are part of the Board of Supervisors priority area of A Healthy Community, as of September 30, 2014, actual revenue is \$55.4 million, which represents 11% of the estimated annual revenue. This includes the General Fund allocation of \$15 million to the Health Services Agency Clinics & Ancillary Services for the accelerated repayment for a long-term deficit. This is within the range when compared to the first quarter point of the prior three years when collections ranged from 10% to 13% of the final actual revenue.

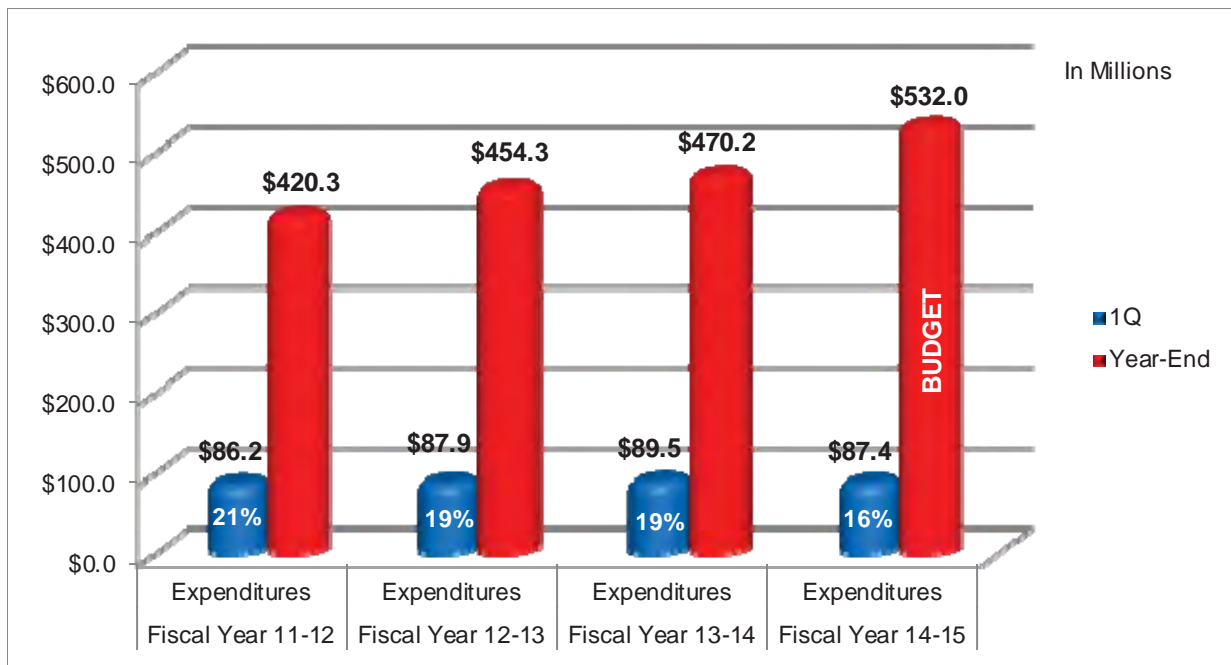
A Healthy Community Four Year Revenue Comparison



DEPARTMENTAL EXPENDITURES

As of September 30, 2014, expenditures were \$87.4 million, representing 16% of the budgeted appropriations. Expenditures at the first quarter point of the three prior years ranged from 19% to 21% of the final annual expenditures, placing this year's expenditures below the range. This is primarily due to the reduction in services in the Health Services Agency-Indigent Health Care Program, as a result of the Affordable Care Act Implementation and the result of timing of payments for services.

A Healthy Community Four Year Expenditure Comparison



Overall, the departments within A Healthy Community are on track to end the year within budget and in a positive fiscal position.

The recommendations contained in this report for A Healthy Community will increase appropriations by \$1,098,176 and estimated revenue by \$2,624,859, resulting in the contribution of \$1,526,683 to departmental fund balance/retained earnings.

FIRST QUARTER ISSUES AND RECOMMENDATIONS

BEHAVIORIAL HEALTH AND RECOVERY SERVICES

Staffing Requests: The Department is requesting to add three block-budgeted Mental Health Clinician II positions. Behavioral Health and Recovery Services and the Community Services Agency partner to provide services to youth/children in the Child Welfare System who also need mental health services. These services are mandated by Katie A., a class action lawsuit settlement. The Mental Health Clinicians will be part of a Child and Family Team who will have the primary responsibility to deliver services to these children including those in Foster Care and those at risk of placement in foster care. These positions will be funded with Medi-Cal revenue generated by billable services and realignment revenue.

As part of the 2012-2013 Mid-Year Budget, the Department requested a classification study of a Manager II position in the Mental Health Services Act. A study has now been completed. This position works in the Forensics Services Division and manages several programs that provide mental health services for individuals who are involved in the criminal justice system. The Criminal Justice Realignment added more complexity to the position. The Manager must develop new programs to treat the individuals involved in the criminal justice program because the traditional methods do not work. This position will analyze and report the desired outcomes to the State of California and local Community Corrections Partnership program. Based on the higher level of responsibility and current job duties, it is recommended to reclassify this position to Manager III. This position will be supported with Mental Health Services Act funding and will not result in an increase to net county cost.

BEHAVIORAL HEALTH & RECOVERY SERVICES STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Behavioral Health & Recovery Services	3	NEW	Mental Health Clinician II	Add new positions	Mental Health Clinician II-block-budget
BHRS CHANGES	3				
Beginning Allocation	396				
Changes in Allocation	3				
Ending Allocation	399				
BEHAVIORAL HEALTH & RECOVERY SERVICES TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Mental Health Services Act	1	11083	Manager II	Reclassify upward	Manager III

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

COMMUNITY SERVICES AGENCY

Services and Supports: The Department is requesting an increase in appropriations and estimated revenue of \$101,345 in direct support of the grant-funded Medi-Cal Outreach and Enrollment (O&E) contract services scheduled to begin January 2015. The goal of contracting the outreach and enrollment services in the community is to serve "hard-to-reach" target populations. The expected outcome is increased enrollment and retention in health coverage for the newly Medi-Cal eligible population under the Affordable Care Act. The 100% federally funded Medi-Cal O&E grant totals \$344,573 over two fiscal years, supporting outreach services through June 30, 2016. The grant has no County share requirement; therefore, there is no cost to the County General Fund.

Additionally, the Department is requesting an increase in Children's programs appropriations and estimated revenue of \$370,000 in support of core services for mandated programs in Fiscal Year 2014-2015. These ongoing direct client services are supported with 2011 realignment funding, requiring no County share with no additional cost to the County General Fund.

In the Community Services Agency (CSA), there are two new Social Services program initiatives that were introduced in the Final State Budget that require counties to "opt-in" to these new programs with specific plans for achieving desired outcomes. These new programs include: Commercially Sexually Exploited Children (CSEC) and Approved Relative Caregiver Program. The Department has submitted a letter of interest for the Approved Relative Caregiver Program (ARC) and will be filing claims to draw down the CSEC training allocation.

As reported in Fiscal Year 2014-2015 Adopted Final Budget, the 2014-2015 State Budget identifies another 5% Cost of Living Adjustment (COLA) increase for CalWORKs Temporary Assistance for Needy Families (TANF) effective April 1, 2015. Consistent with past practice, the County would implement an equal COLA for General Assistance recipients at the beginning of the following fiscal year. The Department anticipates requesting the 5% COLA for General Assistance as part of the 2014-2015 Third Quarter Report, in order to complete the necessary processing of cases and data systems changes for the COLA to be effective on July 1, 2015.

The Community Services Agency participated in the State's Housing Support Program Request for Proposal. Although the Department was not awarded additional State funding, staff is continuing to look for opportunities for Homelessness and Housing Support service strategies and will provide updates on potential opportunities.

Also, during this fiscal year CSA will be developing and implementing the California Department of Social Services – Child Welfare Services five year System Improvement Plan (SIP). The SIP is a collaboration between the County's Child Welfare Services, California Department of Social Services and Probation Placement Agencies. This coordinated effort provides an outline as to how counties will improve their overall child welfare system to better provide services to children and families. The SIP is a commitment to developing specific measurable improvements for children and families. In addition, the SIP includes a coordinated service provision plan for how the County will utilize prevention, early intervention and treatment funds to strengthen and preserve families. The SIP five year plan will be presented to the Board of Supervisors for consideration during this fiscal year.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
CSA - Services & Support	\$101,345	\$101,345	\$0	\$0	Increase revenue and appropriations to add Medi-Cal Outreach Grant, related to Affordable Care Act -100% Federally funded
CSA - Services & Support	\$370,000	\$370,000	\$0	\$0	Increase revenue and appropriations for Children's mandated programs-funded through 2011 realignment funds
Total	\$471,345	\$471,345	\$0	\$0	

Staffing Requests: As part of the 2014-2015 Final Budget, the Department requested to add 11 Family Services Specialist II block-budgeted positions to process the additional cases resulting from the expansion of the Medi-Cal program. It was recommended to study this request.

In October 2013, the State of California began implementation of the expansion of health coverage and health benefits for many Californians. During the last 12 months, the County has continued to evaluate the impacts of this expansion on requests for services at the Community Services Agency. During this time, the Department has seen a 40% growth in the individuals it serves, however the number of Family Services Specialists providing services has increased by only 16%. The Department continues to evaluate efficiencies and processes but the lack of staff has affected the Department's ability to meet the CalFresh application processing timelines required by the State Department of Social Services. The Department has seen a growth in CalFresh applications by those individuals applying for health coverage through Covered California. The Department must meet these timelines due to federal requirements and to avoid legal action. The open enrollment period for Covered California will begin again on November 15, 2014 and the Department will be continuing to evaluate the appropriate staffing level needed to respond to the requests for services within the time period required by the State potentially resulting in the need for additional staff.

Funding for the additional positions is contained within the current Medi-Cal allocation and there is no General Fund impact.

As part of the 2013-2014 Mid-Year Budget, the Department requested a study of an Administrative Clerk II position. A study has been completed and based on the job duties and responsibilities, it is recommended to reclassify upward the Administrative Clerk II position to Administrative Clerk III.

