

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

DEPT: Chief Executive Office

BOARD AGENDA # \*B-13

Urgent

Routine

AGENDA DATE June 30, 2015

CEO Concurs with Recommendation YES  NO

4/5 Vote Required YES  NO

(Information Attached)

SUBJECT:

Approval of Year End Budget Adjustments for Clerk-Recorder Elections Division, the Public Defender - Indigent Defense Fund and Chief Executive Office - General Fund Match Vehicle License Fee

STAFF RECOMMENDATIONS:

1. Authorize the Chief Executive Officer and Auditor-Controller, prior to year end, to transfer \$163,000 from Fixed Assets to Services and Supplies within the Clerk-Recorder Elections Division budget.
2. Authorize the Chief Executive Officer and Auditor-Controller, prior to year end, to increase appropriations by \$300,000 in the Public Defender - Indigent Defense Fund, funded by a transfer from Appropriations for Contingencies by a 4/5th vote of the Board of Supervisors.

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FISCAL IMPACT:

The Clerk-Recorder Elections Division is requesting to transfer \$163,000 in appropriations from Fixed Assets to Services and Supplies to cover Fiscal Year 2014-2015 supplies costs. There is no overall increase to appropriations and no fiscal impact to the General Fund.

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BOARD ACTION AS FOLLOWS:

No. 2015-306

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

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

Noes: Supervisors: None

Excused or Absent: Supervisors: Monteith

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

ATTEST:   
CHRISTINE FERRARO TALLMAN, Clerk

File No.

**STAFF RECOMMENDATIONS (Continued):**

3. Authorize the Chief Executive Office and Auditor-Controller, prior to year end, to increase appropriations by \$8,732,422.04 in the Chief Executive Office - General Fund Match Vehicle License Fee budget.

**FISCAL IMPACT (Continued):**

The Public Defender - Indigent Defense Fund no longer has sufficient appropriations to pay all of the invoices received. The Department is requesting an increase in appropriations of \$300,000 to end the 2014-2015 Fiscal Year in a positive position. This increase in appropriations will be a transfer from Appropriations for Contingencies.

The Appropriations for Contingencies budget serves as a contingency fund for the County to provide sufficient funding for emergencies and unanticipated expenses. Transfers from this fund require a four-fifths vote of the Board of Supervisors. The 2014-2015 Adopted Final Budget included \$11,020,864 in appropriations: \$4,420,864 in base funding for unexpected fiscal and program financial exposures or emergencies and an additional \$6.6 million for additional program exposures and opportunities including negotiated labor costs, public safety restoration, improved security, cashout expenses and Focus on Prevention.

Through June 30, 2015, transfers in Appropriations for Contingencies were approved by the Board of Supervisors totaling \$4,661,823, which included \$700,000 for the Public Defender – Indigent Defense budget, \$519,970 to fund Sheriff Detention costs of negotiated labor increases, \$431,569 to fund Sheriff Detention costs as a technical adjustment to correct an omission in the 2014-2015 Adopted Final Budget, \$177,656 to fund District Attorney cash-out costs, \$122,000 to fund expert consultants for groundwater mapping, database development and hydrological CEQA services in the Department of Environmental Resources, \$110,000 to support activities around the Stanislaus County Focus on Prevention, \$74,000 to fund retirement cash-out costs in County Counsel and \$33,000 to fund District Attorney server room equipment replacement, and \$493,628 for Sheriff Operations to fund termination cashouts, mutual aid costs billed to the Federal Emergency Management Agency (FEMA) and unanticipated equipment repair and maintenance. In addition, on March 10, 2015, the Board of Supervisors authorized the use of up to \$2 million in Fiscal Year 2014-2015, to fund public safety restoration of positions in the District Attorney, Probation, Public Defender and Sheriff departments, with the funding to be transferred from Appropriations for Contingencies after the positions are filled. As a result of these transfers, the 2014-2015 available contingency balance is \$6,359,041. If the requested \$300,000 transfer is approved, the remaining balance in Appropriations for Contingencies after the transfer will be \$6,059,041.

