



# **Mid-Year Financial Report July—December 2015**


## **BOARD OF SUPERVISORS**

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**Submitted by  
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## **INTRODUCTION**

The following is the Chief Executive Office's Mid-Year Financial Report for the period of July 2015-December 2015 for the 2015-2016 Fiscal Year. It has been prepared to inform the Board of Supervisors, County leadership and the public of the County's financial status at the mid-point of this fiscal year. The report provides estimated revenue and expenditure summaries for County programs by each Board of Supervisors Priority and recommends adjustments to County budgets needed since the adoption of the Final Budget in September 2015. The Mid-Year Report also includes a look forward at the significant budget challenges and opportunities facing county and state government.

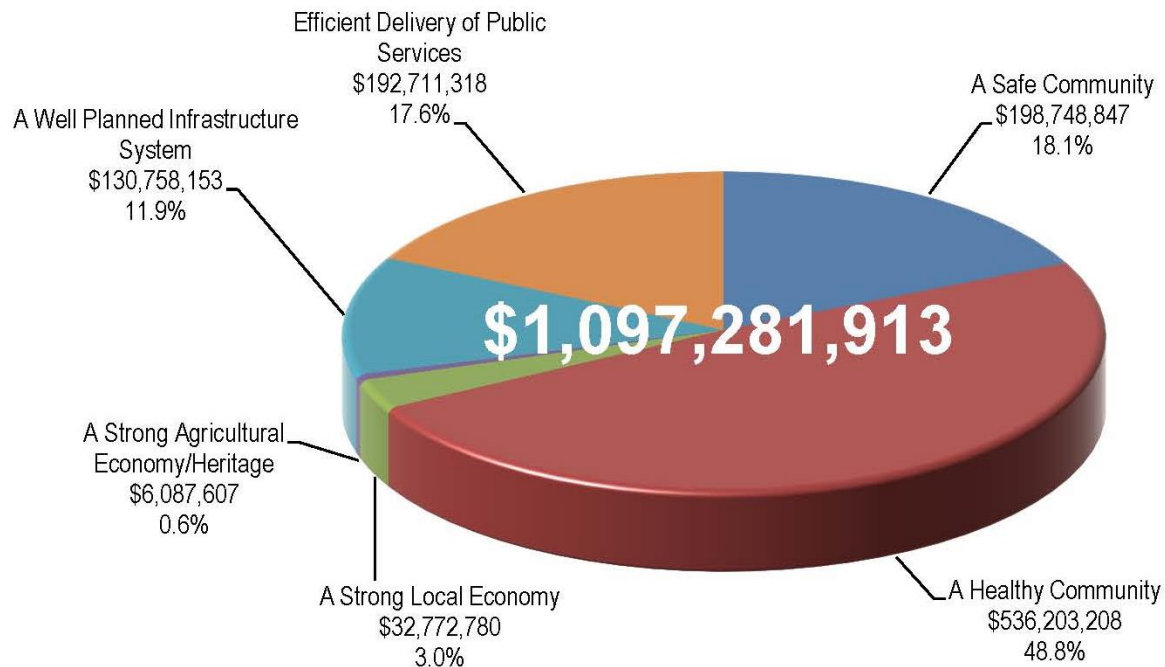
## **BACKGROUND**

On September 15, 2015, the Board of Supervisors adopted the Fiscal Year 2015-2016 Final Budget for Stanislaus County. This spending plan of \$1.1 billion for all funds reflected a 0.4% increase from the 2014-2015 Adopted Final Budget. The 2015-2016 Adopted Final Budget was balanced using a combination of \$1 billion in revenue and \$45.2 million in fund balance and one-time funding sources. It also included funding for 4,152 allocated full-time positions, an increase of 174 positions from the 2014-2015 Adopted Final Budget.

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

**Fiscal Year 2015-2016  
Adopted Final Budget Expenditures  
By Board Priority  
\$1,097,281,913**

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**2015-2016 FIRST QUARTER ADJUSTMENTS**

There were no first quarter adjustments included in the 2015-2016 First Quarter Financial Report.

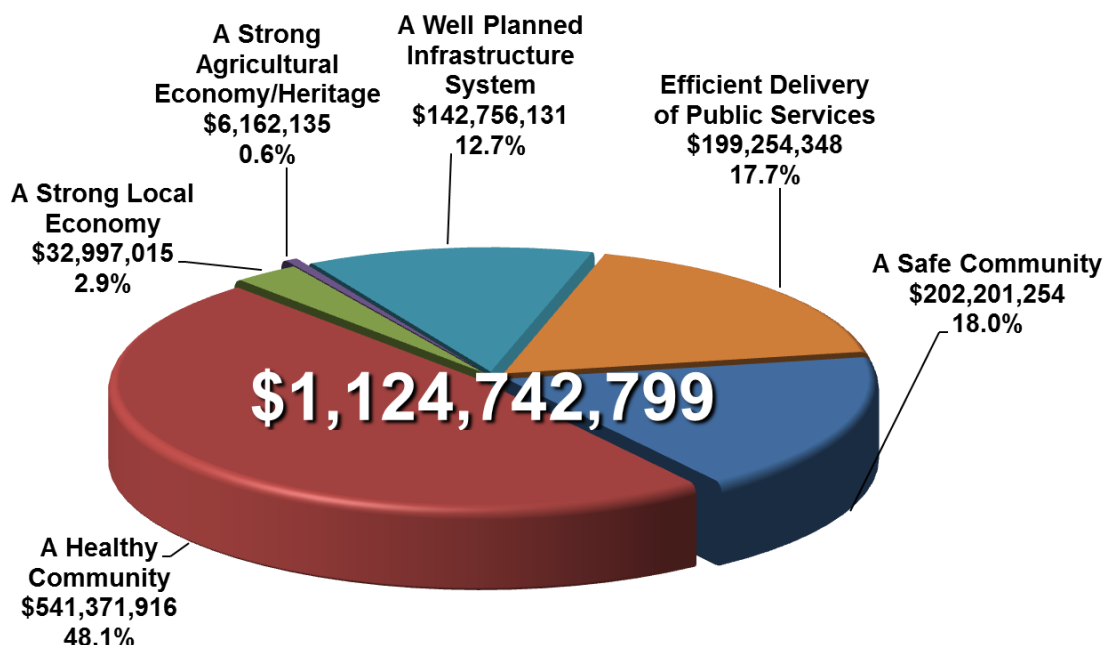
**SUMMARY OF OTHER ADJUSTMENTS**

The Adopted Final Budget is adjusted each year by including appropriations that are carried forward from the prior fiscal year for projects that were planned for and authorized by the Board of Supervisors, however, not fully completed. Funding for these projects is identified as assigned fund balance by the Auditor-Controller at year-end to ensure these costs are fully funded in the next fiscal year. Also included in the Adopted Final Budget are any departmental savings that are carried forward into the current fiscal year. In addition, throughout the year the Board of Supervisors approves adjustments to department budgets either through quarterly financial reports or in separate Board of Supervisor action agenda items. The sum of all of these adjustments through December 31, 2015, totals \$27,460,886. This reflects \$23,711,323 in carry forward of prior year appropriations, and \$3,749,563 in budget adjustments approved by the Board of Supervisors in the current fiscal year through December 2015.

The following chart reflects the adjusted budget by Board of Supervisors priority as of December 31, 2015:

**Fiscal Year 2015-2016 Adjusted Operating Budget  
Expenditure by Board Priority  
\$1,124,742,799 as of December 31, 2015**

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**MID-YEAR FINANCIAL REPORT SUMMARY**

The 2015-2016 Mid-Year Financial Report reflects a fiscal review of departmental budgets, a cash analysis by fund as of Mid-Year, and recommended adjustments. The Chief Executive Office's Mid-Year recommendations include an increase of \$10,944,773 in total appropriations and an increase in estimated revenue of \$22,154,126.

The Mid-Year report highlights the current financial strength of the County as a result of prudent business strategies and Board of Supervisors policy direction, post the economic downturn. Discretionary Revenue is projected to end the year \$9.9 million above budget, of which the benefit from the elimination of Negative Bailout is projected to generate \$6.2 million. The Community Services Agency is returning \$1.2 million in match funding to the General Fund, a sign of improved family safety and self-sufficiency in our County.

Mid-Year financing strategies rely on \$2.7 million of recommended transfers from Appropriations for Contingencies. A significant component of these transfers is in support of the Technology Innovation Program, in which up to \$1.2 million is dedicated to Technology Innovation projects. The remainder of the recommended use of Appropriations for Contingencies includes approximately \$500,000 targeted for termination and retirement cash outs not factored in the zero-based budget process, approximately \$700,000 in support of Public Safety department operational needs, and approximately \$300,000 in miscellaneous department requests to meet current service needs. This transfer of Appropriations for Contingencies requires a four-fifths vote by the Board of Supervisors. If approved, a balance of \$5.5 million will remain in the Appropriations for Contingencies budget.

The following table depicts the recommended adjustments by fund type:

<b>Summary of Mid-Year Appropriation Adjustments by Fund</b>				
<b>Fund Type</b>	<b>Adopted Final Budget 2015-2016</b>	<b>Mid-Year Operating Budget 2015-2016</b>	<b>Recommended Mid- Year Adjustments</b>	<b>Recommended Mid- Year Budget 2015- 2016</b>
General Fund	\$278,921,910	\$286,108,987	\$9,894,787	\$296,003,774
Special Revenue Fund	\$648,779,448	\$661,059,342	\$271,865	\$661,331,207
Capital Projects Funds	\$1,540,510	\$1,540,510	\$0	\$1,540,510
Enterprise Funds	\$72,494,549	\$79,012,704	\$47,485	\$79,060,189
Internal Service Funds	\$95,547,496	\$97,021,256	\$730,636	\$97,751,892
<b>Total</b>	<b>\$1,097,283,913</b>	<b>\$1,124,742,799</b>	<b>\$10,944,773</b>	<b>\$1,135,687,572</b>

### **General Fund**

The General Fund recommended Mid-Year budget for Fiscal Year 2015-2016 is \$296,003,774, an increase of \$9,894,787 from the 2015-2016 Mid-Year Operating Budget. This increase is the net of \$12,555,801 in departmental requests, offset by a transfer from Appropriations for Contingencies of \$2,661,014.

The primary contributors to the recommended increase includes: \$10 million in Vehicle License Fee pass-through; adjustments for zero-based budget departments in which termination cash outs were not previously funded; and department operational needs detailed in the attached Mid-Year Financial Report.

### **Special Revenue Funds**

The Special Revenue Fund recommended Mid-Year budget for Fiscal Year 2015-2016 is \$661,331,207, an increase of \$271,865 from the 2015-2016 Mid-Year Operating Budget.

The primary contributors to the recommended increase include: \$6.7 million increase in In-Home Supportive Services (IHSS) provider wages as a result of State program changes; a decrease of \$4.6 million in CalWORKS due to reduced caseload; and a decrease of \$1.2 million in Foster Care due to reduced caseload.

### **Capital Projects Funds**

The Capital Projects Fund recommended Mid-Year budget for Fiscal Year 2015-2016 is \$1,540,510 and represents no change from the 2015-2016 Mid-Year Operating Budget.

### **Enterprise Funds**

The Enterprise Fund recommended Mid-Year budget for Fiscal Year 2015-2016 is \$79,060,189 and represents a \$47,485 increase from the 2015-2016 Mid-Year Operating Budget.

## Internal Service Funds

The Internal Service Fund recommended Mid-Year budget for Fiscal Year 2015-2016 is \$97,751,892, an increase of \$730,636 from the 2015-2016 Mid-Year Operating Budget.

The primary contributors to the recommended increase include: \$570,000 for CEO-Risk Management for three benefit/liability accounts and \$160,000 for General Services Agency equipment and projects.

## Fund Balance

The beginning fund balance for all funds on July 1, 2015 was \$441.9 million. Adjustments to fund balance from prior year encumbrance carryovers and Board of Supervisors approved actions since the Adopted Final Budget in September total \$27.5 million. The Operating Budget of \$1.1 billion is balanced with a \$68.8 million use of fund balance. If approved, the recommendations contained in this report will result in a decreased use of fund balance of \$11.2 million. The projected fund balance on June 30, 2016 is forecast at \$384.3 million across all funds.

Below is a chart of the projected Fund Balance at year-end by fund type.

<b>Summary of Fund Balance by Fund Type</b>					
<b>Fund Type</b>	<b>Beginning Fund Balance on 7/1/2015</b>	<b>Legal Budget Revenue on 12/31/2015</b>	<b>Legal Budget Appropriations on 12/31/2015</b>	<b>Mid-Year Recommendation Use of Fund Balance</b>	<b>Projected Fund Balance on 6/30/2016</b>
General Fund	\$ 142,363,127	\$ 260,182,751	\$ 286,108,987	\$ (11,084,227)	\$ 127,521,118
Special Revenue Fund	217,227,276	635,044,066	661,059,342	(631,962)	191,843,962
Capital Projects Fund	5,307,807	1,006,000	1,540,510	-	4,773,297
Enterprise Fund	54,239,917	65,850,424	79,012,704	-	41,077,637
Internal Service Fund	22,729,699	93,866,308	97,021,256	506,836	19,067,915
<b>Total</b>	<b>\$ 441,867,826</b>	<b>\$ 1,055,949,549</b>	<b>\$ 1,124,742,799</b>	<b>\$ (11,209,353)</b>	<b>\$ 384,283,929</b>

Note the General Fund beginning fund balance on July 1, 2015 displayed in the preceding table varies from the amount reported at the Adopted Final Budget of \$142,659,411. The adjusted beginning fund balance at Mid-Year is \$296,284 lower in the preceding table and the difference is due to post-closing adjustment entries by the Auditor-Controller, primarily for accounting requirements for fair value adjustments of fund investments.