COMMUNITY SERVICES AGENCY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Services & Support	11	NEW	Family Services Specialist II	Add new positions	Family Services Specialist II-block budget
CSA CHANGES	11				
Beginning Allocation	1,033				
Changes in Allocation	11				
Ending Allocation	1,044				
COMMUNITY SERVICES AGENCY TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Services & Support	1	3319	Administrative Clerk II	Reclassify upward	Administrative Clerk III

Summary of Recommendations: It is recommended to increase estimated revenue and appropriations by \$471,345, funded from State and Federal funding. It is further recommended the staffing changes described and outlined in the table above be adopted.

HEALTH SERVICES AGENCY

Clinics and Ancillary Services: The Health Services Agency – Clinics and Ancillary Services is requesting an overall increase in appropriations of \$1,221,508 and estimated revenue of \$2,153,514, resulting in the contribution of \$932,006 to the department retained earnings. As reported in the Fiscal Year 2014-2015 Adopted Final Budget, the following changes were not incorporated in the budget at that time: (1) anticipated salary and benefits increases related to labor negotiations, (2) the redistribution of various allocations due to changes in the Agency's Indigent Health Care Program. However, the Agency did expect to close the potential gap related to the noted issues via various strategic initiatives.

At this time, the Agency anticipates that two strategic initiatives will materialize this fiscal year to close the gap. The strategic initiatives are: (1) the expansion of the Agency's 340(b) pharmacy complement program to include additional pharmacies, Rite Aid and Wal-Mart and (2) the Intergovernmental Transfer (IGT) for Rate Year 2012-2013. The IGT is essentially a financing practice that allows the County to provide some funding to the State in order to receive an increase in Federal Match, providing a benefit to Health Services Agency revenues. The Agency had originally anticipated \$1.8 million as the estimated IGT to be received in Fiscal Year 2014-2015; the IGT is higher than originally projected. The amount, less all related administrative fees for both the State and the health plans, will be approximately \$2 million.

As a result, the Agency is requesting an increase in estimated revenue of \$2,041,514 and \$208,466 in appropriations to include funding for the IGT program. An increase in estimated revenue of \$112,000 is requested to reflect the expansion of the 340(b) pharmacy complement program. An increase in appropriations of \$758,528 is requested to fully fund negotiated labor costs. An increase in appropriations of \$237,085 is requested to reflect adjustments in department allocations. Finally, an increase in appropriations of \$17,429 in Fixed Assets is requested for clinic equipment upgrades and repairs.

Indigent Health Care Program: As part of the First Quarter Report, the Agency is requesting to decrease appropriations by approximately \$594,677 to reduce salaries and program support costs related to the Affordable Care Act implementation, leaving a remaining budget of approximately \$1.8 million. Included in the \$1.8 million of budgeted expenditures are the following major costs and projections:

- (1) approximately \$320,000 in actual year-to-date expenses related to the program (which includes Healthy Cubs activity of approximately \$20,000);
- (2) approximately \$180,000 in remaining Healthy Cubs budgeted appropriations;
- (3) \$800,000 in estimated healthcare costs for indigent enrollees which includes \$658,000 for an estimated exposure due to cases pending a disability determination, which if denied by Social Security, will become an obligation of the Medically Indigent Adult (MIA) Program;
- (4) approximately \$233,000 remaining in Department overhead allocations as well as county cost allocation plan charges (CAP charges); and
- (5) approximately \$225,000 in salaries and benefit costs related to the MIA program.

Since the implementation of the Affordable Care Act, the Medically Indigent Adult (MIA) program has seen a significant decline in enrollees. Most individuals previously eligible for the MIA Program are now eligible for Medi-Cal or insurance through Covered California. Due to this significant decline in enrollees, the Agency performed a thorough analysis as part of the First Quarter Report preparation. This analysis encompassed both the staffing needs for IHCP which included looking at all of the remaining duties (those associated with the Agency's Healthy Cubs Program as well as the other recurring activities associated with medically indigent adults that apply to the program). As a source of reference, included are two August 31, 2014 statistics, one related to the MIA Program and one related to the Healthy Cubs Program. As of August 31, 2014 the Healthy Cubs Program enrollment has totaled 135 individuals and while there have been only three enrollees in the MIA Program, the MIA Program has adjudicated 948 claims since the beginning of the Fiscal Year. While most of the MIA claims have been denied, the workload of processing the claims continue to exist. The Health Services Agency and the Chief Executive Office will continue to assess the evolving program changes and report back to the Board of Supervisors on additional adjustments.

It is recognized that IHCP has had significantly decreased services related to the Affordable Care Act implementation; however, the Agency continues to contract with the Stanislaus County Children and Families Commission for the Healthy Cubs (HCUBS) Program. The program consists of two primary components:

- (1) to provide health care access and health services to pregnant women and children aged 0-5 in families with an income less than 300% of the Federal Poverty Level; and
- (2) to refer and qualify applicants for other health programs funded by other levels of government, non-profits, foundations, or the private sector (Medi-Cal or Kaiser Kids, for example).

For eleven years, HCUBS has served as the provider of last resort when eligible applicants do not qualify for any other health access programs. Services offered to children and pregnant woman enrolled through HCUBS will include only:

- (1) those services available at the Health Services Agency medical offices to include primary medical care, ambulatory specialty care and rehabilitation services such as physical therapy;
- (2) those primary and obstetrical care and pharmacy services offered at a Golden Valley Health Center location within the County of Stanislaus;
- (3) those primary and obstetrical services offered at the Oakdale Community Health Center and Riverbank Community Health Center;
- (4) dental care offered at various contracted locations throughout Stanislaus County;
- (5) laboratory and radiology services with contracted providers within Stanislaus County; and
- (6) pharmacy services with contracted pharmacies.

Services not defined above, including but not limited to inpatient care, are not included in this Program.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
HSA - Clinics and Ancillary Services	\$2,041,514	\$208,466	(\$1,833,048)	\$0	Increase estimated revenue and appropriations associated with the Rate Year 2012-2013 Intergovernmental Transfer Funds.
HSA - Clinics and Ancillary Services	\$112,000	\$0	(\$112,000)	\$0	Increase in estimated revenue associated with the expansion of HSA's 340 (b) pharmacy complement plan.
HSA - Clinics and Ancillary Services	\$0	\$758,528	\$758,528	\$0	Estimated net increase in Salaries and Benefits related to anticipated salary increase from labor negotiations as well as an increase in retirement benefits anticipated due to a change in reporting standards.
HSA - Clinics and Ancillary Services	\$0	\$237,085	\$237,085	\$0	Increase in appropriations to reflect adjustment in department allocations.
HSA - Clinics and Ancillary Services	\$0	\$17,429	\$17,429	\$0	Increase in Fixed Assets for clinic equipment upgrades and repairs.
HSA - Indigent Health Care Program	\$0	(\$325,886)	(\$325,886)	\$0	Decrease in salary, program support and allocation costs due to Affordable Care Act Implementation.
HSA - Indigent Health Care Program	\$0	(\$268,791)	(\$268,791)	\$0	Decrease in program costs associated with the Affordable Care Act Implementation.
Total	\$2,153,514	\$626,831	(\$1,526,683)	\$0	

Staffing Requests: With the implementation of Health Care Reform, the Medically Indigent Adult (MIA) Program has seen a significant decline in enrollees and the number of staff needed to support the program. Most individuals previously eligible for MIA are now eligible for Medi-Cal or insurance through Covered California. Due to this significant decline in enrollees, the Agency has continued to analyze the staffing needs in IHCP. The Agency is taking a phased approach with the reduction of positions in IHCP and has identified ways to share staff between programs, thereby retaining a base infrastructure and knowledge that could support the now limited Medically Indigent Adult program while still meeting the needs of the Healthy Cubs program. The Agency is requesting the following staffing changes effective December 31, 2014: Transfer one Staff Nurse III position from Indigent Health Care Program to Clinics and Ancillary Services to perform case management for patients admitted to the hospital and transfer one Staff Services Technician position from Indigent Health Care Program to Clinics and Ancillary Services; delete one vacant Manager III position and one vacant Staff Services Technician position and unfund one vacant Staff Services Analyst position. With this change there will be no allocated positions remaining in IHCP, down from 34 positions in the 2012-2013 Final Budget.

The Agency is also requesting to transfer one Staff Services Technician from Administration to Clinics and Ancillary Services to support revenue-generating activities and coordinate special projects in the clinics and to delete one vacant Account Clerk III position that is no longer needed in Clinics and Ancillary Services. The Agency is further requesting to reclassify upward one Application Specialist III due to technology needs and continuous improvement. It is recommended to study this request.

HEALTH SERVICES AGENCY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Clinics & Ancillary Services	-1	11608	Account Clerk III	Delete vacant position	Delete position
Indigent Health Care Program	-1	1513	Manager III	Delete vacant position	Delete position 12/31/14
	-1	7186	Staff Services Technician	Delete vacant position	Delete position 12/31/14
	-1	2299	Staff Services Analyst	Unfund vacant position	Unfund position 12/31/14
HSA CHANGES	-4				
Beginning Allocation	464				
Changes in Allocation	-4				
Ending Allocation	460				

HEALTH SERVICES AGENCY TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Administration	-1	8660	Staff Services Technician	Transfer out	Transfer to Clinics & Ancillary
	0	699	Application Specialist III	Reclassify upward	Study
Clinics & Ancillary Services	1	8660	Staff Services Technician	Transfer in	Transfer from Administration
	1	1953	Staff Nurse III	Transfer in	Transfer from IHCP 12/31/14
	1	11005	Staff Services Technician	Transfer in	Transfer from IHCP 12/31/14
Indigent Health Care Program	-1	1953	Staff Nurse III	Transfer out	Transfer to Clinics & Ancillary 12/31/14
	-1	11005	Staff Services Technician	Transfer out	Transfer to Clinics & Ancillary 12/31/14

Summary of Recommendations: It is recommended to increase estimated revenue by \$2,153,154, and appropriations by \$626,831, resulting in an increase in departmental fund balance/retained earnings of \$1,526,683. It is further recommended the staffing changes described and outlined in the table above be adopted.