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The Chief Executive Office – General Fund Match Vehicle License Fee (CEO-VLF) budget is a pass-through budget for realignment revenue earned from Vehicle License Fees. As a result of recent State Controller’s Office requirements, the CEO-VLF budget must include realignment revenue previously recorded in the Local Health and Welfare Trust Fund-CalWORKs Maintenance of Effort (MOE) subaccount. This will result in an increase in appropriations and estimated revenue in the CEO-VLF budget of \$7,632,422.04 for Fiscal Year 2014-2015. Additional appropriations and estimated revenue of \$1.1 million are requested to ensure all VLF revenue is appropriately recorded in the current Fiscal Year.

**DISCUSSION:**

Clerk-Recorder Elections Division

The Department has decided to postpone computer equipment upgrades in order to cover expenditures in supplies and is requesting to transfer \$163,000 from the Fixed Assets category into Services and Supplies. This adjustment will ensure that the Department will have adequate funds to meet their fiscal year-end expenditure needs.

Public Defender Indigent Defense

The Public Defender is requesting an increase in appropriations of \$300,000 to fund increased costs for the indigent defense appointed counsel. The Indigent Defense fund is used to pay expenses associated with the defense of indigents who, because of legal conflict, cannot be represented by the Public Defender’s Office. The two principal costs for this fund are court appointed attorney fees and the contract expenses for the two conflict firms. Most of the additional increase is attributed to an increase in charges due to large multiple-defendant prosecutions. There are currently several multiple-defendant murder cases being prosecuted in Stanislaus County. Multiple-defendant cases present a greater expense to the County because many of the accused require counsel from outside the fixed budgets of the Public Defender’s Office and/or the two firms that are under contract to provide representation to indigents at a fixed cost.

The 2014-2015 Mid-Year Financial Report included the approval of an increase in the Indigent Defense fund of \$700,000 for appointed counsel and the conflicts contract. As of mid-June, the Public Defender no longer had sufficient appropriations to pay all of the invoices received as a result of an unanticipated increase in bills received from appointed counsel. With this approval the Auditor’s Department will be able to immediately pay the pending invoices.

Chief Executive staff, along with the Court Administrator and the Public Defender, continues to work on implementing solutions that will result in a more efficient system for providing indigent defense services.

Chief Executive Office-General Fund Match Vehicle License Fee

CalWORKs Maintenance of Effort (MOE) started as part of the 2011 Realignment legislation. It is funded with what used to be the 1991 Realignment mental health share of sales tax and vehicle license fees (VLF) revenue. The new legislation shifted these revenues to cover the State share of the CalWORKs Assistance payments in conjunction with State General Fund. Pursuant to subdivision (a) of section 17601.20 of the Welfare and Institutions Code, as amended by Chapter 40, Statutes of 2011 (AB 118), sales tax and vehicle license fees (VLF) revenues that would have otherwise been deposited into the State Local Revenue Fund and distributed to counties to fund mental health programs shall instead be deposited into the CalWORKs Maintenance of Effort (MOE) Subaccount to offset State General Fund costs for CalWORKs Assistance payments.

CalWORKs MOE revenue is used as the primary funding source to offset the state share of the monthly CalWORKs Assistance payments. Any shortfall is covered by State General Fund. These dollars do not benefit the County, but provides a means for the State to maximize their resources and is ideally seamless at the county level.

As of fiscal period March 2015, the County had recognized the entire CalWORKs MOE as sales tax instead of VLF revenue as prescribed by the W&I code. The remittance advices that accompany the payments from the State report a lump sum of the CalWORKs MOE and do not separately identify the sales tax component from the VLF portion. Moreover, in March 2015, reporting instructions included in the remittance advice were revised, requiring counties to separately identify the sales tax and VLF components of CalWORKs MOE funding. The specific verbiage per the CalWORKs MOE remittance advice issued by the State Controller's Office is as follows:

*Sections 17602.1 and 17604(C)(5)(A) Welfare and Institutions Code (W&I). Sales Tax funding to be deposited in Local Health and Welfare Trust Fund-CALWORKS Maintenance of Effort (MOE) Subaccount. Vehicle License Fees funding to be deposited in General Fund. County match to the Local health and Welfare Trust Fund-Social Services Account is required pursuant to W&I Section 17608.10(b) for the Vehicle License Fees funding.*

A budget journal is being proposed to adjust the sales tax and VLF revenue amount for Fiscal Year 2014-2015. There is no overall impact to the revenue.