## GENERAL FUND UPDATE

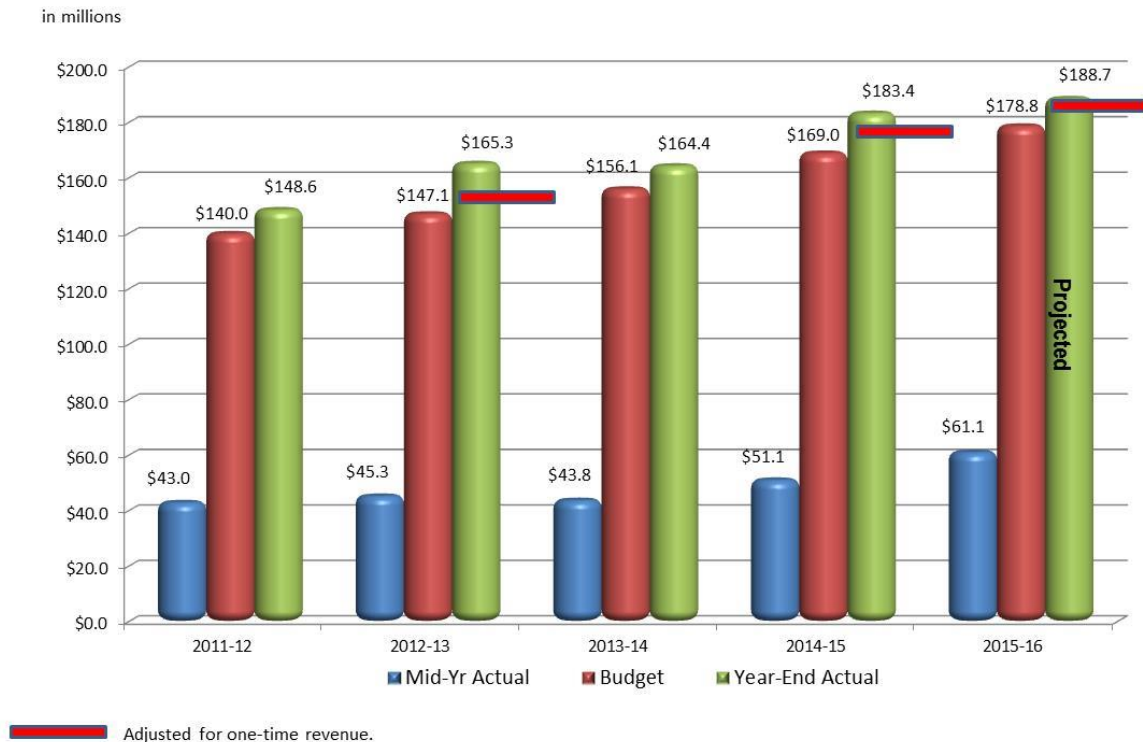
### Discretionary Revenue

As of December 31, 2015, \$61.1 million was posted to the General Fund discretionary revenue accounts. This amount represents 34.2% of the 2015-2016 Adopted Final Budget of \$178.8 million and 33.3% of the actual revenue of \$183.4 million in Fiscal Year 2014-2015. For the prior five years, discretionary revenue collected at Mid-Year ranged from 28.1% to 30.8% of the final budget and from 26.6% to 28.9% of the year-

end actual collections. This comparison indicates that discretionary revenue at Mid-Year is above both the budget and actual ranges of the last five years.

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

### General Fund—Discretionary Revenue Five Year Comparison



For a fair comparison, it should be noted that in the above chart a red line appears in two prior fiscal years in which one-time revenue receipts have inflated the year-end actual revenue. Fiscal Year 2012-2013 included one-time revenue for a total amount of \$11.9 million. Adjusted for this one-time revenue, Fiscal Year 2012-2013 revenue was \$153.4 million. Fiscal Year 2014-2015 included one-time revenue for a total amount of \$6 million. Adjusted for this one-time revenue, Fiscal Year 2014-2015 revenue was \$177.4 million. The projected Fiscal Year 2015-2016 revenue of \$188.7 million, also includes one-time revenue, estimated at \$3.2 million, and compares favorably with the prior fiscal years shown in the chart.

The projected \$188.7 million year-end revenue is approximately 5.5% or about \$9.9 million higher than the 2015-2016 Adopted Final Budget of \$178.8 million. This is largely due to the discontinuance of negative bailout of property tax, a significant increase in actual receipts from SB 90 Mandate Claim reimbursement which is not traditionally budgeted in the final budget, one-time revenues of pre-2004 SB 90 Mandate Claim interest payment from the State, and one-time sales proceeds from the Medical Arts Building, which have been assigned for future support of the Veterans Services Facility. A total increase of approximately \$9.9 million to the budget is recommended at this time. Further adjustments may be necessary as year-end approaches and will be addressed during the third quarter review.

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



**Taxes:** Included in this category are property related taxes (secured and unsecured, supplementals, redevelopment pass-through increment, property tax received in lieu of vehicle license fees, property transfer tax), the 1% sales and use taxes, in lieu of sales and use tax and transient occupancy tax. The projections for year-end indicate that revenue from the taxes category will come in approximately \$6.4 million higher than budgeted. Of this amount, current secured and unsecured property tax apportionments along with supplemental property taxes are projected to materialize at approximately \$6.2 million higher than budgeted. This increase in estimated revenue represents the benefit of the elimination of Negative Bailout no longer reducing the County's portion of property taxes due to the passage of SB 107. This projection exceeds earlier estimates of a \$2.4 million County benefit, and is the direct result of new instructions from the State Controller's Office (SCO) that have clarified that these funds returned to Stanislaus County through an adjustment in the base Property Tax percentage due to the County, are not subject to the Educational Revenue Augmentation Fund (ERAF) shift. Negative Bailout legislation occurred many years prior to the implementation of ERAF which was established as a specific amount that is increased annually by the growth in the assessment roll. As a result, ERAF is unaffected by this change in the base property tax calculation. The actual impact of SB 107 may materialize to be as high as \$6.7 million based on new estimates by the Auditor-Controller. No recommendations are included for use of these funds at Mid-Year, pending validation of the actual revenues realized through June receipts that will provide us with the confidence needed for sustainable program operations.

The Sales and use tax revenue is currently projected to be in line with the Adopted Final Budget which assumes 1% growth over Fiscal Year 2014-2015, and will be closely monitored as the year progresses. The remaining change in this category is for the receipt of approximately \$0.2 million for unclaimed property tax refunds which are traditionally not budgeted in the final budget. Overall, the Mid-Year recommendation is to increase the Taxes category by \$6,402,488.

**Licenses, Permits and Franchises:** Revenue received in this category is the result of franchise agreements with PG&E, AT&T and Comcast and Charter cable companies. Fee revenue is received quarterly from AT&T and the cable companies. The bulk of the revenue is received annually from PG&E during the latter half of the County's fiscal year. This revenue category is trending in line with the Adopted Final Budget estimates and no adjustments are needed.

**Fines, Forfeitures and Penalties:** The revenue in this category comes from penalties assessed and costs associated with delinquent property taxes. Typically, most of the revenue is posted in the second half of the fiscal year, and many times not until the year-end close. Last Fiscal Year 2014-2015, \$4.7 million was posted by year-end. A budget of \$2.7 million for the current fiscal year was established based on a trend over the past two years of declining revenue as a result of the improving housing market. No adjustments to this revenue source are recommended at this time; ongoing monitoring in coming months will determine if a budget adjustment is warranted in the 2015-2016 Third Quarter Financial Report.

**Revenue from Use of Money:** Interest earned on the County's pooled cash and collection of rents and leases of County owned property are the sources of revenue in this category. Interest earnings through the two quarters this fiscal year are in line with the Adopted Final Budget. The only budget adjustment requested in this category is an increase in the amount of \$1,057,856 for the one-time interest revenue received from the State on the Pre-2004 State mandated cost (SB 90) claims; this is the final payment of interest due to the County on these old claims.

**Intergovernmental Revenue:** The main source of revenue in this category is from the one-half cent Sales and Use Tax for local public safety services, also known as Proposition (Prop) 172. This revenue source supports only the General Fund budgets of the District Attorney, Probation, and Sheriff. Revenues

collected by the State Board of Equalization (BOE) are apportioned to each county based on proportionate shares of statewide taxable sales. At Mid-Year, the Proposition 172 Allocation from the local Public Safety Fund is trending in line with the Adopted Final Budget.

Other sources of revenue in this category include State realignment dollars, homeowner's property tax relief revenue, Department of Motor Vehicles (DMV) Vehicle License Fee (VLF) in excess revenue, and small amounts of Federal revenue. For the VLF in excess revenue, the recommendation is to decrease the budget by \$1,042 to have the budget reflect this year's actual revenue of \$178,958 already received. A Mid-Year increase in the amount of \$1.1 million is requested for the State Mandate Claim cost (SB 90) reimbursement revenue received at Mid-Year, which is traditionally not budgeted in the final budget. Included in this amount is the final outstanding payment of the pre-2004 Mandate Claims reimbursement of \$541,082. In addition, a small increase of \$24,990 is requested to reflect Federal revenue already received in the Intergovernmental Revenue category. Overall, the recommendation is to increase this revenue category by \$1,123,948 at Mid-Year.

**Charges for Services:** Included in this category are revenues resulting from the recovery of the costs associated with the administration of supplemental property tax adjustments (SB 813), adjustments made to the Countywide Cost Applied Plan and revenue received from assessments levied to Williamson Act landowners per the enactment of SB 863. The revenue for the administration of the supplemental property tax adjustments is projected to be in line with the Adopted Final Budget. A total Mid-Year increase of \$74,810 is requested for the Charges for Services category, to include an accounting adjustment for A-87 carry-forward, to reflect the revised revenue projections for this fiscal year.

**Miscellaneous Revenue:** Minor deposits to Miscellaneous Revenue include unclaimed monies, unclaimed estates and cancelled (or stale-dated) warrants. Since amounts and timing of this revenue source is difficult to predict, it is typically not budgeted in the Proposed and Final Budgets. The requested Mid-Year budget adjustment of \$23,708 is to reflect the revenue already posted in this category.

**Other Financing Sources:** Interest earned on the Tobacco Endowment Fund as well as operating transfers in for the Animal Services and Jail facilities debt payment are the revenue sources expected in this category. Included in this category this year is revenue from sale of fixed assets for which one-time revenue of \$999,075 posted from the sale of the Medical Arts Building; these funds have been assigned for future support of the Veterans Facility. Due to this one-time revenue and \$183,212 in operating transfer for the Animal Services facility a total increase of \$1,182,287 is requested in this category at Mid-Year budget.

The following chart summarizes the Mid-Year projections and recommended changes for the Discretionary Revenue budget:

Discretionary Revenue Description	Fiscal Year 2014-2015 Actuals	Fiscal Year 2015-2016 Final Budget	Mid-Year 2015-2016 Projections	Mid-Year Adjustments Recommended
Taxes	\$ 121,567,936	\$ 126,319,000	\$ 132,721,488	\$ 6,402,488
Licenses, Permits & Franchises	1,214,023	1,200,000	1,200,000	-
Fines, Forfeitures & Penalties	4,655,637	2,500,000	2,500,000	-
Revenue from Use of Money	1,509,449	1,842,944	2,900,800	1,057,856
Intergovernmental Revenue	48,592,259	42,102,000	43,225,948	1,123,948
Charges for Services	2,089,502	1,574,002	1,648,812	74,810
Miscellaneous Revenues	353,392	-	23,708	23,708
Other Financing Sources	3,393,229	3,263,845	4,446,132	1,182,287
<b>Total</b>	<b>\$ 183,375,427</b>	<b>\$ 178,801,791</b>	<b>\$ 188,666,888</b>	<b>\$ 9,865,097</b>

**Recommended Budget Adjustment:** Adjustments to the overall discretionary budget totaling a net increase of \$9,865,097 are recommended at Mid-Year. As additional months of revenue are posted further adjustments may be necessary, which will be addressed during the third quarter budget review.

### **General Fund – Classification of Fund Balance**

The five classifications of the fund balance of the General Fund are Non-spendable, Restricted, Committed, Assigned and Unassigned. Non-spendable, Restricted and Committed are the most restrictive categories and are legally or contractually obligated portions of fund balance. The Unassigned fund balance is the least restrictive and is technically available for any purpose. The Chief Executive Office has been authorized by the Board of Supervisors to assign portions of the Unassigned fund balance for specific purposes such as debt service, carryover appropriations, contingencies and budget balancing.

Fund Balance-Non-spendable: \$2,806,845 is included in the 2015-2016 General Fund Operating Budget appropriations for encumbrance carryover from prior year. The budgeted use of the encumbrance carryover in 2015-2016 is projected to reduce the ending balance of the Non-spendable category to \$14,678,266 as indicated in the chart on the following page.

Fund Balance – Restricted: the only restricted account is for tax loss reserve, for which no changes are projected and it will be maintained at \$4,240,485.

Fund Balance-Committed: a final budget post-closing adjustment increased this category by a total of \$809,658 for the Fiscal Year 2014-2015 repayments of the Animal Services Facility and Public Safety Center Jail Expansion project. As a result, the Committed ending fund balance is projected as \$6,933,210.

Fund Balance-Assigned: includes the new Veterans One-Stop Facility assignment for \$999,075 and an \$11,829,355 increase in budget balancing assignment for the Fiscal Year 2015-2016 Adopted Final Budget. The planned reduction of \$1,000,000 in the Deferred Maintenance assignment is reflected as an adjustment strategy for Fiscal Year 2015-2016. The assumed use of all carryover appropriations and encumbrances, net county cost savings and the budget balancing assignment will reduce this category by \$23,299,594 to a projected year-end balance of \$86,288,091.