A Strong Local Economy

COUNTY DEPARTMENTS

Alliance Worknet
CEO-Economic Development Bank
Library

A Strong Local Economy

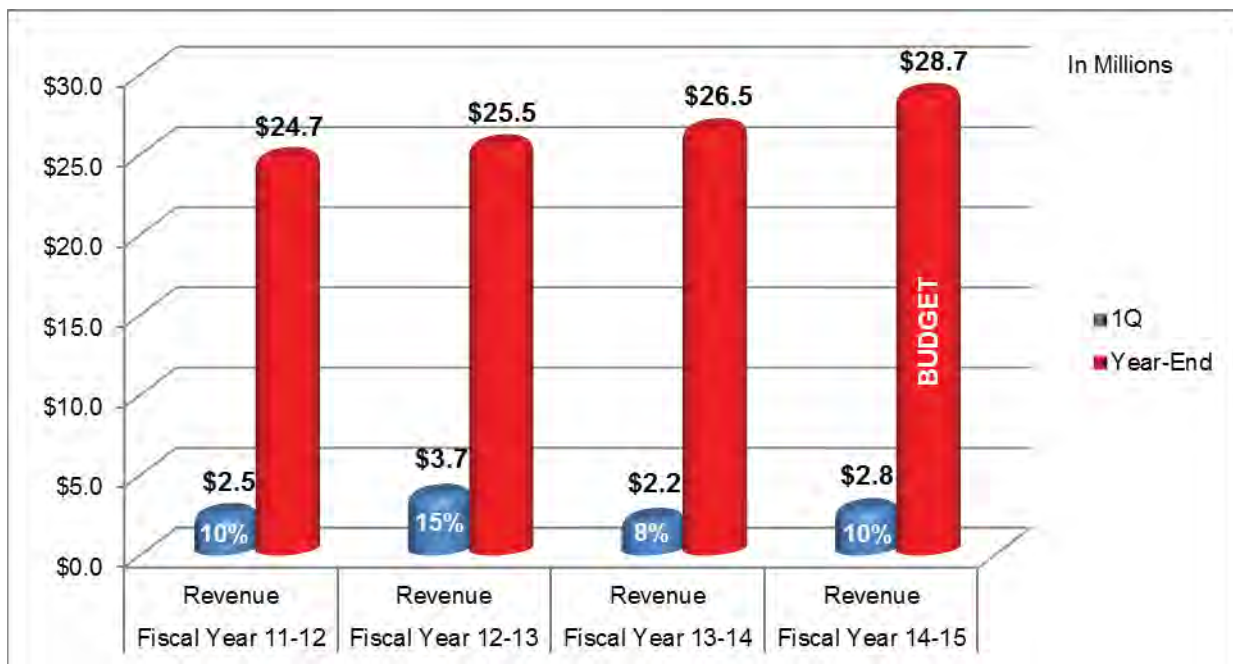
OVERVIEW

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 REVENUE

For the departmental budgets that are part of the Board of Supervisors priority area of A Strong Local Economy as of September 30, 2014, actual revenue collected is \$2.8 million, which represents 10% of the estimated annual revenue. This is within the range when compared to the first quarter of the prior three years when collections were 8% to 15% of the final actual revenue.

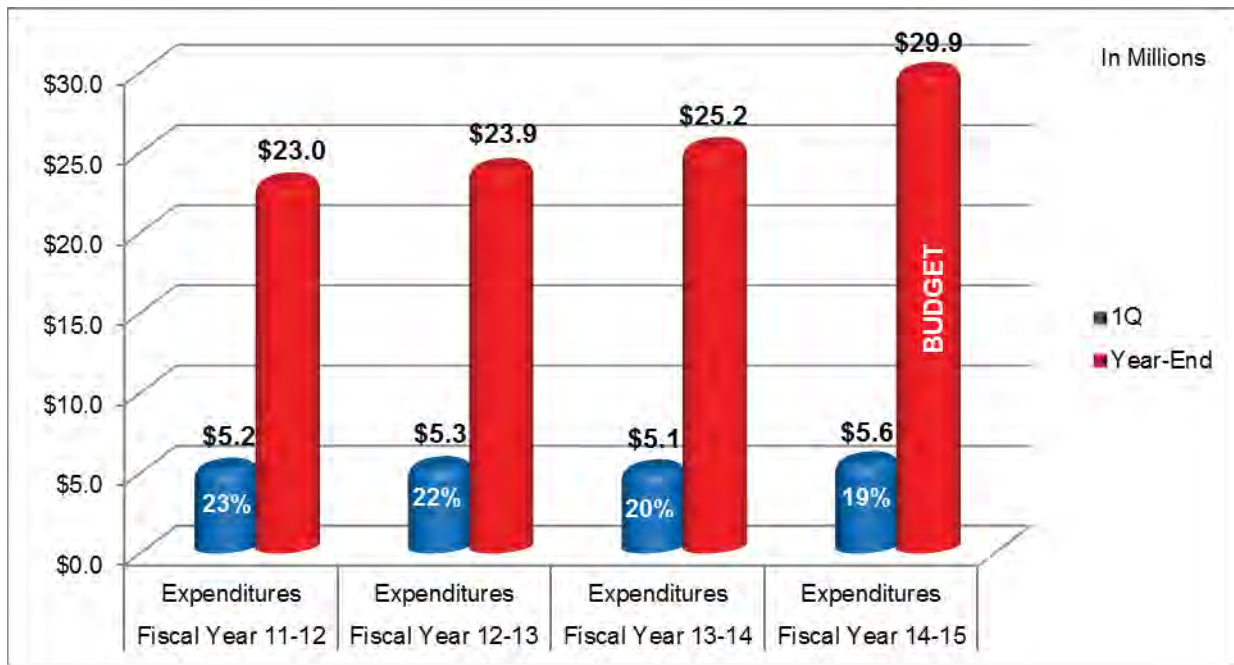
A Strong Local Economy Four Year Revenue Comparison



DEPARTMENTAL EXPENDITURES

As of September 30, 2014, expenditures are \$5.6 million, representing 19% of the budgeted appropriations. Expenditures at the first quarter point of the prior three years ranged from 20% to 23% of the final actual expenditures, placing this year just below the range. This is primarily the result of fewer referrals than anticipated in the first quarter for the Welfare to Work subsidized employment program for Alliance Worknet-StanWORKs.

A Strong Local Economy Four Year Expenditure Comparison



Overall, estimated revenue and appropriations for the Board of Supervisors priority area of A Strong Local Economy are projected to meet budget at year-end.

FIRST QUARTER ISSUES AND RECOMMENDATIONS

There are no recommended budget or staffing changes for this priority.



A Strong Agricultural Economy/Heritage

COUNTY DEPARTMENTS

Agricultural Commissioner
Cooperative Extension

A Strong Agricultural Economy/Heritage

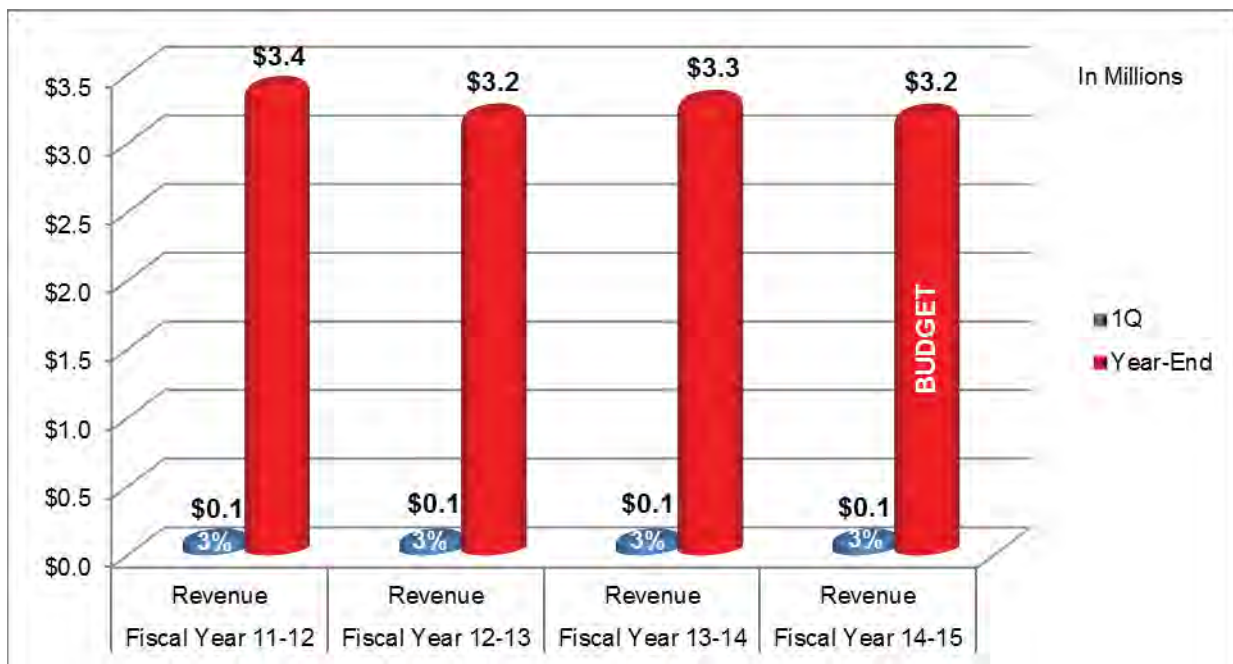
OVERVIEW

The Board of Supervisors priority area of A Strong Agricultural Economy/Heritage recognizes the vital role of the County's number one industry that generates over \$3 billion per year for County residents. Farmland conversion, air pollution, soil salinity and drainage, agricultural water supply and water quality, and preservation of our unique agriculture heritage are key aspects of A Strong Agricultural Economy/Heritage. Departments assigned to this priority area include: Agricultural Commissioner's Office and Cooperative Extension. The major funding source for these County budgets includes contributions from the General Fund. The Agricultural Commissioner receives State funding for a number of programs as well as charges for specific services. While not part of the County budget, Cooperative Extension's University of California advisors are funded through the University of California system.

DEPARTMENTAL REVENUE

As of September 30, 2014, actual revenue collected is \$86,976, which represents 3% of the estimated annual revenue. This is within the range when compared to the first quarter of the prior three years when collections were 3% of the final actual revenue.