Additionally, as part of the 2014-2015 Midyear Financial Report and the Third Quarter Financial Report, the CEO-VLF budget was increased a total of \$8.5 million to reflect an increase in estimated 1991 realignment revenue related to the Assembly Bill 85 budget adjustments to health and human services. AB 85 included the redirection of funds out of County health programs back to the State, as part of Health Care Reform. The State then uses the redirected funds to support social services programs administered locally, including CalWORKs. AB 85 further revised the allocation of VLF realignment revenue

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between the Health Subaccount and the Social Services subaccount. However, the State has not provided an annual allocation of the VLF realignment revenue, making it challenging to accurately project the estimated revenue to the County for the full fiscal year. Staff recommends an additional increase in appropriations and estimated revenue of \$1.1 million in order to end the 2014-2015 fiscal year in a positive position.

**POLICY ISSUES:**

Approval of this item supports the Board of Supervisors' priority of Efficient Delivery of Public Services by ensuring that all County budgets end the year within appropriations.

**STAFFING IMPACT:**

There are no staffing impacts associated with this item.

**CONTACT INFORMATION:**

Jody Hayes, Assistant Executive Officer                      209-525-6333



Database  
Balance Type  
Data Access Set

FMSDBPRD.CO.STANISLAUS.CA.US.PROD  
Budget  
County of Stanislaus

DO NOT CHANGE  
DO NOT CHANGE  
DO NOT CHANGE

Ledger  
Budget  
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Journal Name  
Journal Description  
Journal Reference  
Organization  
Chart Of Accounts

\* List - Text County of Stanislaus  
List - Text LEGAL BUDGET  
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\* List - Text USD  
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Text 2014-2015 Year-End Adjustments  
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List - Text Stanislaus Budget Org  
Accounting Flexfield

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		0100	0027530	66750	0000000	000000	000000	230,000		Incr. Appropriations	
		0100	0027530	64620	0000000	000000	000000	70,000		Incr. Appropriations	
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								Totals:	300,000	300,000	

Tip: This is not the end of the Template. Unprotect the sheet and insert as many rows as needed.

Explanation: Fiscal Year 2014-2015 year-end adjustments for Public Defender - Indigent Defense Fund to cover outstanding invoices

Requesting Department		Data Entry		Auditors Office Only	
Jewel Warr	CEO				
Prepared by	Supervisor's Approval	Keyed by	Prepared By	Approved By	
6/24/2015	6/26/15			6/26/15	
Date	Date	Date	Date	Date	Date

Database  
Balance Type  
Data Access Set

FMSDBPRD.CO.STANISLAUS.CA.US.PROD  
Budget  
County of Stanislaus

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DO NOT CHANGE  
DO NOT CHANGE

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\* List - Text USD  
List - Text JUN-15  
Text  
Text JV162854 AC GL MB  
Text CalWORKS MOE - 14/15 - VLF  
Text Aug 2014-May 2015  
List - Text Stanislaus Budget Org  
Accounting Flexfield

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Upl	Fund (4 char)	Org (7 char)	Account (5 char)	GL Project (7 char)	Location (6 char)	Misc. (6 char)	Other (5 char)	Debit incr appropriations decr est revenue * Number	Credit decr appropriations incr est revenue * Number	Line Description Text	
	0100	0016051	20390	0000000	000000	000000	00000		7,632,422.04	CalWORKS VLF	
	0100	0016051	85910	0000000	000000	000000	00000	7,632,422.04		CalWORKS VLF	
	1632	0045801	21460	0017517	000000	000000	00000	7,632,422.04		CalWORKS VLF	
	1632	0045801	46610	0017517	000000	000000	00000		7,632,422.04	CalWORKS VLF	
	0100	0016051	20390	0000000	000000	000000	00000		1,100,000.00	VLF Increase	
	0100	0016051	85910	0000000	000000	000000	00000	1,100,000.00		VLF Increase	
Totals:									16,364,844.08	16,364,844.08	

Tip: This is not the end of the Template. Unprotect the sheet and insert as many rows as needed.

Explanation:

**Increase CalWorks VLF and decrease CalWorks Sales Tax for FY 14/15. \$1.1 million increase AB85 Health/Social Services realignment SWAP per CEO.**

Requesting Department		Data Entry		Auditors Office Only	
<i>D. Foster</i>		<i>CEO</i>		<i>Melody Bughi</i>	
Prepared by	Supervisor's Approval	Keyed by	Prepared By	Approved By	
<i>6/26/2015</i>	<i>6/26/15</i>		6/30/2015		
Date	Date	Date	Date	Date	Date