Fund Balance-Unassigned: is projected at \$15,381,066 as reflected in the chart on the following page. The adjustments recommended in the Mid-Year 2015-2016 Financial Report will reduce the reliance on General Fund Balance by \$11.1 million which is the primary contributor to this positive projection. Long-range modeling suggests approximately \$6.9 million of Unassigned Fund Balance will be needed to balance the 2016-2017 Proposed Budget.

General Fund Balance-Total: In summary, the projected total General Fund 2015-2016 ending balance after the budget balancing strategies and other adjustments, Mid-Year recommendations, and budgeted use of fund balance is estimated to be \$127,521,118 which is a net change of \$15,138,293 from the total beginning balance of \$142,659,411. Of this amount, the vast majority is identified as non-spendable, restricted, committed or assigned for specific Board of Supervisors approved projects.

## GENERAL FUND – FUND BALANCE

GENERAL FUND	Fund Balance 7/1/15	Post Closing Adjustments	Adjustment Strategies	Mid-Year Recommendations	Budget Use of Fund Balance	Projected Ending Fund Balance 6/30/16
<b>Fund Balance - Nonspendable:</b>						
Fund 100 - Fair value adjustment	\$ 850,101	\$ (213,541)				\$ 636,560
Fund 105 - Fair value adjustment	8,298	(430)				7,868
Fund 107 - Fair value adjustment	-	4,505				4,505
Imprest Cash	91,835	(555)				91,280
Advances to other funds	100,000					100,000
Advances to other governments	372,069					372,069
Fund 105 - Economic Development advances	4,021,599					4,021,599
Teeter receivable	9,228,199					9,228,199
Prepaid items	216,186					\$ 216,186
Encumbrances (100)	\$ 2,806,845				(2,806,845)	-
<b>Total Nonspendable</b>	<b>\$ 17,695,132</b>	<b>\$ (210,021)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,806,845)</b>	<b>\$ 14,678,266</b>
<b>Fund Balance - Restricted:</b>						
Fund 106 - Tax Loss Reserve	\$ 4,240,485					\$ 4,240,485
<b>Total Restricted</b>	<b>\$ 4,240,485</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,240,485</b>
<b>Fund Balance - Committed:</b>						
Total Committed Other	\$ 1,535,387				\$ -	\$ 1,535,387
Total Committed - Capital Acquisition	4,588,165	809,658				5,397,823
<b>Total Committed</b>	<b>\$ 6,123,552</b>	<b>\$ 809,658</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,933,210</b>
<b>Fund Balance - Assigned:</b>						
Contingencies (GF Reserve Balance Policy)	\$ 13,630,642					\$ 13,630,642
Retirement Obligation	8,800,000					8,800,000
Teeter Plan	23,860,152					23,860,152
Carryover Appropriations (100)	3,989,429				(3,989,429)	-
Carryover Appropriations (107)	857				(857)	-
Carryover Appropriations (100)	5,340,939				(5,340,939)	-
Encumbrances-Econ Development (105)	45,024				(45,024)	-
Assigned - Debt Service Reserve	12,666,797					12,666,797
Assigned - Cash out Obligations	3,000,000					3,000,000
Assigned - Veteran's One-Stop Facility	-		999,075			999,075
Total Assigned Other	24,331,425		\$ (1,000,000)			\$ 23,331,425
Assigned - Budget Balancing	\$ 2,093,990		11,829,355		(13,923,345)	-
<b>Total Assigned</b>	<b>\$ 97,759,255</b>	<b>\$ -</b>	<b>\$ 11,828,430</b>	<b>\$ -</b>	<b>\$ (23,299,594)</b>	<b>\$ 86,288,091</b>
<b>Fund Balance - Unassigned</b>						
General Fund (100)	\$ 14,987,071	\$ (898,020)	\$ (11,828,430)	\$ 11,332,001	\$ (67,571)	\$ 13,525,051
Facility Maintenance (104)	176					176
Economic Development Bank (105)	530,774	1,918				532,692
Community Development Bank (107)	\$ 1,322,966	\$ 181				1,323,147
<b>Total Unassigned</b>	<b>\$ 16,840,987</b>	<b>\$ (895,921)</b>	<b>\$ (11,828,430)</b>	<b>\$ 11,332,001</b>	<b>\$ (67,571)</b>	<b>\$ 15,381,066</b>
<b>TOTAL FUND BALANCE</b>	<b>\$ 142,659,411</b>	<b>\$ (296,284)</b>	<b>\$ -</b>	<b>\$ 11,332,001</b>	<b>\$ (26,174,010)</b>	<b>\$ 127,521,118</b>

## **CASH REVIEW**

### **General Fund Overall Cash Position**

The Fiscal Year 2015-2016 beginning cash position increased by \$10.6 million from the beginning of last fiscal year largely due to less cash used to cover cash deficits in the current year compared to that used the prior year. As of Mid-Year, the General Fund cash balance is \$87.6 million compared to \$59.9 million for the same period last fiscal year, resulting in an increase of \$27.7 million in cash from last fiscal year. The increase in cash at Mid-Year is due to a higher beginning cash balance and due to the payment of \$15 million toward the Health Services Agency loan during issued from the General Fund in the first six months of last fiscal year, 2014-2015.

	<b>2014-2015</b>	<b>2015-2016</b>	<b>Difference</b>
<b>Beginning Balance</b>	<b>\$93,450,736</b>	<b>\$104,081,446</b>	<b>\$10,630,710</b>
<b>Mid-Year</b>	<b>\$59,927,248</b>	<b>\$ 87,587,893</b>	<b>\$27,660,645</b>

### **Special Revenue Funds Overall Cash Position**

As of Mid-Year, the Special Revenue Fund cash is at \$137.4 million compared to \$123.2 million for the same period last fiscal year. The following is an explanation of the most significant variances when comparing this time period to the prior year:

- Behavioral Health and Recovery Services - Mental Health reflects a positive cash balance of \$17.7 million at Mid-Year compared to a positive cash balance of \$16.7 million for the same period last fiscal year. The \$1 million increase in cash is due to approximately \$600,000 in 1991 & 2011 realignment growth received this Fiscal Year and \$400,000 in Federal Financial Participation (FFP) from the Fiscal Year 2010-2011 cost report reconciliation received this Fiscal Year.
- The Community Services Agency – Services and Support budget had a positive cash balance of \$6.7 million at Mid-Year compared to \$3.1 million for the same period last fiscal year. The increase is a result of timing differences among State deferral of cash advances, cash reimbursements, and actual incurred costs.
- The Library had a significant increase of approximately \$1.5 million, attributed in large part to additional sales tax received from the dedicated 1/8 cent sales tax measure approved by County voters and operating savings.
- Planning – Special Revenue Grant had an increase of \$3.0 million compared to the same period last fiscal year. This increase in cash balance is due to the collection of program income previously held in a revolving fund by a contractor who assisted in the administration of the Neighborhood Stabilization Program.
- Probation - Local Community Corrections fund had a positive cash balance of \$10.2 million at Mid-Year compared to \$7.1 million for the same time period last year. This variance is due to timely processing of payments to providers/contractors and an \$843,633 contribution to fund balance at the end of the 2014-2015 Fiscal Year.

- The Public Works Road and Bridge fund experienced a \$1.4 million increase primarily due to the timing of receipt of State and Federal reimbursement for projects. In addition, the timing of road capital projects and their associated expenditures and revenues create fluctuation in the cash balance. For Public Facilities Fee (PFF) projects, funds are transferred into the Road fund when contracts are awarded, which may result in significant variations in the cash position from one year to the next.

### **Capital Projects Funds Overall Cash Position**

As of midyear, the Capital Projects Funds cash is at \$5.5 million compared to \$5.7 million for the same period last year. The variance is primarily attributable to the Criminal Justice Facilities Fund decline in penalty assessment revenue for fines imposed by the Superior Court as well as the planned use of fund balance in Fiscal Year 2014-2015.

### **Enterprise Funds Overall Cash Position**

As of Mid-Year, the Enterprise Funds cash is at \$25.2 million compared to \$16.8 million for the same period last fiscal year. The variance is primarily attributable to the following:

- Health Services Agency - The \$4.5 million positive change in the Clinics and Ancillary division was the result of three prior fiscal years contract agreement with the Health Plan of San Joaquin and Inter Governmental Transfer (IGT) payments. The Health Plan funding is strictly for enhancing the health of the members/providing value-added services and increasing health care access for HSA's Medi-Cal patients.
- Public Works Transit – An increase of \$1.9 million in Local Transportation Tax revenue apportionment and \$413,000 in grant funding for software programs.
- Environmental Resources - The Geer Road Landfill budget had a negative cash balance this time last fiscal year, funds totaling \$554,000 were transferred to bring the balance to a positive amount. The Fink Road Landfill had an overall increase in revenue from increases in solid waste tonnage received due to a reduction in tipping fees for our regional partners, as well as the timing in rents/leases received compared to last year, generating an increase in cash of approximately \$1 million.
- A slight positive increase in cash balance for Inmate Welfare/Commissary makes up the balance of the cash for Enterprise funds.

### **Internal Service Funds Overall Cash Position**

As of Mid-Year, the Internal Service Funds cash is at \$50.5 million compared to \$41.3 million for the same period last fiscal year. The primary variance is due to the \$8.2 million positive cash balance in the Medical Self-Insured Fund. The increase is a result of cost containment measures in the Medical Self-Insurance Program resulting in lower expenditures and revenue increases due to the rate increases in 2014 and 2015. Additionally, the \$1.0 million increase in General Liability Self-Insurance is the result of lower defense and settlement costs and increased revenue due to the deficit payback plan.

### **NET COUNTY COST SAVINGS**

In the 2015-2016 Adopted Final Budget, Phase I departments that achieved savings in appropriations were able to carry forward 75% of their 2014-2015 net county cost savings and 100% of their unused net county

costs savings balance from prior years. Phase II departments that achieved strategic savings in appropriations were eligible to carry forward up to 50% of their 2014-2015 net county cost savings. Net county cost savings of \$5,340,939 were added to department budgets as part of the Adopted Final Budget. As part of the Mid-Year Financial Report, General Fund departments were asked to identify their projected use of net county cost savings in the current fiscal year. Departments are projecting to use \$1.8 million of the total \$5.3 million allocated in Fiscal Year 2015-2016. Analysis of prior year projections suggests that departments may perform better than originally anticipated at the Mid-Year point; therefore, they will have a reduced reliance on the General Fund going into Budget Year 2016-2017. Updated projections of net county cost savings will be provided in the Third Quarter Financial Report with a greater level of confidence to include in our financial planning.

Departments	Phase	Department		
		Net County Cost Savings Included in 2015-2016 Final Budget	Projection for Savings/(Use) in Fiscal Year 2015-2016	Department Projection Available for Budget Year 2016-2017
AAA - Veterans Services	II	\$ -		\$ -
Agricultural Commissioner	I	1,300,473	(113,736)	1,186,737
Auditor-Controller	I	213,665	(213,665)	-
Board of Supervisors	I	144,580	(75,000)	69,580
Chief Executive Office Total	I	2,576,237	(839,000)	1,737,237
Cooperative Extension	II	-	15,956	15,956
Parks and Recreation	II	12,673	(12,673)	-
Planning & Community Development	I	381,053	(240,386)	140,667
Probation Total	II	-	-	-
Public Defender	I	128,714	(128,714)	-
Sheriff Total	II	-	-	-
Treasurer - Admin/Taxes	I	583,544	(194,933)	388,611
<b>Department Totals</b>		<b>\$ 5,340,939</b>	<b>\$ (1,802,151)</b>	<b>\$ 3,538,788</b>

### VACANCY RATES IN ZERO-BASED BUDGETS

As part of the Zero-Based Budget process, Phase II departments are provided with appropriation authority and net county cost support for their current Board approved service levels. This financial support is identified as the projected Funded Service Level, which is then adjusted by a 5% reduction to salaries and benefits equal to the assumption of a 5% vacancy rate. Historical analysis reflects County department vacancy rates generally average around 8%. This practice is intended to ensure that departments are not over-appropriated such that General Funds are not committed in excess of what will be required to sustain actual filled positions.

At Mid-Year, several departments have requested budget adjustment increases since they have successfully minimized their individual vacancy rates and require increased net county cost to support these positions and services for the remainder of the year. As this is becoming more common, the process will be formalized to provide an update to the Board of Supervisors at Third Quarter of each fiscal year with the recommendation to increase affected department budgets as a result of reduced actual vacancy rates. This process will allow each department to end the year in a positive position. The table on the following page summarizes the vacancy rate salary reduction factor for each department, included with the 2015-2016 Zero-Based Budget projections ultimately included in the Adopted Final Budget. Updated vacancy

rate information and a recommendation for increased funding for affected departments will be provided in the Third Quarter Financial Report.

Phase II Departments - 5% Salary Factor applied to Adopted Proposed Budget 2015-2016	
Department	Amount
AAA - Veterans (1)	\$0
Assessor	(\$249,060)
Clerk-Recorder	(\$82,824)
Clerk-Recorder Elections	(\$53,818)
Cooperative Extension (1)	\$0
County Counsel	(\$110,024)
District Attorney - Criminal	(\$657,104)
Parks & Recreation	(\$79,374)
Probation - Administration	(\$101,496)
Probation - Field Services	(\$451,263)
Probation - Juvenile Commitment Facility	(\$155,969)
Probation - Institutions	(\$267,084)
Sheriff - Administration	(\$195,526)
Sheriff - Detention	(\$1,535,220)
Sheriff - Operations	(\$1,065,779)
<b>Total Base Budget Reduction</b>	<b>(\$5,004,541)</b>
(1) Note Departments with less than 10 authorized positions are exempt from this issued base budget reduction.	