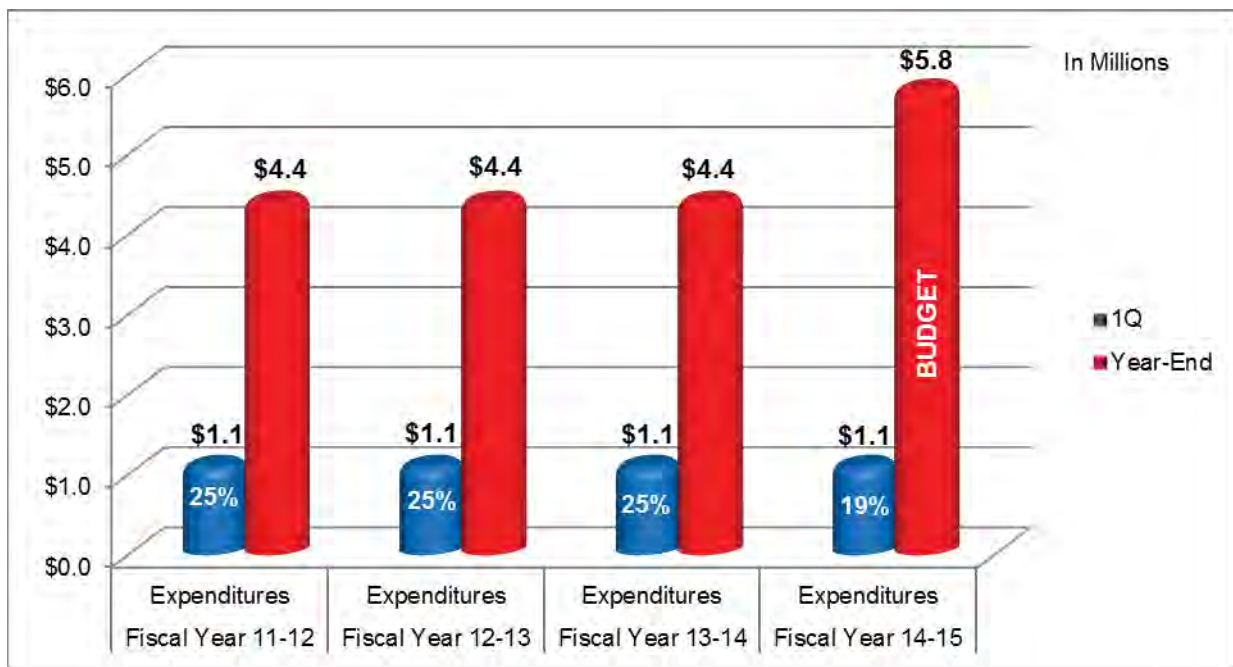
A Strong Agricultural Economy/Heritage Four Year Revenue Comparison



DEPARTMENTAL EXPENDITURES

As of September 30, 2014, expenditures are \$1.1 million, representing 19% of the budgeted appropriations. Expenditures at the first quarter point of the prior three years were each 25% of the final actual expenditures, placing this year below the range. The variance is due to the Agricultural Commissioner's budgeted \$1 million net county cost savings which the department does not anticipate exhausting in Fiscal Year 2014-2015.

A Strong Agricultural Economy/Heritage Four Year Expenditure Comparison



Overall, appropriations and estimated revenue for the Board of Supervisors priority area of A Strong Agricultural Economy/Heritage are projected to meet budget at year-end.

FIRST QUARTER ISSUES AND RECOMMENDATIONS

The recommendations contained in this report, including any technical adjustments for A Strong Agricultural/Economy Heritage will increase appropriations by \$6,974, funded with net county cost. There are no recommended staffing changes for this priority area.



A Well Planned Infrastructure System

COUNTY DEPARTMENTS

Environmental Resources
Parks and Recreation
Planning and Community Development
Public Works

A Well Planned Infrastructure System

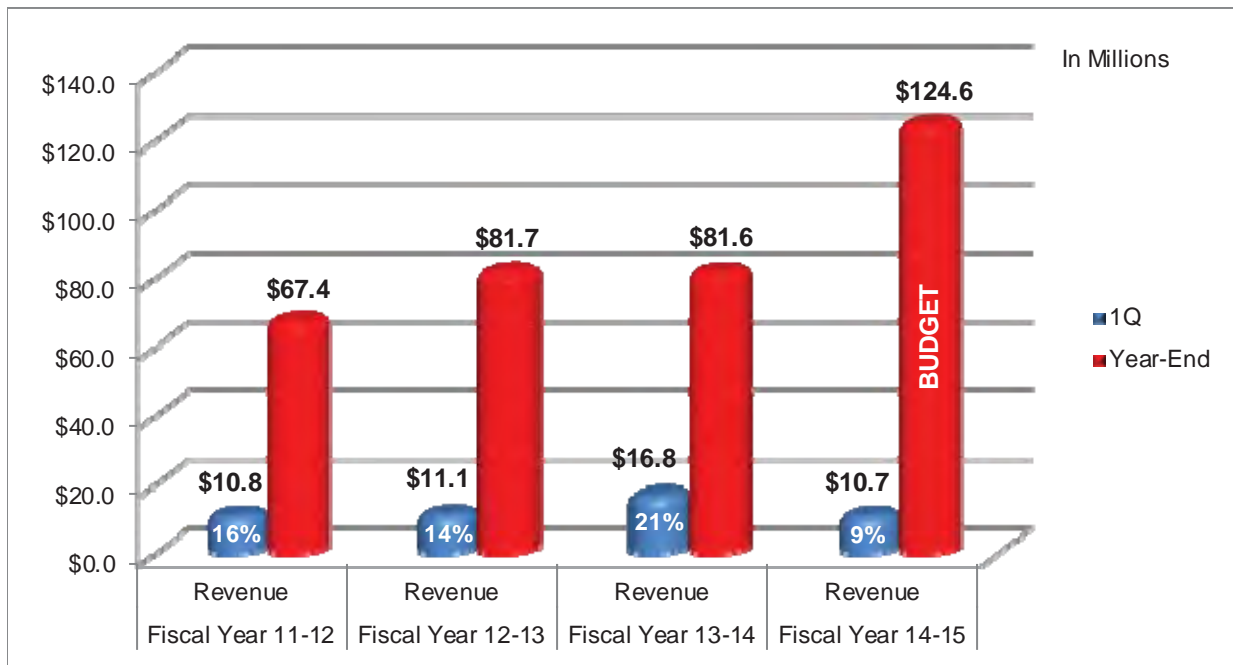
OVERVIEW

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. The major funding sources for these departments include State and Federal funding, fees and Charges for Services, the General Fund, special revenue grants and tax increment payments.

DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors priority area of A Well Planned Infrastructure System as of September 30, 2014, actual revenue collected is \$10.7 million, which represents 9% of the estimated annual revenue. This is below the range when compared to the first quarter of the prior three years when collections ranged from 14% to 21% of the final actual revenue. At \$10.7 million, the lower revenue receipts at first quarter compared to the same time last year is primarily due to the receipt of one-time funding from PTSEMIA (Public Transportation Modernization, Improvement and Service Enhancement Account) last fiscal year, for the purchase of three Compressed Natural Gas (CNG) buses and five light-duty para-transit buses. The lower percentage of revenues at first quarter compared to the prior three years percent to total budget is due to the significant increase to budgeted revenue of \$43 million in 2014-2015 linked to the SR 99/Kiernan Interchange project and Claribel Widening project for which actual revenues have not yet been posted.

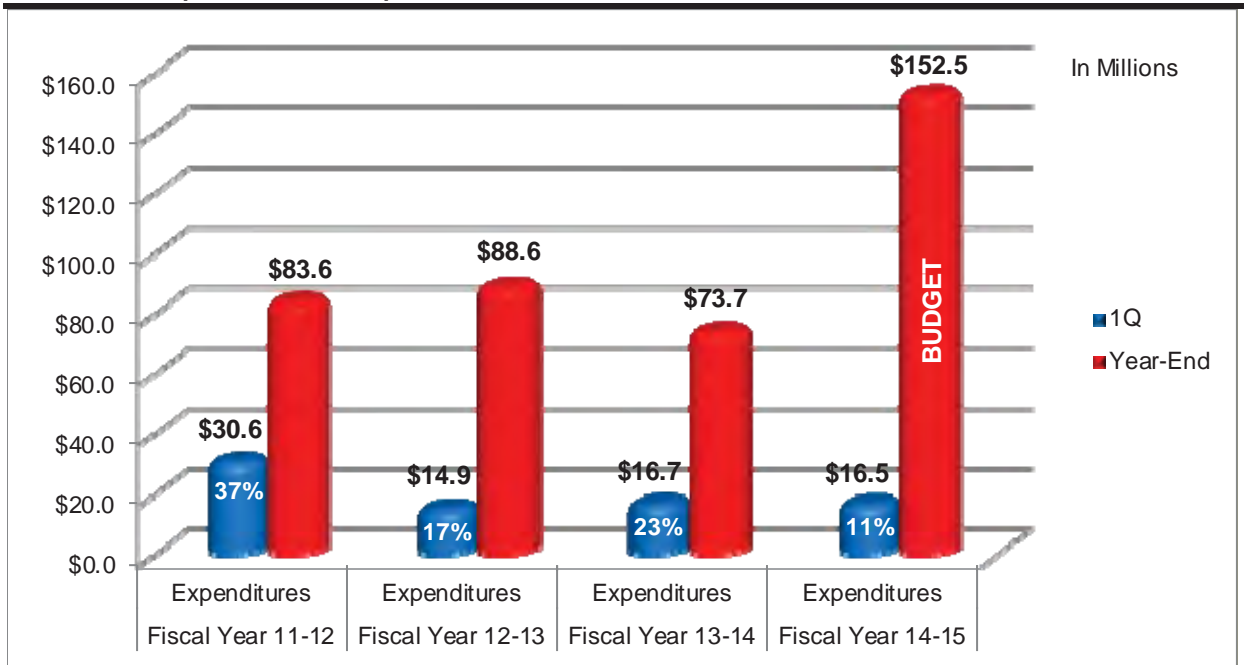
A Well Planned Infrastructure System Four Year Revenue Comparison



DEPARTMENTAL EXPENDITURES

As of September 30, 2014, expenditures are \$16.5 million, representing 11% of the budgeted appropriations. Expenditures at the first quarter of the prior three years ranged from 17% to 37% of the final actual expenditures, placing this year's expenditures below the range. The lower percentage at first quarter compared to the same time last year is primarily due to the timing of two large projects in the Public Works – Road and Bridge budget: SR99/Kiernan Interchange and Claribel Road Widening. Road capital projects are fully budgeted in the current year, however actual expenditures occur over multiple years. The SR99/Kiernan Interchange project is scheduled for completion in the spring of 2016, and the Claribel Road Widening project is scheduled for completion in the spring of 2015.

A Well Planned Infrastructure System Four Year Expenditure Comparison



Overall, appropriations and estimated revenue for the Board of Supervisors priority area of A Well Planned Infrastructure System are projected to meet budget at year-end.

FIRST QUARTER ISSUES AND RECOMMENDATIONS

The recommendations contained in this report, including technical adjustments for A Well Planned Infrastructure will increase appropriations of \$26,154 funded with net county cost. There are no recommended staffing changes for this priority area.



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

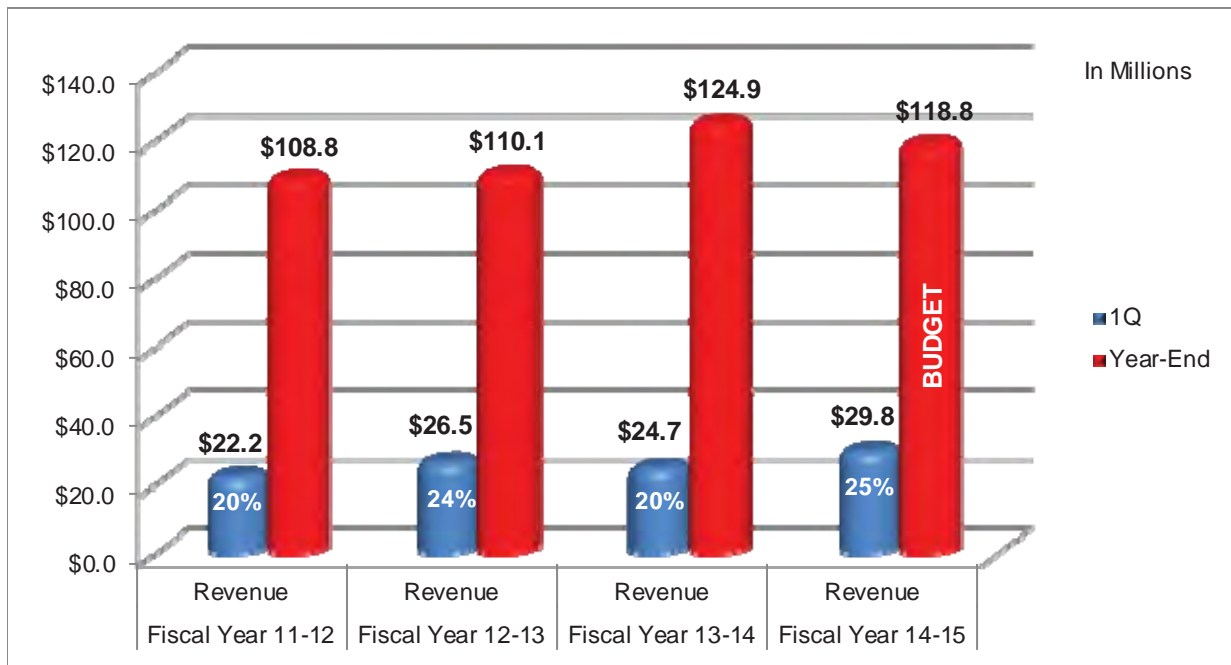
OVERVIEW

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

DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors priority area of Efficient Delivery of Public Services as of September 30, 2014, actual revenue collected is \$29.8 million, which represents 25% of the estimated annual revenue. This is above the range when compared to the first quarter point of the prior three years when collections ranged from 20% to 24% of the final actual revenue. This is primarily due to an extra pay period worth of revenue collected within the Risk Management – Medical Self Insurance budget, unexpended funds from a capital project transferred back to the CEO Plant Acquisition budget and an insurance reimbursement related to the Gallo Center for the Arts. Additionally, as a result of Health Care Reform implementation, estimated revenue for Fiscal Year 2014-2015 in the CEO-County Match Vehicle License Fee budget was significantly reduced from prior years affecting the percent of revenue collected compared to the Operating Budget in Fiscal Year 2014-2015.

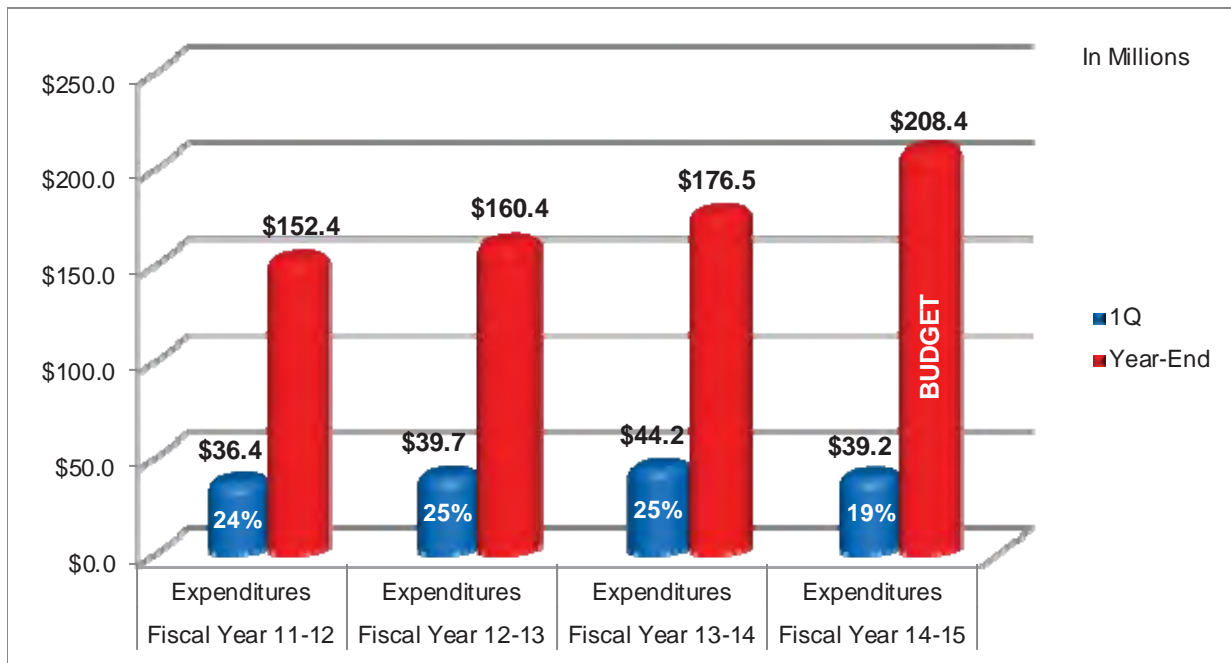
Efficient Delivery of Public Services Four Year Revenue Comparison



DEPARTMENTAL EXPENDITURES

As of September 30, 2014, expenditures are \$39.2 million, representing 19% of the budgeted appropriations. Expenditures at the first quarter point of the prior three years ranged from 24% to 25% of the final actual expenditures, placing this year below the range. This is primarily due to a decrease in expenditures in the Chief Executive Office – Debt Service budget. In Fiscal Year 2013-2014, a one-time buy-down of debt occurred in concert with a debt acceleration strategy for the 2004A and 2004B Certificates of Participation. Additionally, due to Health Care Reform implementation, expenditures in the CEO-County Match Vehicle License Fee budget have significantly decreased.

Efficient Delivery of Public Services Four Year Expenditure Comparison



Overall, the departments within Efficient Delivery of Public Services are on track to end the year within budget.

The recommendations contained in this report, including technical adjustments, for Efficient Delivery of Public Services will decrease appropriations by \$49,807.

FIRST QUARTER ISSUES AND RECOMMENDATIONS

AUDITOR-CONTROLLER

Staffing Requests: The Department is requesting to delete one vacant Accountant III position. In the 2014-2015 Adopted Final Budget the Department was allocated two Manager II positions with a plan to delete two Accountant positions once the Manager positions were filled. The Department has now filled one Manager II position and is requesting to delete one vacant Accountant III position. The Department will request to delete the second Accountant position when the remaining Manager II recruitment is complete.

The Department is also requesting to add one new Manager II position to provide support and succession to the Manager IV over the Property Tax Division. It is recommended to study this request.

AUDITOR-CONTROLLER STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Auditor-Controller	-1	10134	Accountant III	Delete vacant position	Delete position
AUDITOR-CONTROLLER CHANGES	-1				
Beginning Allocation	40				
Changes in Allocation	-1				
Ending Allocation	39				
AUDITOR-CONTROLLER TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Auditor-Controller	1	NEW	Manager II	Add new position	Study

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 IV position and unfund one vacant Confidential Assistant III position in the Clerk of the Board. The higher level classification is needed to take the lead on the on-going archival process and to assist with the weekly agenda process. This will allow the Clerk and Assistant Clerk to dedicate time to the development and implementation of the Americans with Disabilities Act/Civil Rights policies and procedures for the County. The increase in cost for the higher level position will be funded within existing appropriations through net county cost savings.

CHIEF EXECUTIVE OFFICE STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Operations & Services	1	12287	Confidential Assistant IV	Restore unfunded position	Restore position
Operations & Services	-1	7927	Confidential Assistant III	Unfund vacant position	Unfund position
CEO CHANGES	0				
Beginning Allocation	63				
Changes in Allocation	0				
Ending Allocation	63				