### **TECHNOLOGY INNOVATION PROGRAM**

Included in the Fiscal Year 2015-2016 Adopted Final Budget, \$1 million was budgeted in Appropriations for Contingencies to fund innovation technology programs within the County. Internally, this has been called the Technology Innovation Program with the broad overall goal to move the County's customers online from in-line. At inception, first year funding will focus on technology upgrades and automated efficiencies in business operations, with future funding opportunities to shift towards improved systems in support of external customers and on-line public access. Eligible projects could be at the enterprise level (multiple departments or countywide scope) or the departmental level with a customer focus or process improvement focus. Departments had approximately two months to submit funding requests. Applications were reviewed by the Technology Innovation Review Team, which consisted of an Assistant Executive Officer, the Director of Strategic Business Technology (SBT) and Chief Executive Office staff. In all, nine departments and one joint powers authority (Stanislaus County Animal Services) submitted requests for 21 projects costing approximately \$1.5 million.

Department representatives for each project were interviewed by the Technology Innovation Review Team and were allocated time to give an overview of the project and answer clarifying questions. Projects were then scored on evaluation categories that included the internal return on investment and the impact on customers among others. Projects, initial ratings and recommendations were shared with the County's IT



Steering Committee, which is comprised of a number of County Department Heads, and the Chief Executive Officer for approval prior to inclusion in this report.

To ensure accountability, it has been determined that each funding recipient will be required to monitor and periodically report the status of their projects. County leadership has accepted that some projects will be quickly implemented while more robust projects may still be in development into the next fiscal cycle. These status updates will occur every six months and reporting will be aligned with quarterly financial reports.

As previously mentioned, 21 different projects were submitted by:

- Alliance Worknet (1)
- Animal Services Agency (3)
- Assessor (2)
- Behavioral Health and Recovery Services (1)
- Chief Executive Office (3)
- Clerk-Recorder and Registrar of Voters (1)
- District Attorney (2)
- Library (1)
- Probation (3)
- Public Works (4)

Of the 21 projects submitted two were not considered for funding. The Alliance Worknet project was withdrawn due to changes in the Workforce Innovation and Opportunity Act and the Chief Executive Office project, Budget Submittal, has the opportunity to be funded with e-government funds.

It is recommended to fund all of the remaining 19 projects. Of these projects, it is recommended to fund 17 with Technology Innovation Program funds specifically budgeted in Appropriations for Contingencies pending the review, selection and award of the Technology Innovation Funds. It is further recommended to fund two projects with part of the \$2.25 million in General Fund fund balance assigned to automation, identified as Automation Reserves. These two projects total \$285,345 and are recommended for current year accounting purposes, to be funded through transfer from Appropriations for Contingencies. At 2015-2016 year-end close, an adjustment will be made to the Automation Reserves assignment to reflect this usage, with \$1,964,655 as the remainder of funds assigned for future projects. The tables on the following page show the requested and recommended projects and funding amounts:

<b>TECHNOLOGY INNOVATION PROGRAM FUNDING RECOMMENDATIONS</b>			
<b>Requesting Department/Division/Unit</b>	<b>Project Title</b>	<b>Funding Requested</b>	<b>Rec Funding</b>
<b>Department Projects</b>			
Alliance Worknet <sup>5</sup>	WIOA Streamlined Services	\$ 23,000	\$ -
Animal Services Agency <sup>6</sup>	Customer Payment IVR	\$ 20,160	\$ 12,318
Animal Services Agency <sup>6</sup>	Online Customer Portal	\$ 14,060	\$ 8,591
Animal Services Agency <sup>6</sup>	Web Mobile Chameleon	\$ 23,504	\$ 14,361
Assessor	Scanning of Appraisal Documents and Microfilm Records	\$ 90,000	\$ 90,000
District Attorney's Office	Efficient Delivery of Discovery	\$ 114,400	\$ 114,400
District Attorney's Office	Strategic Technology Initiative in the Courtroom	\$ 20,000	\$ 20,000
Library	Self-Checkout	\$ 125,148	\$ 125,148
Probation	Probation Advanced Scanning	\$ 93,940	\$ 93,940
Probation	Probation E-Payments	\$ 20,000	\$ 20,000
Probation	Probation ICJIS Mobile Design	\$ 59,210	\$ 59,210
Public Works	Public Works Survey - Drone	\$ 20,000	\$ 20,000
Public Works	PW Roads - Tablets for Field Work	\$ 10,000	\$ 10,000
Public Works	Accela Right of Way Management	\$ 53,470	\$ 53,470
<b>Sub Total</b>		<b>\$ 686,892</b>	<b>\$ 641,437</b>
<b>Enterprise Projects</b>			
Assessor	Migrate Assessor Maps to GIS Format	\$ 25,000	\$ 25,000
Behavioral Health and Recovery Services	Health Information Exchange (HIE)	\$ 41,292	\$ 41,292
Chief Executive Office <sup>1</sup>	Budget Submittal - CAP Charges Enhancement	\$ 13,800	\$ -
Chief Executive Office <sup>2</sup>	Electronic Agenda Management System	\$ 225,000	\$ -
Chief Executive Office - OES <sup>3</sup>	Emergency, Staff & Community Notification System Implementation	\$ 112,850	\$ 98,150
Clerk-Recorder <sup>4</sup>	Campaign, FPCC and Form 700 Web Reporting System	\$ 320,421	\$ 140,948
Public Works <sup>2</sup>	Public Works Interactive Geographic Information System	\$ 60,345	\$ -
<b>Sub Total</b>		<b>\$ 798,708</b>	<b>\$ 305,390</b>
<b>Grand Total</b>		<b>\$ 1,485,600</b>	<b>\$ 946,827</b>

1. Fund through E-Government.
2. Fund with funds reserved for automation.
3. Funding at level reported in 12/15/15 Board of Supervisors agenda.
4. Not funding 5 years of maintenance costs.
5. Department withdrew request.
6. Fund only 61.1% of request - same as County's share of agency contributions.

<b>FUND WITH AUTOMATION RESERVES</b>			
<b>Requesting Department/Division/Unit</b>	<b>Project Title</b>	<b>Funding Requested</b>	<b>Rec Funding</b>
Chief Executive Office	Electronic Agenda Management System	\$ 225,000	\$ 225,000
Public Works	Public Works Interactive Geographic Information System	\$ 60,345	\$ 60,345
<b>Grand Total</b>		<b>\$ 285,345</b>	<b>\$ 285,345</b>

Project summaries are included in the respective department narrative. All recipients have agreed to a project monitoring and periodical update condition. It is the intent of the Chief Executive Office to closely monitor the use of these funds to ensure departmental accountability and implementation progress. In addition to this universal condition, several projects have their own conditions of approval that will be discussed in the department narrative sections of the report.

To support the identified projects at Mid-Year, the Chief Executive Office is requesting authority to transfer up to \$1,232,172 from Appropriations for Contingencies, to the appropriate legal budget units. Appropriations will be transferred to the department budgets as purchases are made or the project is implemented within the upcoming six months.

## **CHALLENGES AND OPPORTUNITIES**

### **AB 900 Phase II Public Safety Center Expansion Project Jail Staffing**

The AB 900 Phase II Project (Maximum Security/Medical/Mental Health: \$89 million) and the County's companion project (Intake, Release and Administration: \$24 million) are over 70% complete. Substantial and Final Completion, Fall 2016, Occupancy in Spring, 2017. The project team continues focus on staffing and operational needs for the AB 900 Phase II Public Safety Center Expansion projects using a phased approach. A separate Board report will be presented to confirm a recommended plan to occupy, open and operate the new facilities.

### **Child Support Flat Funding**

The Department of Child Support Services continues to experience flat funding from the State which does not account for annual cost of business increases. The continued flat funding over a period of more than 10 years has reduced staffing from 242 to 162. The Governor's January Budget for 2016-2017 included cost of living increases for State employees due to retirement increases and negotiated salary increases; however, similar increases for county programs at the local levels were not included. Without increased funding from the State, the Department's budget will not have the capacity to absorb increased costs for labor contracts, health insurance, and retirement without holding open staffing vacancies. Over the past 10 years the Department has had a practice of holding open vacancies due to the flat state funding. Holding open the staff vacancies ultimately causes less families to be served and threatens the ability to increase collection dollars to families. Collections over the past five years have stayed relatively flat.

### **County Geographic Information System**

The County Geographic Information System (GIS) utilizes information management technology by combining computer mapping and database technologies to improve the management and analysis of location based information. GIS is embedded within many information systems including permitting, emergency response, navigation systems, crime analysis, and transportation logistics, in addition to traditional map oriented systems.

GIS Central is a division of Public Works that was formed in 2008 as part of the Stanislaus County Business Technology Strategy. GIS' availability is on the County's intranet system for internal users and on the County Internet website for external users. In 2015, a review of GIS Central was conducted and as a result of this review, it is recommended to transfer its functions, staffing, and budget to Strategic Business Technology effective July 1, 2016. This transfer will occur in the Budget Year 2016-2017 Proposed Budget.

## **Medical Self-Insurance Program**

On October 20, 2015, the Board of Supervisors approved a rate increase for the Medical Self-Insurance Program of 1% effective January 1, 2016. This rate was lower than anticipated, as departments were originally advised to anticipate a health insurance increase of 8–10%. Based on the ongoing positive financial performance of the Medical Self-Insurance Program, and improved confidence in the long-term fiscal health of this program, budget staff have reduced future cost estimates for health insurance from the historical 8-10% annual inflation assumption down to 3-5% in annual inflation. This reduction in projected annual cost increases will benefit long-range financial modeling for General Fund and Non-General Fund departments.

## **Retirement Costs**

The County's retirement plan is currently one of the healthiest funded plans in the State at 87.5% funded using market value of assets. However, it is expected that retirement costs will continue to be a significant cost driver for the organization in the near future. The preliminary estimate of total County contribution cost increase is approximately \$5.2 million for Budget Year 2016-2017, of which General Fund increase is \$2.3 million. The Retirement Board recently took action to lower the assumed rate of return from 7.75% to 7.25% as well as to accept the experience study on plan participant demographic changes. The lower assumed rate of return and improved mortality rates are expected to increase the employer contribution rate by 8% to 9% for the next fiscal year.

## **Security Update**

The Board has previously approved funding for a dedicated focus on County Security. A Sheriff's Lieutenant has been assigned to the Office of Emergency Services fulfilling two roles; County Security at 50% and OES-Law Enforcement coordination at 50%. The Security Program goals are to provide County facility assessments, assist with the implementation and review of County security policies and procedures, provide employee training to improve awareness, and perform security incident assessments and investigations. The ongoing evaluation and assessment of safe and secure facilities will be coordinated across departments and in some instances may use external expert consultants. Recommendations will be brought back to the Board of Supervisors as needed for authorization to implement widespread security enhancements throughout the County.

## **Social Services Programs**

Changes in the Community Services Agency (CSA) this fiscal year demonstrate an increase in families transitioning to self-sufficiency and fewer children requiring out of home placement to be safe in their home. These changes have resulted in a significant decrease in the need for County funding. CSA is projecting a reduced need of County Match funds from \$3,550,578 to \$2,333,146 for Public Economic Assistance. The General Fund savings of \$1,217,432 is recommended to be returned to the Chief Executive Office Mandated Match Budget. These savings are the result of the CalWORKs, Foster Care average caseloads, and grants trending lower than projected at Final Budget. CalWORKs expenditures are trending 7.6% lower with a projected average of 633 less cases per month, indicating an increase in family self-sufficiency. The Department's continued efforts to work with parents in developing both life and job skills are leading to higher levels of engagement, participation and employment. The Welfare to Work (WTW) subsidized employment program has allowed more participants to enter into paid work experience. Many WTW participants have transitioned into unsubsidized employment after participating in the subsidized employment program. The Foster Care and Extended Foster Care expenditures are trending 14.7% less with an anticipated 52 cases less per month. The decline in Foster Care cases is linked to several program

initiatives, including focusing on placing children in relative placements as well as reducing the reentry of children into the Foster Care System.

## **State Budget Update**

The Governor released the 2016-2017 Proposed State Budget to the legislature on January 9, 2015. The budget includes \$122.6 billion in General Fund spending, which is up \$6 billion from last year. The total State budget is \$170.7 billion, which includes special funds and bonds. Of key interest is the Governor's ongoing admonition to the legislature not to add new, ongoing spending items. The Governor's message is supportive of certain one-time items, and describes a need to control spending and to increase reserves in anticipation of the next recession.

The Governor's proposal would add \$2 billion into the rainy day fund for a total of \$8 billion by June 2017. This boosts the balance which is currently 37% of its constitutional target up to 65% of the target. \$2 billion was also shifted in debt payments. The proposal would also increase school spending to \$10,591 per student which is more than \$3600 higher than what it was at the end of the recession. The Local Control Funding Formula will get a fourth-year investment of \$2.8 billion and tuition will stay flat for the University of California and State University systems at 2011-2012 levels.

The Governor emphasized the need to pass a transportation proposal that increases funding to deal with declines in road funds for local government and to deal with the massive unfunded maintenance needs in the State. The Governor will continue to press his own proposal which stalled last year in the legislature.

The Governor is proposing the first increase in cash payments for the aged, blind and disabled since 2006; this will be a \$130 million budget increase. The plan would increase payments for the blind, elderly, and disabled from \$889 to \$906 per month for individuals and from \$1,496 to \$1,527 per month for couples, effective in January 2017.