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

TECHNICAL ADJUSTMENTS

As part of the Adopted Final Budget for Fiscal Year 2014-2015, County Match in the amount of \$122,486 was included for Public Works, to fund the General Fund portion of Geographic Information System (GIS) costs. The recommended technical adjustments result in the General Fund Department users being directly charged for this cost, funded from a corresponding General Fund contribution. The Public Works Department has communicated with all GIS user departments to share the fiscal impacts to their individual budgets and the methodology used to determine the percentage share of costs. The actual technical adjustment for each department is reflected in the table below and in the appropriate priority area in this report.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Public Works - Administration	\$122,486	\$0	\$0	(\$122,486)	Increase revenue for General Fund portion of GIS costs to be funded by user departments, with a decrease in County Match.
CEO - General Fund Contribution to Other Programs	\$0	(\$122,486)	\$0	(\$122,486)	Decrease funding to Public Works for General Fund portion of GIS Costs.
Ag Commissioner	\$0	\$6,974	\$0	\$6,974	Increase appropriations for GIS costs funded by a General Fund contribution.
Assessor	\$0	\$60,124	\$0	\$60,124	Increase appropriations for GIS costs funded by a General Fund contribution.
Auditor-Controller	\$0	\$3,197	\$0	\$3,197	Increase appropriations for GIS costs funded by a General Fund contribution.
Board of Supervisors	\$0	\$378	\$0	\$378	Increase appropriations for GIS costs funded by a General Fund contribution.
Chief Executive Office - Operations & Services	\$0	\$5,027	\$0	\$5,027	Increase appropriations for GIS costs funded by a General Fund contribution.
Clerk Recorder	\$0	\$843	\$0	\$843	Increase appropriations for GIS costs funded by a General Fund contribution.
Clerk Recorder - Elections	\$0	\$727	\$0	\$727	Increase appropriations for GIS costs funded by a General Fund contribution.
County Counsel	\$0	\$756	\$0	\$756	Increase appropriations for GIS costs funded by a General Fund contribution.
District Attorney	\$0	\$436	\$0	\$436	Increase appropriations for GIS costs funded by a General Fund contribution.
Office of Emergency Services	\$0	\$12,408	\$0	\$12,408	Increase appropriations for GIS costs funded by a General Fund contribution.
Planning & Community Development	\$0	\$26,154	\$0	\$26,154	Increase appropriations for GIS costs funded by a General Fund contribution.
Probation	\$0	\$232	\$0	\$232	Increase appropriations for GIS costs funded by a General Fund contribution.
Sheriff	\$0	\$3,603	\$0	\$3,603	Increase appropriations for GIS costs funded by a General Fund contribution.
Treasurer/Tax Collector	\$0	\$1,627	\$0	\$1,627	Increase appropriations for GIS costs funded by a General Fund contribution.
Total	\$122,486	\$0	\$0	(\$122,486)	

Summary of Recommendations: It is recommended to increase revenue by \$122,486 for GIS costs in the Public Works Administration budget with a corresponding decrease in Net County Cost. This is a technical adjustment reflecting a change in accounting cost allocation methodology that provides a savings in Net County Cost in CEO County Match. It is also recommended to increase appropriations in each of the above listed budgets totaling \$122,486, funded by an increase in Net County Cost.

FIRST QUARTER FINANCIAL REPORT CONCLUSION

The First Quarter Financial Report shows the County is balanced and actual performance is tracking well with the 2014-2015 Operating Budget and year-end projections, with only minor budget adjustments that have been highlighted in this report. Public Safety Restoration analysis is ongoing and the Department Long Range Model is being fully developed through this process, with a planned report to the Board of Supervisors at Mid-Year. County staff will continue to monitor the 2014-2015 Fiscal Year budget operations and be prepared to make appropriate recommendations and changes at the Mid-Year Financial Report on March 3, 2015. Staff will also closely watch the monthly cash report issued by the State Controller to monitor State inflows of revenue. If more urgent budget adjustments are required prior to the

Mid-Year Financial Report, staff will bring appropriate and timely recommendations to the Board of Supervisors for consideration.

BUDGET SCHEDULE

The following schedule is recommended for the 2014-15 Mid-Year Financial Report:

- ◆ December 3, 2014 Issue 2014-2015 Mid-Year Budget Instructions
- ◆ January 14, 2015 Departments' Mid-Year Budget Submittals due to Chief Executive Office
- ◆ March 3, 2015 Mid-Year Financial Report to the Board of Supervisors

STAFFING RECOMMENDATIONS

FISCAL YEAR 2014-2015 FIRST QUARTER FINANCIAL REPORT--ATTACHMENT B

DEPARTMENT	BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Auditor Controller	Auditor Controller	0	NEW	Manager II	Add new position	Study
		-1	10134	Accountant III	Delete vacant position	Delete position
Behavioral Health & Recovery Services	Behavioral Health & Recovery Services	3	NEW	Mental Health Clinician II	Add new positions	Mental Health Clinician II-block budget
	Mental Health Services Act	0	11083	Manager II	Reclassify upward	Manager III
Chief Executive Office	Operations & Services	1	12287	Confidential Assistant IV	Restore unfunded position	Restore position
		-1	7927	Confidential Assistant III	Unfund vacant position	Unfund position
Community Services Agency	Services and Support	11	NEW	Family Services Specialist II	Add new positions	Family Services Specialist II-block budget
		0	3319	Administrative Clerk II	Reclassify upward	Administrative Clerk III
Health Services Agency	Administration	-1	8660	Staff Services Technician	Transfer out	Transfer to Clinics & Ancillary
		0	699	Application Specialist III	Reclassify upward	Study
Clinics & Ancillary Services	Clinics & Ancillary Services	-1	11608	Account Clerk III	Delete vacant position	Delete position
		1	1953	Staff Nurse III	Transfer in	Transfer from IHCP effective 12/31/14
		1	11005	Staff Services Technician	Transfer in	Transfer from IHCP effective 12/31/14
		1	8660	Staff Services Technician	Transfer in	Transfer from Administration
Indigent Health Care Program	Indigent Health Care Program	-1	1513	Manager III	Delete vacant position	Delete position effective 12/31/14
		-1	7186	Staff Services Technician	Delete vacant position	Delete position effective 12/31/14
		-1	2299	Staff Services Analyst	Unfund vacant position	Unfund position effective 12/31/14
		-1	1953	Staff Nurse III	Transfer out	Transfer to Clinics & Ancillary effective 12/31/14
		-1	11005	Staff Services Technician	Transfer out	Transfer to Clinics & Ancillary effective 12/31/14
Sheriff	Administration	0	13069	Deputy Sheriff-Custodial	Reclassify upward	Sergeant-Custodial
	Detention	0	12829	Deputy Sheriff-Custodial	Reclassify upward	Sergeant-Custodial

CHANGES TO POSITION ALLOCATION REPORT

TOTAL CURRENT AUTHORIZED POSITIONS	3,992
Restore Unfunded Positions	1
Add New Positions	14
Unfund Vacant Positions	-2
Delete Vacant Positions	-4
RECOMMENDED AUTHORIZED POSITIONS	4,001

**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 17-21	\$270,893 7/01/12-6/30/14	\$154,177 7/01/14-6/30/15 increased amount	\$425,070
Alliance Worknet	Alliance Worknet	Ceres Unified School District	Provides employment and training services for youth aged 17-21	\$1,156,593 7/01/12-6/30/14	\$723,316 7/01/14-6/30/15 increased amount	\$1,879,909
Alliance Worknet	Alliance Worknet	Computer Tutor	Provides employment and training services for youth aged 17-21	\$556,898 7/01/12-6/30/14	\$320,952 7/01/14-6/30/15 increased amount	\$877,850
Behavioral Health and Recovery Services	Behavioral Health Services	Center for Human Services	Outpatient and School Based Services	\$5,509,232 7/1/12-6/30/14	\$3,104,816 7/1/14-6/30/15	\$8,614,048
Behavioral Health and Recovery Services	Behavioral Health Services	Pacific Mobile Structures	Relocate and repair modular trailers	\$0 7/1/12-6/30/14	\$160,000 7/1/14-6/30/15	\$160,000
Behavioral Health and Recovery Services	Behavioral Health Services	PrideStaff	Temporary Staff	\$284,795 7/1/12-6/30/14	\$200,000 7/1/14-6/30/15	\$484,795
Behavioral Health and Recovery Services	Behavioral Health Services	Office Team	Temporary Staff	\$91,746 7/1/12-6/30/14	\$100,000 7/1/14-6/30/15	\$191,746
Chief Executive Office	Office of Emergency Services	Dave Funk	Provides NIMS/ICS training and planning for emergency preparedness and exercises	\$182,950 1/1/11-12/31/14	\$50,050 1/1/15-12/31/15	\$233,000
Chief Executive Office	Office of Emergency Services	Chris Holmer	Provide planning to assist in the development of emergency management plans	\$140,000 3/1/11-12/31/14	\$44,030 1/1/15-12/31/15	\$184,030
Chief Executive Office	Plant Acquisition	Darrell Long	Project Manager	\$97,516 7/1/12-6/30/14	\$60,480 7/1/14-6/30/15 increased amount	\$157,996

*Contract totals listed that are less than \$100,000 represent separate contracts where the total contracted services with vendor exceed \$100,000

**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
Chief Executive Office	Risk Management	Renne Sloan Holtzman Sakai LLP	Legal Services	\$273,165 7/1/12-6/30/14	\$70,000 7/1/14-6/30/15 increased amount	\$343,165
CEO-Risk Management Division	General Liability Self-Insurance	Liebert, Cassidy, Whitmore	Legal Services	\$736,542 7/1/12-6/30/14	\$150,000 7/1/14 - 6/30/15 \$250,000 7/1/14 - 6/30/15	\$1,136,542
Community Services Agency	Services & Support	Aspiranet	ProFamily Services	\$95,960 7/1/12-6/30/13	\$206,900 7/1/13-6/30/15	\$302,860
Community Services Agency	Services & Support	C&P Painting	Paint projects at the Community Services Facility	N/A	\$109,000 11/5/14-6/30/16	\$109,000
Community Services Agency	Services & Support	Continental Flooring Co.	Carpet projects at the Community Services Facility	N/A	\$161,000 11/5/14-6/30/16	\$161,000
General Services Agency	Facilities Maintenance	Champion Industrial Contractors, Inc.	Boiler Replacement at Men's Jail	\$214,194 7/15/14-9/15/14	\$15,090 7/15/14-9/15/14 Change Orders	\$229,284
Library	Library	Sirsi Dynix	Software maintenance & enhancement	\$57,989 7/1/12-6/30/14	\$36,100 7/1/14 - 6/30/15 \$18,980 7/1/14 - 6/30/15	\$113,069
Public Works	Engineering	Charles Simpson	PSC-Environmental Engineering	\$125,601 7/1/12-12/2/14	\$100,000 1/1/15-12/31/2015	\$225,601

*Contract totals listed that are less than \$100,000 represent separate contracts where the total contracted services with vendor exceed \$100,000