The Governor also referenced the Managed Care Organization (MCO) tax that is expiring this year and the importance of this tax revenue which remains a critical component of maintaining Medi-Cal program funding. The Budget proposes a tax reform package to extend a federally allowable managed care organization tax. The proposed new MCO tax will be applied to all health plans. To help plans with the costs associated with the new proposed tax, the State is offering concurrent relief in the Gross Premiums Tax and Corporations Tax that some plans pay. Essentially, health plans will remain cost neutral while the State becomes eligible to enhanced Federal funding. This design would provide \$1 billion for support of Medi-Cal funded services.

The Governor introduced a variety of changes to statewide programs administered by the Community Services Agency (CSA) including: a 7% restoration of In Home Supportive Services (IHSS) hours that would rely on passage of the MCO tax; extending Medi-Cal benefits for undocumented children under the age of 19 which is also reliant on MCO; a directive that the Coordinated Care Initiative (CCI) must be cost-effective or it will end terminate January 2018 and undo the IHSS Maintenance of Effort (MOE); and a proposal to increase funding in Child Welfare to \$81.5 million in FY 15/16 for the implementation of Continuum Care Reform (AB 403) and other associated mandates. CSA will monitor these issues which have significant service impacts to the Community and in the case of the IHSS MOE, a potential impact to the County General Fund, and provide updates as available for the Board of Supervisors.

The nonpartisan Legislative Analyst's Office projected in November that the state will end the current fiscal year in June 2016 with \$7.9 billion in reserve, \$3.3 billion more than lawmakers expected last year.

## **Workforce Innovation and Opportunity Act (WIOA) Impacts**

The Workforce Innovation and Opportunity Act (WIOA) was signed into law in 2014 and replaced the Workforce Investment Act (WIA) of 1998. The change in law is intended to give state and local areas the flexibility to collaborate across other workforce and educational systems in an effort to better address the employment and skills needs of current employees, job seekers and employers.

Locally, WIOA affects Alliance Worknet who currently operates one-stop career centers, provides adult and youth career services, as well as business services. All of these services must be procured through a competitive process and can no longer be provided by Alliance Worknet as of July 1, 2017, with business services procured out by July 1, 2016. Additionally, the current relationship among Alliance Worknet, the Stanislaus Business Alliance, and the local Workforce Development Board will be impacted. A new model showing these organizations as distinct, separate entities will be created.

Full implementation of WIOA must occur by July 1, 2017 and progress towards implementation must be apparent to stay compliant with the law. The Workforce Development Board gave Alliance Worknet approval to begin developing Requests for Proposals for one-stop career centers, adult, youth and business services. During the transition, Alliance Worknet and Chief Executive Office Staff will develop a strategy to minimize the impact on Alliance Worknet staff and to ensure these vital services are provided to the community during this change and into the future.



# 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

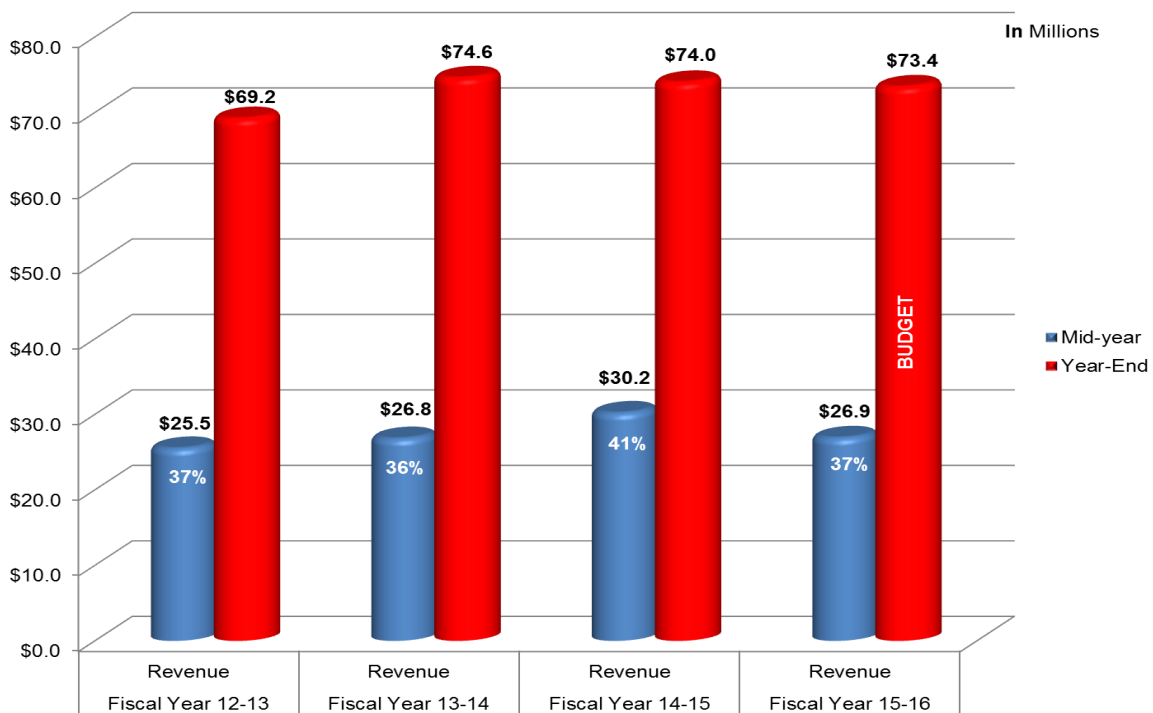
## OVERVIEW

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 December 31, 2015, actual revenue collected is \$26.9 million, which represents 37% of the estimated annual revenue. This is within the range when compared to the Mid-Year point of the prior three years when collections ranged from 36% to 41% of the final actual revenue.

### A Safe Community Four Year Revenue Comparison

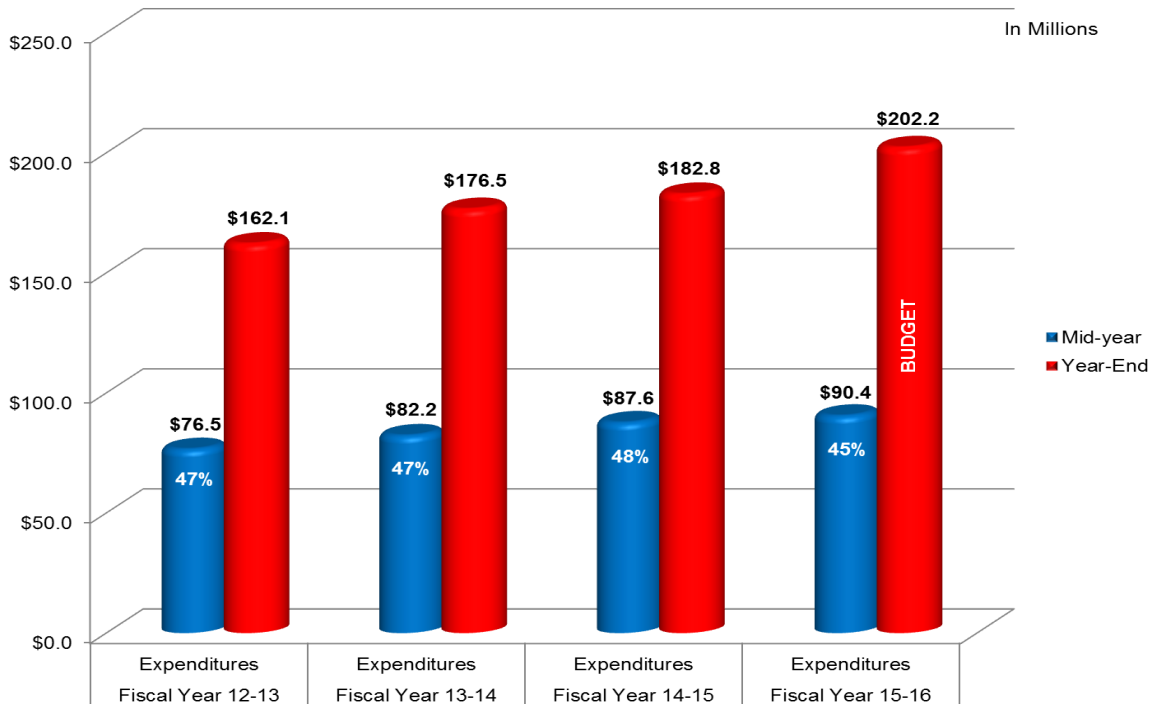




## DEPARTMENTAL EXPENDITURES

As of December 31, 2015, expenditures are \$90.4 million, representing 45% of the budgeted appropriations. Expenditures at the Mid-Year point of the prior three years were at 47% to 48% of the final actual expenditures, placing this year below the range. This is mainly due to the timing of invoices charged to the Local Community Corrections fund.

### **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.

## PUBLIC SAFETY RESTORATION

As part of the Fiscal Year 2014-2015 Mid-Year Financial Report, the Board of Supervisors approved recommendations to support Public Safety Restoration (PSR) to fund critical public safety services in four departments; the District Attorney, Public Defender, Probation and Sheriff. The Board approved PSR funding of up to \$2 million in Fiscal Year 2014-2015 and \$4 million in Fiscal Year 2015-2016 to support 39 full time positions in Phase I. Potential funding of up to \$6 million in Budget Year 2016-2017 and \$8 million in Budget Year 2017-2018 will be considered through future Board action, with a goal of funding up to 73 full-time positions by Budget Year 2017-2018.

The following is an update on the implementation status of approved PSR services. At the time of the 2015-2016 Adopted Final Budget, as of June 30, 2015, 12 full-time positions and five extra-help Deputy Sheriff Intern positions had been filled. During the reporting period of July 1, 2015 to September 30, 2015, departments filled three additional positions. For the reporting period of October 1, 2015 to December 31, 2015, the departments have filled six additional positions. Of the 39 original positions approved by the Board of Supervisors as part of the 2014-2015 Mid-Year Financial Report, 21 full-time positions are

currently filled. The five extra-help positions are not counted within the 39 authorized full-time positions approved for PSR, although funding is provided for the extra-help salaries, as included on the attached PSR table. As of this time, 26 positions and one-time support costs require the use of \$1,874,618 in PSR funding plus leveraged funds available from department savings and other non-General Fund revenues in Fiscal Year 2015-2016.

#### District Attorney

- No positions filled during this reporting period.
- At this time, the District Attorney has filled all four of their approved positions for Phase I.

#### Probation

- Filled five positions during the reporting period: one System Technician and four Probation Corrections Officers I/II. The System Technician position will assist with the daily information technology (IT) needs of the Day Reporting Center by controlling production applications, monitoring system resources and response times, and provide installation of computer hardware/software. The four Probation Corrections Officers I/II will enable the Department to provide enhanced levels of programming and service funded by the Youthful Offender Block Grant.
- At this time, the Probation Department has filled 12 of their approved 13 positions for Phase I and is in the process of filling the remaining approved position.

#### Public Defender

- Filled one position during the reporting period: Manager II. This position will serve as the Investigations Unit Manager. Investigations services are a critical component to the quality and efficiency of legal defense services and will support improved processing of cases administered through the Public Defender.
- The Public Defender has conducted interviews for the Deputy Public Defender position and plans to extend an offer of employment as a result.
- The Department has also started the recruitment process for the Investigator position. Interviews will be conducted soon.
- The Public Defender has three vacant authorized positions in Phase I and is in the process of filling all remaining approved positions.

#### Sheriff

- No positions filled during this reporting period.
- The Sheriff's Department has filled four of their 18 approved positions for Phase I and is working to fill all remaining vacancies to restore services approved through the PSR program.
- The Department currently has candidates identified and scheduled to participate in Basic POST training to fill all remaining vacancies during Fiscal Year 2015-2016.

The table on the following page summarizes the implementation of approved services and budget authority related to PSR in the current Fiscal Year.

**Public Safety Restoration - Quarterly Update**

Data as of December 31, 2015

**District Attorney**

Positions/Services Approved	Implementation Status	PSR Funds to be Used in FY 2015-2016
Lieutenant - Investigations Unit	Initiated in Q4 FY 14-15	\$192,140
System Technician I - IT Support and Automation	Initiated in Q4 FY 14-15	\$71,500
Vehicle for Investigator	Initiated in Final Budget FY 15-16	\$34,640
Attorney V ( Replaced a Criminal Investigator II)	Initiated in Q1 FY 15-16	\$111,705
Victim Advocate II - Victim Services	Initiated in Q1 FY 15-16	\$74,169
Total Funds Used in FY 15-16		\$484,154
Total Approved in FY 15-16 (1)		\$584,000
<b>Balance Remaining</b>		<b>\$99,846</b>

**Probation**

Positions/Services Approved	Implementation Status	PSR Funds to be Used in FY 2015-2016
Supv. Probation Officer - Day Reporting Center	Initiated in Q3 FY 14-15	\$143,480
Deputy Probation Officer III - Day Reporting Center	Initiated in Q3 FY 14-15	\$133,000
Deputy Probation Officer I/II - Day Reporting Center	Initiated in Q4 FY 14-15	\$119,000
Supv. Probation Corrections Officer - Alternative to Custody Program	Initiated in Q4 FY 14-15	Funded in JJCPA
(2) Probation Corrections Officer III - Institutions Programs	Initiated in Q4 FY 14-15	Funded in YOBG
Manager II - Clerical Management Support	Initiated in Q1 FY 15-16	\$94,320
Systems Technician - IT Support	Initiated in Q2 FY 15-16	\$48,732
(4) Probation Corrections Officer I/II - Institutions Programs	Initiated in Q2 FY 15-16	Funded by YOBG
Crime Analyst - Juvenile Programs	In Progress	\$0
Total Funds Used in FY 15-16		\$538,532
Total Approved in FY 15-16		\$700,000
<b>Balance Remaining</b>		<b>\$161,468</b>

**Public Defender**

Positions/Services Approved	Implementation Status	PSR Funds to be Used in FY 2015-2016
Manager II - Investigations Unit Manager	Initiated in Mid-Year FY 15-16	*NCC Savings
(2) Special Investigator - Investigations Unit	In Progress	\$0
Attorney V - General Defense	In Progress	\$0
*NCC Savings - Net County Cost Savings	Total Funds Used in FY 15-16	\$0
Total Approved in FY 15-16		\$220,000
<b>Balance Remaining</b>		<b>\$220,000</b>

**Sheriff**

Positions/Services Approved	Implementation Status	PSR Funds to be Used in FY 2015-2016
Lieutenant - Watch Commander	Initiated in Q3 FY 14-15	\$167,138
Lieutenant - Emergency Services/County Security	Initiated in Q4 FY 14-15	MRFA/CEO-OES
(16) Deputy Sheriff - Community Resources, Investigations, etc.	Initiated in Q4 FY 14-15 (2/16)	\$244,000
(5) Deputy Sheriff Intern - extra help (1st Training Academy)	Initiated in Q4 FY 14-15	\$57,007
(5) Deputy Sheriff Intern - extra help	In Progress	\$0
One-Time Equipment Support Costs	Initiated in Q4 FY 14-15	\$383,787
Total Funds Used in FY 15-16		\$851,932
Total Approved in FY 15-16 (2)		\$2,496,000
<b>Balance Remaining</b>		<b>\$1,644,068</b>

**Summary Total**

Total Funds To Be Used in FY 15-16	\$1,874,618
Total Approved in FY 15-16	\$4,000,000
<b>Balance Remaining</b>	<b>\$2,125,382</b>

(1) PSR savings roll forward from FY 14-15 will support one-time costs of \$71,310 for the District Attorney.

(2) PSR savings roll forward from FY 14-15 will support one-time costs of \$559,500 for the Sheriff.

**MID-YEAR ISSUES AND RECOMMENDATIONS**

The recommendations contained in this report for A Safe Community will increase appropriations by \$2,553,710 funded by an increase in estimated revenue of \$1,039,439, an increase in Net County Cost of \$1,513,050 and an increased use of departmental fund balance of \$1,221.

**CHIEF EXECUTIVE OFFICE – OFFICE OF EMERGENCY SERVICES/FIRE WARDEN**

**Technology Innovation:** The Chief Executive Office – Office of Emergency Services has requested \$112,850 of Technology Innovation Funding for the Emergency, Staff & Community Notification System Implementation project. This project will implement a cloud-based, highly-available, secure and fully-featured notification system for use in notifying the public in emergency situations, for use in communicating with County staff for emergency and non-emergency purposes, and for engaging the citizens of Stanislaus County in local government functions utilizing a proactive, opt-in approach. This project would involve contracting with Everbridge, Incorporated to implement their suite of notification products in Stanislaus County. The budget for this project includes implementation costs, on-site training, the annual subscription fee for the suite, as well as the purchase of two mobile devices to assist in training, promotion costs to help the citizens of Stanislaus County understand the purpose and value of opting in to notifications, print collateral to be used by County departments and partners, and a small amount of contingency for such overhead items as hosting training for our partners in the Operational Area of Stanislaus County on the use of the notification suite.

The purchase of this product was approved by the Board of Supervisors on December 15, 2015. Reimbursement of \$98,150 is recommended, which is equal to the project’s fiscal impact.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
CEO - Office of Emergency Services	\$0	\$98,150	\$0	\$98,150	Increase in appropriations funded from Appropriations for Contingencies for the Office of Emergency Services' Emergency, Staff & Community Notification System Implementation project as part of the Technology Innovations program.
<b>Total</b>	<b>\$0</b>	<b>\$98,150</b>	<b>\$0</b>	<b>\$98,150</b>	

**Summary of Recommendations:**

It is recommended to increase appropriations up to \$98,150, funded from Appropriations for Contingencies, to fund the Chief Executive Office – Office of Emergency Services’ Technology Innovation Program.

**DISTRICT ATTORNEY**

Criminal Division: Estimated salaries and benefits costs are higher than appropriated due to overtime costs relating to multiple defendant cases and retirement cashouts. The Department is requesting an increase of \$167,000 in appropriations due to overtime costs and \$93,753 for retirement cashouts. Retirement cashouts were not included in department budgets as part of the 2015-2016 Zero-Based Budget and instead were set aside in Appropriations for Contingencies to be transferred to departments only when actually incurred and needed for budget balancing.

Witness costs and transcription costs are projected to exceed appropriations by \$58,000 in the 2015-2016 Fiscal Year. These costs can fluctuate due to fees charged for acquiring priors from other counties and the costs for transcripts of interviews which are required by the courts. The Department is requesting an increase in appropriations of \$16,000 for witness costs and \$42,000 for transcription costs.

An increase in appropriations of \$14,332 is requested for litigation costs that have already occurred within this Fiscal Year. These costs were not anticipated nor included in the 2015-2016 Adopted Final Budget.

The Department's 10 year old plotter is no longer working and needs to be replaced. With the volume of cases, the plotter has been used on a daily basis to print large items to display in court. The Department is requesting an increase in appropriations of \$10,000 to replace the broken plotter.

In the 2014-2015 Fiscal Year, the District Attorney received funding for information technology (IT) equipment that was damaged due to the failed air conditioning system. Additional expenditures of \$11,500 have been identified that are related to the damage from the heat exposure of the failing air conditioning system. Equipment needing to be replaced includes: power units and hard drives; cables; memory power units; and incidental cost for configuration. The 2014-2015 Fiscal Year funding was also used to replace the air conditioning system in the server room. It has now been recommended by the General Services Agency and the air conditioning vendor, Champion, to install needed automated control to ensure the backup air conditioning functions automatically. The cost estimate from the General Services Agency for the air conditioning auto change over conduit and Intellislot communication card is recommended at \$7,000. The Department is requesting an increase in appropriations of \$18,500 to fund the additional IT equipment.

The Department is requesting an increase in appropriations of \$25,000 for additional servers to store evidence and data pertaining to each case. The expanded server capacity is required due to an increase of technology being used in criminal cases across the Department. This increase can be attributed to new technology: body cams; audio files; and digital evidence. Digital evidence must be kept in an electronic format and remain accessible and maintained by State law. The Department currently has over 120 pending homicide cases, which has caused the increased need for storage.

Office of Traffic Safety Impaired Driver Vertical Prosecution: This Federal grant from the Office of Traffic Safety came in lower than anticipated in the 2015-2016 Final Budget. The Department is requesting a decrease in estimated revenue of \$15,132 and a decrease to appropriations of \$31,374. The Department projected ending the year with a negative fund balance of \$16,242; with this adjustment the Department anticipates ending the year with zero fund balance.

Unserved/Underserved Victim Advocacy and Outreach: Grant funding from the California Governor's Office of Emergency Services came in lower than anticipated. It is requested to decrease estimated revenue by \$27,883 and decreased appropriations by \$17,201 resulting in the use of \$10,682 from departmental fund balance. The Department projected ending the year with a positive fund balance of \$10,682; with this adjustment the Department anticipates ending the year with zero fund balance.

Victim Services Program: Additional grant funding was awarded to this budget from the California Governor's Office of Emergency Services. The Department is requesting an increase in estimated revenue of \$22,030 to reflect the additional award amount and increase in appropriations of \$28,811. The Department projected ending the year with a positive fund balance of \$6,781; with this adjustment the Department anticipates ending the year with zero fund balance.

**Technology Innovation:** The District Attorney has requested \$114,400 of Technology Innovation Funding for the Efficient Delivery of Discovery project. This project will enable the District Attorney's Office to move toward an e-data file system. Funding will enable a data upload system that will categorize all incoming documents directly into a data case file. Deputy District Attorneys will receive all case file information from outside law enforcement agencies, defense attorneys and all other outside communication as soon as it arrives in the office.

Additionally, the District Attorney requested \$20,000 of Technology Innovation Funding for its Strategic Initiative in the Courtroom project. This project will enable the District Attorney's Office to move toward a data file system. Funding will enable Deputy District Attorneys the hardware needed to view the data that is now available online. They will no longer be standing in line waiting to receive their files.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
District Attorney - Criminal Division	\$0	\$167,000	\$0	\$167,000	Increase in appropriations for overtime costs funded from Appropriations for Contingencies.
District Attorney - Criminal Division	\$0	\$93,753	\$0	\$93,753	Increase in appropriations for retirement cashout costs funded from Appropriations for Contingencies.
District Attorney - Criminal Division	\$0	\$16,000	\$0	\$16,000	Increase in appropriations for witness costs funded from Appropriations for Contingencies.
District Attorney - Criminal Division	\$0	\$42,000	\$0	\$42,000	Increase in appropriations for transcription costs funded from Appropriations for Contingencies.
District Attorney - Criminal Division	\$0	\$14,332	\$0	\$14,332	Increase in appropriations for litigation costs funded from Appropriations for Contingencies.
District Attorney - Criminal Division	\$0	\$18,500	\$0	\$18,500	Increase in appropriations for IT equipment funded from Appropriations for Contingencies.
District Attorney - Criminal Division	\$0	\$10,000	\$0	\$10,000	Increase in appropriations for the purchase of a plotter funded from Appropriations for Contingencies.
District Attorney - Criminal Division	\$0	\$25,000	\$0	\$25,000	Increase in appropriations for additional servers funded from Appropriations for Contingencies.
District Attorney - Criminal Division	\$0	\$134,400	\$0	\$134,400	Increase in appropriations funded from Appropriations for Contingencies for the DA's Efficient Delivery of Discovery and Strategic Technology Initiative in the Courtroom projects as part of the Technology Innovations program.
District Attorney - Office of Traffic Safety Impaired Driver Vertical Prosecution	(\$15,132)	(\$31,374)	(\$16,242)	\$0	Decrease estimated revenue and appropriations to reflect reduction in award amount and end the year with zero fund balance.
District Attorney - Unserved/underserved Victim Advocacy and Outreach	(\$27,883)	(\$17,201)	\$10,682	\$0	Increase estimated revenue and appropriations to reflect reduction in award amount and end the year with zero fund balance.
District Attorney - Victim/Witness Assistance Program	\$22,030	\$28,811	\$6,781	\$0	Increase estimated revenue and appropriations to reflect increase in award amount and end the year with zero fund balance.
<b>Total</b>	<b>(\$20,985)</b>	<b>\$501,221</b>	<b>\$1,221</b>	<b>\$520,985</b>	

## **Summary of Recommendations:**

It is recommended to increase appropriations by \$501,221 and decrease estimated revenue by \$20,985 in the District Attorney's budget, funded by a transfer of \$520,985 from Appropriations for Contingencies, resulting in an increase in the use of departmental fund balance of \$1,221. Included within these adjustments are the recommended appropriations of up to \$134,400, to fund the District Attorney's Technology Innovation Program projects.

## **PROBATION**

The Probation Department has requested that the Auditor-Controller and the Chief Executive Officer be given the authority to process requests to transfer appropriations among the four Probation budgets of Administration, Field Services, Juvenile Commitment Facility, and Institutions in order to ensure these budgets end the year in a positive position.

Administration: The Department is requesting an increase in appropriations of \$158,582 due to one-time retirement cash outs. These anticipated appropriations were not budgeted in the 2015-2016 Zero-Based Budget. Retirement cashouts were not included in department budgets as part of the 2015-2016 Zero-Based Budget and instead were set aside in Appropriations for Contingencies to be transferred to departments only when actually incurred and needed for budget balancing.

Juvenile Commitment Facility: The Department is requesting an increase in appropriations of \$64,096 due to one-time retirement cash outs. These anticipated appropriations were not budgeted in the 2015-2016 Zero-Based Budget. Retirement cashouts were not included in department budgets as part of the 2015-2016 Zero-Based Budget and instead were set aside in Appropriations for Contingencies to be transferred to departments only when actually incurred and needed for budget balancing.

Field Services: The Stanislaus County Security Officer has completed a safety assessment of the Probation Department. As part of the review of the Blue Gum Facility, potential safety concerns related to building accessibility led to a recommendation for implementation of a proximity card system. The Department will work with the County Security Officer to develop a project plan and cost estimates that will be brought back to the Board of Supervisors at Third Quarter.

**Technology Innovation:** Probation has requested \$93,940 in Technology Innovation funding for the Advanced Scanning project. The Probation Advanced Scanning Information Technology project will provide a greatly streamlined scanning process at Probation by automating document recognition resulting in greater scanning efficiencies. The Department has also requested \$20,000 for the E-Payments project. The Probation E-Payments Information project will provide Probation clientele the opportunity to pay their Probation restitution, fines and fees any time from an internet enabled device. This project will also reduce the cost spent on paper statements and time the Probation Accounting staff spends accepting and processing payments. Additionally, the Department requested \$59,210 for Integrated Criminal Justice Information System (ICJIS) Mobile Design. This project will facilitate improved access to Probation ICJIS for Probation Officers in the field and in the Court Room. Department staff has identified key functions to make available on a mobile browser interface.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Probation - Administration	\$0	\$158,582	\$0	\$158,582	Increase in appropriations due to retirement cashouts, funded from Appropriations for Contingencies
Probation - Field Services	\$0	\$173,150	\$0	\$173,150	Increase in appropriations funded from Appropriations for Contingencies for Probation's Advanced Scanning, E-Payments and ICJIS Mobile Design projects as part of the Technology Innovations Program. Of this amount \$32,000 if for Fixed Assets.
Probation - Juvenile Commitment Facility	\$0	\$64,096	\$0	\$64,096	Increase in appropriations due to retirement cashouts, funded from Appropriations for Contingencies
<b>Total</b>	<b>\$0</b>	<b>\$395,828</b>	<b>\$0</b>	<b>\$395,828</b>	

**Staffing Requests:** As part of the 2015-2016 Final Budget, the Department requested a classification study of one Accountant II position. The study has been completed and based on the job duties and responsibilities, it is recommended to reclassify upward this position to an Accountant III.