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
Behavioral Health and Recovery Services	Behavioral Health Services	Karen Williams	PSC - Technical Support Technician	\$46,899 7/1/12-6/30/14	\$5,002 7/1/14-6/30/15	\$51,901
Behavioral Health and Recovery Services	Behavioral Health Services	Jeffery W. Godfrey	PSC -Prevention Specialist	\$42,300 7/1/12-6/30/14	\$35,000 7/1/14-6/30/15	\$77,300
Behavioral Health and Recovery Services	Public Guardian	Panoramic Software	Software Annual Maintenance	\$51,960 7/1/12-6/30/14	\$24,539 7/1/14-6/30/15	\$76,499
Chief Executive Office	Crows Landing Air Facility	Mead & Hunt	Airport Consultant	\$37,500 7/1/12-12/31/13	\$30,000 10/1/14-9/30/16	\$67,500
Community Services Agency	Services & Support	4 U I SIGN Services, LLC	Sign Language Services	\$1,200 7/1/12-6/30/13	\$79,400 7/1/13-6/30/15	\$80,600
Community Services Agency	Services & Support	Brown Armstrong Accountancy Corporation	Child Care Audit	\$24,000 5/1/13-12/31/13	\$24,000 5/1/14-12/31/14	\$48,000
Community Services Agency	Services & Support	Brown Armstrong Accountancy Corporation	Food and Nutrition Service 209 Validation	N/A	\$3,300 9/15/14-10/31/14	\$3,300
Health Services Agency	Clinic & Ancillary	InDxLogic, Inc.	EMR Scanning/ Indexing Software	\$0	\$50,000 10/1/14-6/30/15	\$50,000
Public Works	Road Projects	Overland, Pacific & Cutler	ROW Services for the Hatch Rd, Phase II Project.	\$0	\$79,213 8/27/14 - 4/24/2015	\$79,213

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

2014-2015 COUNTY OFFICE CLOSURE DATES

Department	Wednesday 12/24/14	Friday 12/26/14
Aging/Veterans	Closed	Closed
Ag Commissioner	Closed	Closed
Alliance Worknet	Closed	Closed
Assessor	Closed	Closed
Auditor	Closed	Closed
Behavioral Health & Recovery Services ¹	Closed	Closed
Board of Supervisors / Clerk of the Board	Closed	Closed
Chief Executive Office	Closed	Closed
Child Support	Closed	Closed
Clerk-Recorder/Elections	Closed	Closed
Community Services Agency ²	Closed	Closed
Cooperative Extension	Closed	Closed
County Counsel	Closed	Closed
District Attorney	Open	Open
Environmental Resources (DER)	Closed	Closed
DER-Household Facility	Closed	Closed
DER-Landfill	Closed at Noon	Open
General Services Agency	Closed	Closed
Health Services Agency-Clinics ³	Closed	Closed
Health Services Agency-Other than Clinics ⁴	Closed	Closed
Library	Closed at Noon	Closed
Office of Emergency Services/Fire Warden ⁵	Closed	Closed
Parks Admin, County Centers	Closed	Closed
Parks - Neighborhood ⁶	Open	Open
Parks - Regional	Open	Open
Planning	Closed	Closed
Probation ⁷	Closed	Closed
Public Defender	Open	Open
Public Works	Closed	Closed
Risk Mgmt	Closed	Closed
Sheriff	Open	Open
Strategic Business Technology ⁸	Closed	Closed
Treasurer/Tax Collector	Closed	Closed

FOOTNOTES

Behavioral Health & Recovery Services¹

Exceptions to the closure include 24-hour operations at Stanislaus Recovery Center and the Community Emergency Response Team. Also, the Genesis Narcotic Treatment Program will be open two hours and 45 minutes per day during these closures.

Community Services Agency²

One outstation will remain open in Modesto to accommodate those with emergency needs. APS/CPS hotlines will also remain open. StanWORKs Customer Call Center will remain open for the hours required by Covered California to assist with Covered California calls only.

Health Services Agency-Clinics³

Limited Clinic services will be available on 12/26/14

Health Services Agency-Other than Clinics⁴

Limited services will be available on 12/26/14

Office of Emergency Services/Fire Warden⁵

Will have staff available via on-call

Parks - Neighborhood⁶

Support services will be closed on all days

Probation⁷

Juvenile Institutions and Adult Offices will remain open to the public. Juvenile Office will be open to court activities only.

Strategic Business Technology⁸

SBT will be closed but there will be staff on call.



First Quarter Financial Report Fiscal Year 2014-2015

**Stan Risen
Chief Executive Officer**



First Quarter Goals

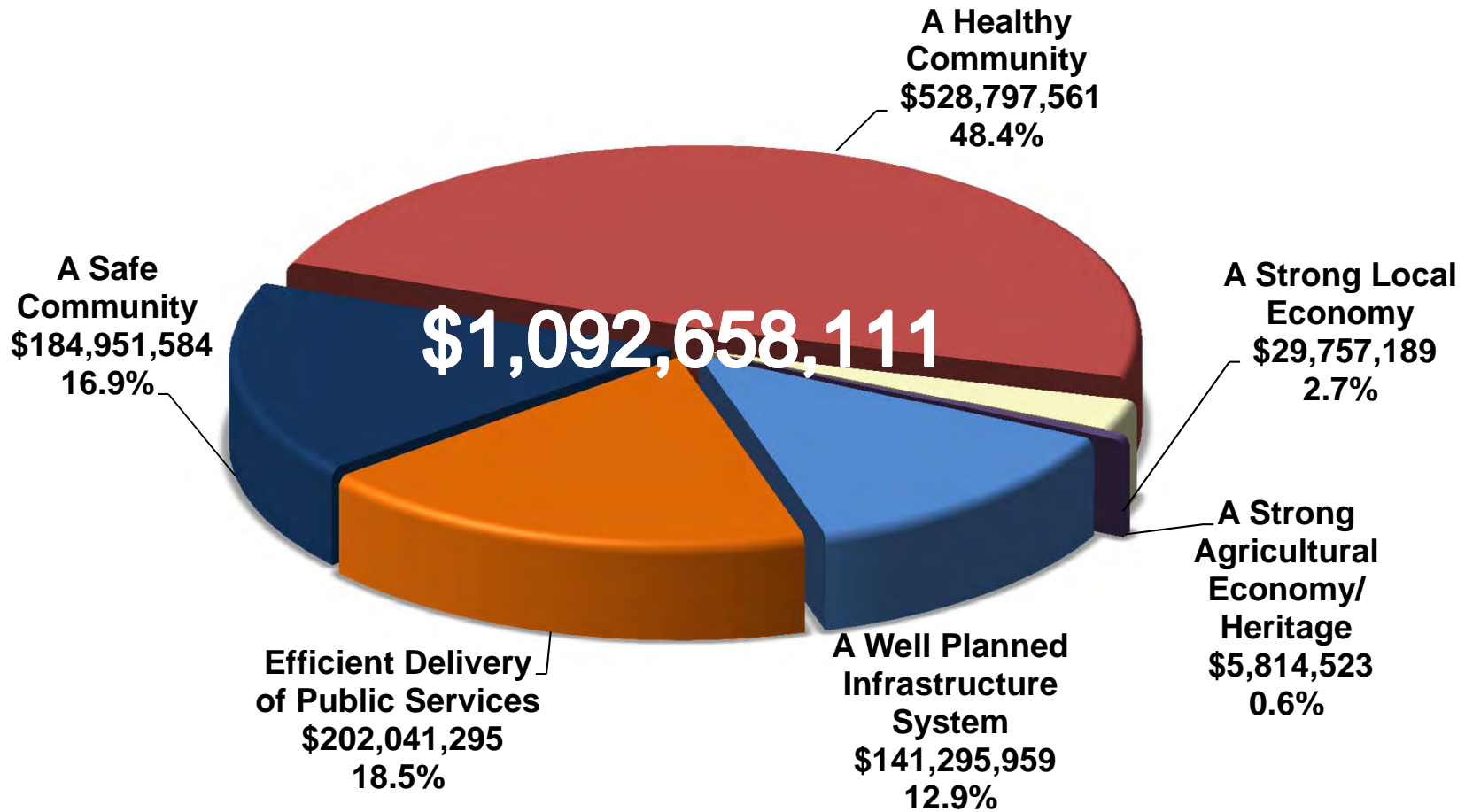
- **Provide quarterly revenue and expenditure summaries for County programs.**
- **Recommend adjustments to County budgets since approval of the Adopted Final Budget in September 2014.**
- **Identify and provide current status of the County's ongoing challenges and issues.**



Board Priorities

- **The 2014-2015 First Quarter 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***
 - ***Efficient Delivery of Public Services***

Final Adopted Budget 2014-2015



Operating Budget

Fund Type	Prior Year Appropriations	FY 2014-2015 Final Budget Appropriations	First Quarter Board Agenda Items Posted Through 9/30/2014	Operating Budget Appropriations on 9/30/2014	FY 2014-2015 First Quarter Recommendations	Recommended First Quarter Budget
General Fund	\$ 6,554,721	\$ 271,083,644	\$ 151,100	\$ 277,789,465	-	\$ 277,789,465
Special Revenue Fund	12,713,819	643,308,609	158,000	656,180,428	(123,332)	656,057,096
Capital Projects Fund	-	1,215,510	-	\$ 1,215,510	-	\$ 1,215,510
Enterprise Fund	2,017,400	79,199,819	-	81,217,219	1,221,508	82,438,727
Internal Service Fund	912,235	97,850,529	-	\$ 98,762,764	-	\$ 98,762,764
Total	\$ 22,198,175	\$ 1,092,658,111	\$ 309,100	\$ 1,115,165,386	\$ 1,098,176	\$ 1,116,263,562

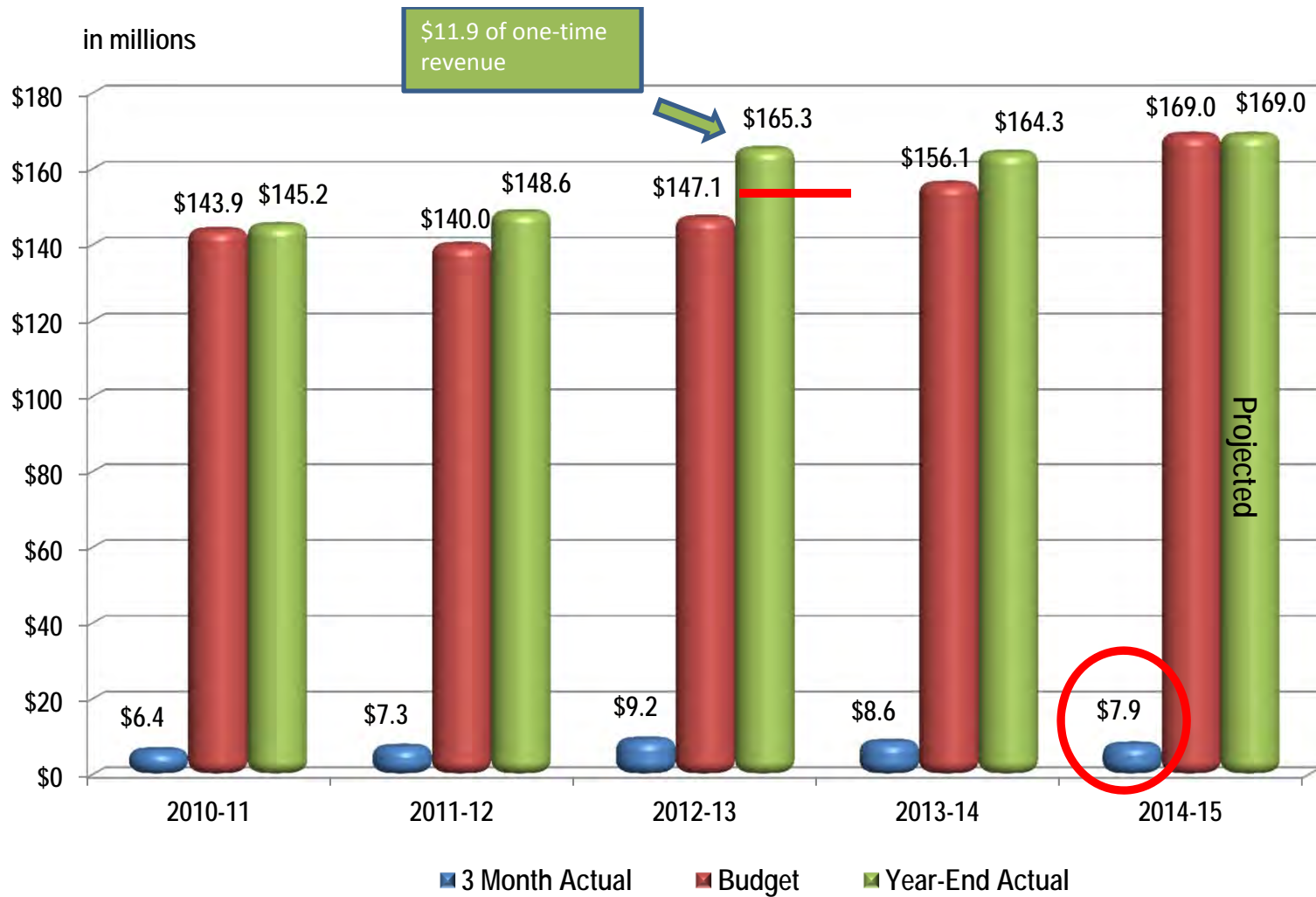
\$1,115,165,386

\$1,098,176 \$1,116,263,562

Adjustments by Priority

	Recommended Appropriations	Recommended Revenue	Recommended Use of Net County Cost	Recommended Use of Fund Balance/ Retained Earnings
A Safe Community	\$16,679	\$0	\$16,679	\$0
A Healthy Community	\$1,098,176	\$2,624,859	\$0	(\$1,526,683)
A Strong Agriculture Economy/Heritage	\$6,974	\$0	\$6,974	\$0
A Well Planned Infrastructure System	\$26,154	\$0	\$26,154	\$0
Efficient Delivery of Public Services	(\$49,807)	\$0	(\$49,807)	\$0
Total	\$1,098,176	\$2,624,859	\$0	(\$1,526,683)

Discretionary Revenue



A Safe Community



- **CEO-OES/Fire Warden**
- **CEO-Capital Projects**
- **CEO-County Operations**
- **District Attorney**
- **Grand Jury**
- **Integrated Criminal Justice Information System (ICJIS)**
- **Probation**
- **Public Defender**
- **Sheriff**

Total Increase: \$16,679

Technical adjustments related to the cost distribution of Geographic Information Systems charges will increase appropriations by \$16,679 funded by net county cost.



A Healthy Community

- **Area Agency on Aging/Veterans Services**
- **Behavioral Health and Recovery Services**
- **Child Support Services**
- **Children and Families Commission**
- **Community Services Agency**
- **Health Services Agency**

Total Increase: \$2,624,859



A Healthy Community

- **Behavioral Health & Recovery Services**
 - Add three block-budgeted Mental Health Clinician II positions to provide mandated services to youth/children in the Child Welfare system who also need mental health services, as a result of the Katie A. lawsuit settlement agreement.



A Healthy Community

- **Community Services Agency**
 - \$471,345 increase in appropriations for services and support for Medi-Cal Outreach and mandated Children’s services, offset by equal increase in Federal and State revenue.
 - Add eleven (11) Family Services Specialist II positions to process additional cases resulting from the expansion of the Medi-Cal program.



A Healthy Community

- **Health Services Agency – Clinics and Ancillary Services**
 - Increase appropriations by \$1,221,508 funded from \$2,153,514 in departmental revenue to reflect actual operations costs and the full benefit of the Intergovernmental Transfer of funds; the net impact is \$900,000 benefit to department retained earnings.



A Healthy Community

- **Health Services Agency – Indigent Health Care Program**
 - Decrease appropriations by \$594,677 to reflect reduced program support costs associated with the Medically Indigent Adult (MIA) Program as a result of the Affordable Care Act implementation.
 - First Quarter adjustments will decrease this budget to \$1.8 million to support Healthy Cubs and a significantly reduced Medically Indigent Adult (MIA) program to meet minimum mandates.



A Healthy Community

- **Health Services Agency – Staffing**
 - Recommended staffing adjustments result in no allocated positions in the Indigent Health Care Program:
 - Delete one vacant Manager III position and one vacant Staff Services Technician position; unfund one vacant Staff Services Analyst position.
 - Delete one vacant Account Clerk III position in Clinics and Ancillary Services.



A Strong Agricultural Economy/Heritage

- **Agricultural Commissioner**
- **Cooperative Extension**

Total Increase: \$6,974

Technical adjustments related to the cost distribution of Geographic Information Systems charges will increase appropriations by \$6,974 funded by net county cost.



A Well Planned Infrastructure System

- **Environmental Resources**
- **Parks and Recreation**
- **Planning and Community Development**
- **Public Works**

Total Increase: \$26,154

Technical adjustments related to the cost distribution of Geographic Information Systems charges will increase appropriations by \$26,154 funded by net county cost.



Efficient Delivery of Public Services

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

Total Decrease: \$49,807

Technical adjustments related to the cost distribution of Geographic Information Systems charges will decrease appropriations by \$49,807 reducing net county cost.



Efficient Delivery of Public Services

- **Auditor Controller**
 - Delete one vacant Accountant III position.



Efficient Delivery of Public Services

- **Chief Executive Office – Operations and Services**
 - Restore one unfunded Confidential Assistant IV position and unfund one vacant Confidential Assistant III position in the Clerk of the Board.

GIS Technical Adjustment

Budget Unit	Revenue	Appropriations	Net County Cost
Public Works - Administration	\$122,486	\$0	(\$122,486)
CEO - General Fund Contribution to Other Programs	\$0	(\$122,486)	(\$122,486)
Ag Commissioner	\$0	\$6,974	\$6,974
Assessor	\$0	\$60,124	\$60,124
Auditor-Controller	\$0	\$3,197	\$3,197
Board of Supervisors	\$0	\$378	\$378
Chief Executive Office	\$0	\$5,027	\$5,027
Clerk Recorder	\$0	\$1,570	\$1,570
County Counsel	\$0	\$756	\$756
District Attorney	\$0	\$436	\$436
Office of Emergency Services	\$0	\$12,408	\$12,408
Planning & Community Development	\$0	\$26,154	\$26,154
Probation	\$0	\$232	\$232
Sheriff	\$0	\$3,603	\$3,603
Treasurer/Tax Collector	\$0	\$1,627	\$1,627
Total	\$122,486	\$0	(\$122,486)

Staffing – Recommended Positions

First Quarter Staffing Adjustments

Authorized Positions as of 2014-2015 Adopted Final Budget	3,978
Sep 30, 2014 Separate Board Item Adopting the FY 2014-2015 Mental Health Services Act	14
Add New Positions	14
Restore Unfunded Position	1
Unfund Vacant Positions	-2
Delete Vacant Positions	-4
Total Authorized Positions with Q1 Report Approval	4,001



First Quarter Conclusion

- **First Quarter Financial Report reflects actual performance is tracking well within Budget authority.**
- **Recommended adjustments will support Department estimated revenue and appropriations projections to meet budget at year-end.**



First Quarter Conclusion

- **Current focus on Public Safety Restoration and Department Long Range Model for a report at Mid-Year.**
- **Mid-Year Financial Report scheduled March 3, 2015.**



Staff Recommendations

- 1. Accept the Chief Executive Officer's First Quarter Financial Report for Fiscal Year 2014-2015.**
- 2. Authorize the Chief Executive Officer and the Auditor-Controller to make the necessary adjustments as recommended in the First Quarter Financial Report.**



Staff Recommendations

- 3. Amend the Salary and Position Allocation Resolution to reflect the recommendations included as part of the First Quarter Financial Report, as outlined in the Staffing Impacts section of this report and detailed in Attachment B to be effective the start of the first full pay period beginning on or after November 15, 2014, unless otherwise noted.**



Staff Recommendations

- 4. Approve contracts and/or agreements listed on Attachment C in cumulative amounts of \$100,000 or greater as of July 1, 2012, and authorize the General Services Agency Director/Purchasing Agent or Department Head to sign.**
- 5. Approve the Chief Executive Officer's updated County-wide office closure schedule detailed in Attachment E.**

StanCounty.com/budget

The screenshot shows the Stanislaus County website interface. At the top, there are navigation tabs for HOME, VISITORS, DOING BUSINESS, COUNTY SERVICES, and ONLINE SERVICES. Below these is a search bar and a 'Shortcut Menu' dropdown. The main header features the Stanislaus County logo and a photograph of a building. A left-hand navigation menu lists: Departments, Services, County Sites of Interest, Job Opportunities, and Stanislaus County Home. A red arrow points from the 'County Sites of Interest' menu item to a list of links under the heading 'Stanislaus County Sites of Interest'. The links are: 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, and Living and Working. The footer contains copyright information and various utility links like StanCounty Calendar, Board of Supervisors, MYTV, Emergency Preparedness, Newsroom, Privacy Policy, Copyright Information, Disclaimer, and Contact, along with the Stanislaus County logo.



Questions?