PROBATION TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Administration	1	9705	Accountant II	Reclassify upward	Accountant III

**Summary of Recommendations:**

It is recommended to increase appropriations by \$395,828, funded by a transfer from Appropriations for Contingencies. Included within this recommendation is the increase to appropriations of up to \$173,150, to fund Probation's Technology Innovation Program projects. Of this increase, \$32,000 will be for fixed assets. It is further recommended that the Auditor-Controller and the Chief Executive Officer be given the authority to process requests to transfer appropriations among the four Probation budgets of Administration, Field Services, Juvenile Commitment Facility, and Institutions in order to ensure these budgets end the year in a positive position. Last, it is further recommended that the staffing change described and outlined in the table above be adopted.

**SHERIFF**

The Sheriff's Department has requested that the Auditor-Controller and the Chief Executive Officer be given the authority to process requests to transfer appropriations among the four Sheriff budgets of Administration, Detention, Operations, and Contract Cities in order to ensure these budgets end the year in a positive position.

Administration: The Department is requesting an increase in estimated revenue and appropriations of \$52,874 to reflect an increase in revenue from Concealed Carry Weapon fees. This additional fee revenue will cover salary expenses incurred through processing more Concealed Carry Weapon applications than originally budgeted.

The Sheriff's Department is requesting an increase of \$49,266 in estimated revenue and appropriations to capture the increase in Civil Process fees that has been generated by the Civil Division and the additional



staff time incurred to generate those fees. Additionally, the Department is requesting additional revenue and appropriations in Vehicle Release Fees amounting to \$12,200.

An increase in appropriations of \$10,674 for retirement cashouts and \$3,429 for compensatory time cashouts has been requested by the Sheriff's Department. The cost for these cashouts were not included in the 2015-2016 Zero-Based Budget. Retirement cashouts were not included in department budgets as part of the 2015-2016 Zero-Based Budget and instead were set aside in Appropriations for Contingencies to be transferred to departments only when actually incurred and needed for budget balancing.

The Sheriff is requesting additional appropriations of \$56,793 in order to purchase a much needed upgrade to the telephone system within the Sheriff's Department. This upgrade will bring the software and equipment up to a version which will allow the Department to install cameras so there can be multi-site video conferencing available for daily use by the Sheriff's Department. The system will connect the Sheriff's Operations Center and each of the contract cities so Patrol Briefings and related trainings can take place with the involvement of all pertinent staff. The equipment purchased will give the Sheriff full control over the video conferencing broadcasts so it can be set up and monitored securely by the Sheriff's IT staff ensuring that the video stream will be secured from outside sources or intrusions.

CAL ID Program: The Sheriff's Department is requesting an increase in estimated revenue and appropriations of \$41,022. Revenue from Vehicle Registration fees is coming in higher than anticipated, which will help fund additional projects.

Contract Cities: The Department is requesting to make a technical adjustment in order to recognize the accounting method by which the Patrol Vehicles are expensed to the city. It is requested to transfer \$100,000 from the Fixed Asset category to the Other Charges category.

The Sheriff's Department is also requesting an increase in revenue and appropriations of \$50,149 in the 2015-2016 Fiscal Year for three months of costs for a Community Services Officer and Deputy Sheriff. The Deputy Sheriff will serve as a School Resource Officer in the City of Patterson. The City of Patterson has already approved the increase of ongoing cost for both positions at their Council meeting. There is no General Fund impact for this request.

Detention: The Department is requesting an increase in appropriations for increased costs of \$45,629 for termination cashouts and \$153,861 for compensatory time cashouts which were not included in the 2015-2016 Zero-Based Budget. Cashouts were not included in department budgets as part of the 2015-2016 Zero-Based Budget and instead were set aside in Appropriations for Contingencies to be transferred to departments only when actually incurred and needed for budget balancing.

Jail Commissary/Inmate Welfare: The Department is requesting an increase in estimated revenue and appropriations of \$47,485. Estimated revenues are coming in higher which will cover the additional overtime and extra help costs associated with this budget.

Operations: The Sheriff's Department is requesting an increase in estimated revenue and appropriations of \$243,609 due to the Community Oriented Policing Services (COPS) Technology grant that was budgeted to end last year; at the last minute, the grant was modified to be budgeted into the 2015-2016 Fiscal Year. The Department is also requesting to increase estimated revenue and appropriations of \$160,011 for the Avoid the 12 grant. This grant funds the Sheriff's Department for expenses related to organizing and conducting DUI checkpoint stops periodically throughout the year. Law Enforcement Services for 2015-2016 have increased; therefore, the Sheriff is requesting an increase in estimated revenue and

appropriations of \$60,410. Last, estimated revenue and appropriations have increased from the Stanislaus Drug Enforcement Agency (SDEA) by \$48,030.

The Sheriff is requesting an increase in estimated revenue in the amount of \$72,175 to recognize additional Police Officers Standards and Training (POST) reimbursements received for required training for Sheriff Deputies that was conducted in the 2015-2016 Fiscal Year but had not been included in the Adopted Final Budget. The Sheriff is additionally requesting an increase in estimated revenue in the amount of \$122,754 due to an increase in Academy and Class Fees. Estimated revenue has been increased based on having more enrollees in the academy than originally anticipated and increased participation by outside agencies in Sheriff's Tactical Operations Program (STOP) training conducted by the Sheriff's Department.

The Sheriff's Department incurred an increase in expenditures of \$154,124 for the cost of mutual aid provided in connection with the Trinity and Butte fires that devastated their respective communities. The Sheriff has been able to submit a claim of \$100,619 for the services rendered at these fires to the State. The Department is requesting an increase in estimated revenue of \$100,619 and appropriations of \$154,124 to cover the costs of the mutual aid provided to the communities.

The Department is requesting an increase in appropriations for increased costs of \$50,756 for termination cashouts and \$96,678 for compensatory time cashouts which were not included in the 2015-2016 Zero-Based Budget. Cashouts were not included in department budgets as part of the 2015-2016 Zero-Based Budget and instead were set aside in Appropriations for Contingencies to be transferred to departments only when actually incurred and needed for budget balancing. The Sheriff is also requesting an increase in appropriations of \$12,960 due to a retirement funding error for a deputy returning from military service.

The Sheriff is requesting additional appropriations in the amount of \$24,671 to purchase adjustable sit-stand workstations which can be raised to accommodate working in a standing position thus reducing unnecessary strain on the neck and back. The property and evidence workstations are over 20 years old and out of date with current ergonomics standards. The current setup is a standard desk; the Crime Analyst Techs use these for all of their work which includes bending over the desks for extended periods of time examining evidence. Along with the new work stations will be a static work top and storage in order to provide a flat workspace and storage in the property and evidence unit.

The surveillance system the Sheriff currently has in place to monitor the property and evidence secure storage area is experiencing problems due to the age of the equipment within the system. The Department is requesting one-time appropriations of \$35,688 to replace the camera system with new equipment which can monitor and record the secure area constantly and without blind spots.

The inventory system currently in use by the Property and Evidence technicians has been in need of an upgrade to a currently supported version of the Quetel software. The unit could not complete such an upgrade due to the system needing to have new dedicated server space that was up to date and could handle the specifications of the new version of the software. IT was able to complete the hardware upgrade earlier this year so Property and Evidence is now ready to upgrade the Quetel software system and the necessary software will represent a one-time increase in appropriations of \$28,621.

The Sheriff is requesting an increase in appropriations of \$10,810 to purchase a mobile fuel tank for use by the air unit. The current fuel tank was determined to no longer be usable due to safety concerns. The new tank will allow the air unit to deploy its own fuel reserve of up to 150 gallons when necessary.

The Sheriff Team Investigating Narcotics and Gangs (STING) has been redeployed and is requesting an increase of \$25,000 in appropriations to purchase equipment that is needed by the team as it rebuilds and carries out its investigative functions. The equipment purchased by this team is expected to be less-lethal shotguns and pepper ball guns, a tablet to have accurate mapping information and mobile access to public records, breaching tools, flexible shields, safety equipment to outfit the cars, and a thermal imaging “FLIR” device. This equipment will be enough to support the full 11 member STING team once it is fully operational.

The Sheriff is requesting an increase in appropriations of \$83,761 to purchase seven P25 compliant digital 800 MHz mobile radios and 11 P25 compliant portable radios for use by the STING team. The STING team more than any other unit works closely with other local law enforcement agencies to combat gang and narcotic proliferation in Stanislaus County. Ceres and Turlock police departments have already switched over to the P25 800 network and Modesto Police Department will switch over very soon. The current 800 MHz radio’s used by the Sheriff are analog and operate on an open frequency meaning that the radio traffic can be heard by anyone who has a scanner. The new encrypted radios require specialized equipment but they are digital and their traffic is encrypted unless you have the decryption software installed in the radio. This makes the radios very secure and the team will be able to maintain radio contact with our local partners and access the new P25 interoperability system that has been deployed within the County to support the digital 800 frequencies.

The Sheriff’s Department has identified a critical need for an additional Communication Tower Site to be placed in the City of Waterford to support communication capabilities of both the Sheriff’s Department and Stanislaus Consolidated Fire District in the area. Currently the system is unreliable and service is spotty even within the City of Waterford and it degrades further as you venture out from the city. This is problematic as calls for service in and around Waterford are on the rise and the inadequate radio coverage is putting public safety personnel at an increased risk of getting into an unsafe situation with little or no communication ability. The plan will include the Geotechnical Soil Report, a 160 foot tower, Equipment Shelter, and Installation. Once the plan has been detailed out, the Department will be back to the Board of Supervisors with a request for funding.

### **Public Safety Restoration**

The Sheriff is requesting to use current Fiscal Year savings in Public Safety Restoration to fund additional one-time costs in the department that have materialized as a result of implementing service enhancements approved in Phase I.

The Sheriff is requesting an increase in appropriations of \$46,710 to pay for flooring that was completed in connection with the reorganization and new workstations in the detectives’ workspace. The floor was discolored, badly worn and falling apart. Public Safety Restoration savings will be used to fund this request with a transfer from Departmental Appropriations for Contingencies.

The Sheriff is requesting increased appropriation of \$54,760 to purchase equipment and investigative tools to replace those that are old and outdated and augment the investigative capabilities of the Detectives unit. Some of the equipment that will be purchased under this request is software that will allow the detectives to capture the social media feeds of a desired geographical region, new undercover recording equipment, and equipment used to legally capture evidence from digital media including smart phones and tablets. Public Safety Restoration savings will be used to fund this request with a transfer from Departmental Appropriations for Contingencies.

With the approval of the Deputy Sheriff positions as part of Public Safety Restoration request, the Department estimated radios of one-time costs of \$838 per Deputy. The Department has upgraded the technology standards for new radio purchases to support interoperability with police departments using 800 MHz radios at a cost of \$2,643 per radio. The Sheriff is requesting \$28,876 in appropriations to cover the difference of the radio costs for 16 new portable radios. Public Safety Restoration savings will be used to fund this request with a transfer from Departmental Appropriations for Contingencies.

The Department is requesting additional appropriations on an as needed basis to double fill up to seven Deputy Sheriff positions for up to three months each. The amount authorized for these double fills is up to \$233,100, and will be reconciled at year-end to ensure that funding is provided only for the actual amount used. This will give the Sheriff the flexibility to double hire up to seven positions when recruitment efforts result in excess qualified candidates. This should provide the Department options so new recruits can be brought into the Department while the new positions associated with Phase II Public Safety Restoration come online or until allocated positions open up through attrition or promotion. It is requested that this authority be granted for the remainder of the 2015-2016 Fiscal Year and through the 2016-2017 Budget Year. This will provide limited-term authority for the Department to increase the rate upon which new Deputy positions are filled, successfully trained and deployed to support Department operations. Public Safety Restoration savings will be used to fund this request with a transfer from Departmental Appropriations for Contingencies at year-end.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Sheriff - Administration	\$52,874	\$52,874	\$0	\$0	Increase estimated revenue and appropriations due to increased Concealed Carry Weapon
Sheriff - Administration	\$49,266	\$49,266	\$0	\$0	Increase estimated revenue and appropriations due to increased Civil Process fees.
Sheriff - Administration	\$12,200	\$12,200	\$0	\$0	Increase estimated revenue and appropriations due to increased Vehicle Release fees.
Sheriff - Administration	\$0	\$56,793	\$0	\$56,793	Increase appropriations for the IT phone system upgrade funded from Appropriations for Contingencies.
Sheriff - Administration	\$0	\$10,674	\$0	\$10,674	Increase in appropriations for retirement cashouts funded from Appropriations for
Sheriff - Administration	\$0	\$3,429	\$0	\$3,429	Increase in appropriations for compensatory time cashout funded from Appropriations for Contingencies.
Sheriff - Cal ID	\$41,022	\$41,022	\$0	\$0	Increase estimated revenue and appropriations due to increased Vehicle License Fees.
Sheriff - Contract Cities	\$0	(\$100,000)	\$0	(\$100,000)	Transfer from fixed assets to other charges.
Sheriff - Contract Cities	\$0	\$100,000	\$0	\$100,000	Transfer to other charges from fixed assets.
Sheriff - Contract Cities	\$50,149	\$50,149	\$0	\$0	Increase in appropriations for the cost of a Deputy Sheriff and Community Services Officer.
Sheriff - Detention	\$0	\$45,629	\$0	\$45,629	Increase in appropriations for retirement cashouts funded from Appropriations for
Sheriff - Detention	\$0	\$153,861	\$0	\$153,861	Increase in appropriations for compensatory time cashout funded from Appropriations for Contingencies.
Sheriff - Inmate Welfare	\$47,485	\$47,485	\$0	\$0	Increase estimated revenue and appropriations due to additional revenues received.
Sheriff - Operations	\$243,609	\$243,609	\$0	\$0	Increase in estimated revenue and appropriations due to the COPS Grant.
Sheriff - Operations	\$160,011	\$160,011	\$0	\$0	Increase in estimated revenue and appropriations due to the Avoid the 12 Grant.
Sheriff - Operations	\$60,410	\$60,410	\$0	\$0	Increase in estimated revenue and appropriations due to Law Enforcement
Sheriff - Operations	\$48,030	\$48,030	\$0	\$0	Increase in estimated revenue and appropriations due to SDEA increases.
Sheriff - Operations	\$72,175	\$0	\$0	(\$72,175)	Increase in estimated revenue due to POST reimbursement.
Sheriff - Operations	\$122,574	\$0	\$0	(\$122,574)	Increase in estimated revenue due increase in Academy and class fees.
Sheriff - Operations	\$100,619	\$154,124	\$0	\$53,505	Increase in estimated revenue and appropriations due to Trinity and Butte fires mutual aid funded from Appropriations for
Sheriff - Operations	\$0	\$50,756	\$0	\$50,756	Increase in appropriations for retirement cashouts funded from Appropriations for
Sheriff - Operations	\$0	\$96,678	\$0	\$96,678	Increase in appropriations for compensatory time cashout funded from Appropriations for Contingencies.
Sheriff - Operations	\$0	\$12,960	\$0	\$12,960	Increase in appropriations due to an retirement calculations error funded from Appropriations for Contingencies.
Sheriff - Operations	\$0	\$24,671	\$0	\$24,671	Increase in appropriations for property and evidence equipment funded from Appropriations for Contingencies.
Sheriff - Operations	\$0	\$35,688	\$0	\$35,688	Increase in appropriations for the Surveillance system funded from Appropriations for Contingencies.
Sheriff - Operations	\$0	\$28,621	\$0	\$28,621	Increase in appropriations for the Quetel software funded from Appropriations for
Sheriff - Operations	\$0	\$10,810	\$0	\$10,810	Increase in appropriations for the mobile fuel tank funded from Appropriations for
Sheriff - Operations	\$0	\$25,000	\$0	\$25,000	Increase in appropriations for STING equipment funded from Appropriations for Contingencies.
Sheriff - Operations	\$0	\$83,761	\$0	\$83,761	Increase in appropriations for radios funded from Appropriations for Contingencies.
Sheriff - Operations	\$0	\$46,710	\$0	\$46,710	Increase in appropriations for flooring for the investigations unit funded from Public Safety Restoration.
Sheriff - Operations	\$0	\$54,760	\$0	\$54,760	Increase in appropriations for detective equipment funded from Public Safety
Sheriff - Operations	\$0	\$28,876	\$0	\$28,876	Increase in appropriations for radios funded Public Safety Restoration.
Sheriff - Operations	\$0	\$233,100	\$0	\$233,100	Increase in appropriations up to \$233,100 to allow the Department to double fill 7 positions funded from Public Safety Restoration.
Sheriff - Operations	\$0	(\$363,446)	\$0	(\$363,446)	Transfer from Departmental Appropriations for Contingencies to fund Public Safety Restoration requests.
<b>Total</b>	<b>\$1,060,424</b>	<b>\$1,558,511</b>	<b>\$0</b>	<b>\$498,087</b>	

**Staffing Requests:** The Department is requesting to add one new Deputy Sheriff position in Contract Cities to serve as a School Resource Officer for the City of Patterson. The Department is also requesting to add one new Community Service Officer position in Contract Cities to be housed in the Patterson substation. The request and funding for these positions have been approved by the Patterson City Council.

The Department is also requesting to double fill seven Deputy Sheriff positions in Operations as discussed above. Public Safety Restoration savings will be used to fund this request.

SHERIFF DEPARTMENT STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Contract Cities	1	NEW	Deputy Sheriff	Add new position	Deputy Sheriff
	1	NEW	Community Service Officer	Add new position	Community Service Officer
<b>SHERIFF CHANGES</b>	<b>2</b>				
Beginning Allocation	623				
Changes in Allocation	2				
Ending Allocation	625				
SHERIFF DEPARTMENT TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Operations	7	13871, 13872, 13873, 13874, 13875, 13876, 13877	Deputy Sheriff	Double fill	Double fill up to 90 Days

**Summary of Recommendations:**

It is recommended to increase estimated revenue by \$1,060,324 and appropriations by \$1,558,511, funded by a \$498,087 transfer from Appropriations for Contingencies. It is further recommended that the Auditor-Controller and the Chief Executive Officer be given the authority to process requests to transfer appropriations among the four Sheriff budgets of Administration, Detention, Operations, and Contract Cities in order to ensure these budgets end the year in a positive position. Last, it is recommended that 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

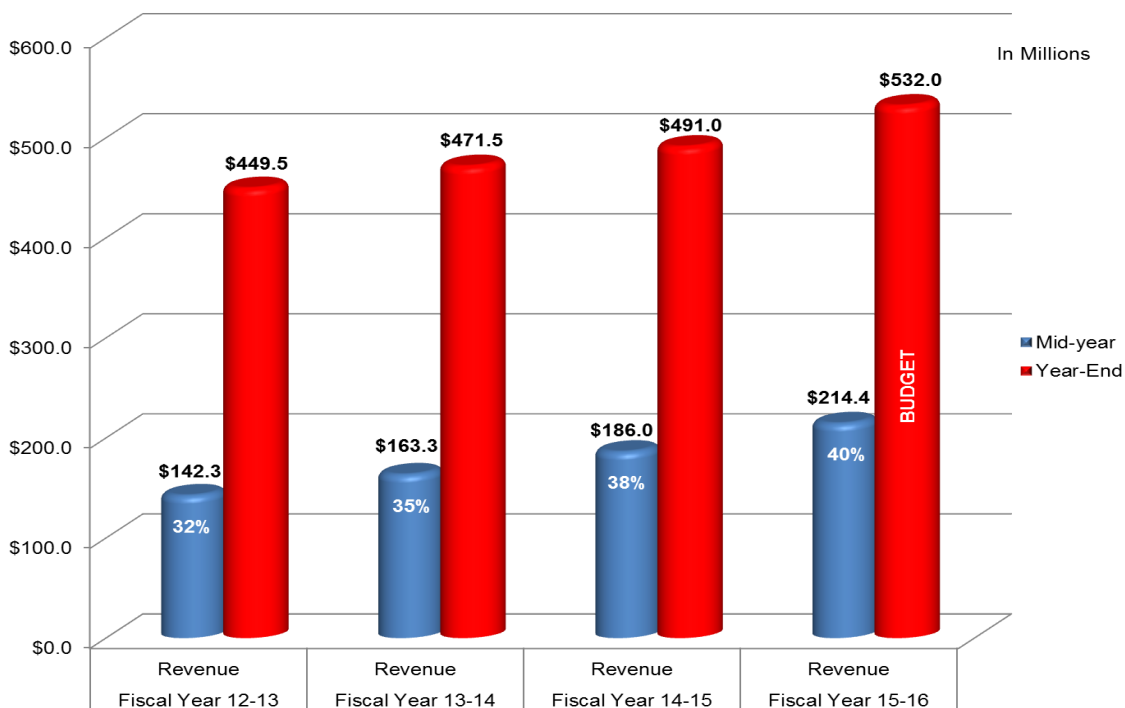
## OVERVIEW

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 December 31, 2015, actual revenue collected is \$214.4 million, which represents 40% of the estimated annual revenue. This is above the range when compared to the Mid-Year point of the prior three years when collections ranged from 32% and 38% of the final actual revenue. This is primarily due to the Community Services Agency (CSA) increased revenue of \$35.6 million compared to \$27,308,205 at Mid-Year of the previous year. CSA has implemented a new process of accruing revenue on a monthly basis instead of waiting until the revenues are received.

## A Healthy Community Four Year Revenue Comparison

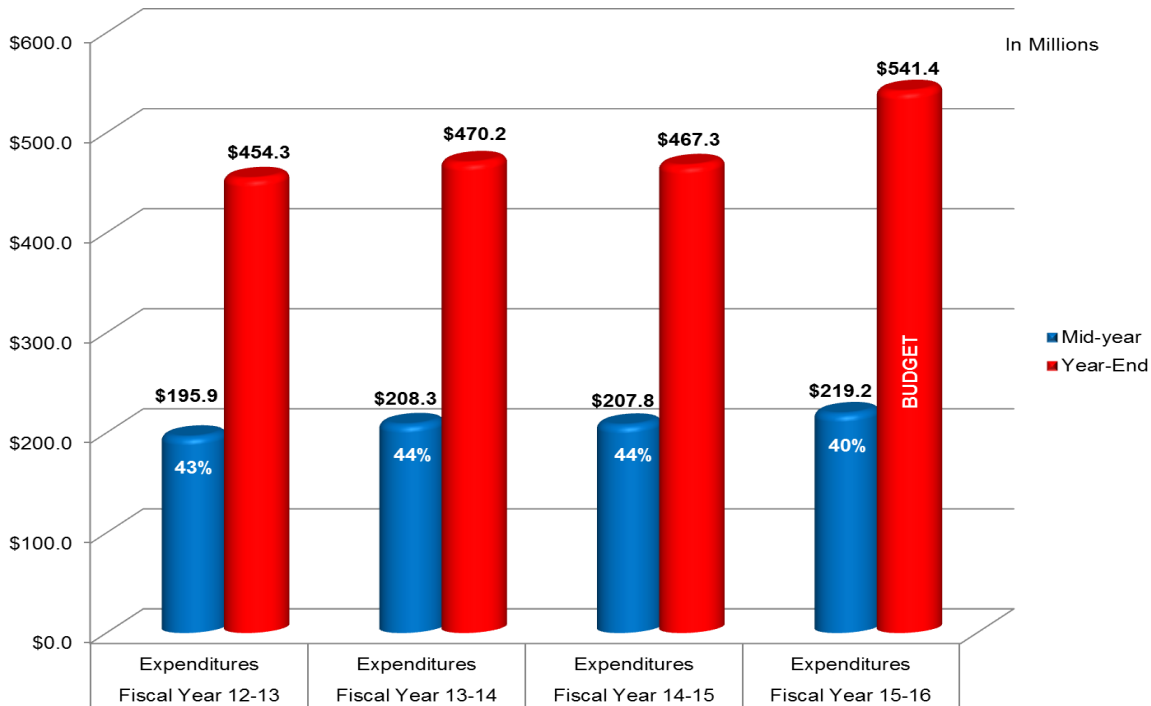




## DEPARTMENTAL EXPENDITURES

As of December 31, 2015, expenditures are \$219.2 million, representing 40% of the budgeted appropriations. Expenditures at the Mid-Year point of the prior three years ranged from 43% to 44% of the final actual expenditures, placing this year below the range. This is primarily due to the decrease in Public Economic Assistance caseload and average grant changes compared to Mid-Year last fiscal year.

### **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 include a decrease in appropriations by \$93,641 funded by an increase in estimated revenue of \$1,020,166 and the use of \$20,060 of departmental fund balance, resulting in a decrease to net county cost of \$1,133,867.

## MID-YEAR ISSUES AND RECOMMENDATIONS

### **AREA AGENCY ON AGING/VETERANS SERVICES**

The Department is requesting an increase in appropriations and revenue of \$30,083 due to a small augmentation in baseline federal funding for Older Americans Act Programs and a one-time funding augmentation from the California Department of Aging (CDA). Consistent with one-time only funding, the Senior Meals provider will use this funding to purchase a Steam Table, with an estimated cost of \$16,000. The various senior programs will use the small baseline augmentation for operational expenses. Additionally, the Veterans Division is requesting an increase of \$42,273 in appropriations for retirement cashouts for two employees. Retirement cashouts were not included in department budgets as part of the

2015-2016 Zero-Based Budget and instead were set aside in Appropriations for Contingencies to be transferred to departments only when actually incurred and needed for budget balancing.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Area Agency on Aging	\$30,083	\$30,083	\$0	\$0	Increase in appropriations and revenue due to a one-time funding from the California Department of Aging
Veterans Services		\$42,273		\$42,273	Increase in appropriations for retirement cashouts
<b>Total</b>	<b>\$30,083</b>	<b>\$72,356</b>	<b>\$0</b>	<b>\$42,273</b>	

**Summary of Recommendations:** It is recommended to increase estimated revenue by \$30,083 and appropriations by \$72,356. Additionally, it is recommended to transfer \$42,273 from Appropriations for Contingencies for the retirement cashouts.

## BEHAVIORAL HEALTH AND RECOVERY SERVICES

### Behavioral Health and Recovery Services:

**Technology Innovation:** Behavioral Health and Recovery Services (BHRS) is requesting \$41,292 in Technology Innovation funding for the Health Information Exchange (HIE) pilot program. In conjunction with the Health Services Agency (HSA), this pilot project will implement health information exchange technology services to support care coordination between County primary care clinics, County behavioral health clinics and other provider organizations serving Stanislaus County residents. The cost included represents a total cost for Calendar Year 2016.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Behavioral Health and Recovery Services	\$0	\$41,292	\$0	\$41,292	Increase in appropriations funded from Appropriations for Contingencies for BHRS's Health Information Exchange Project as part of the Technology Innovations program. Of this amount, all will be appropriated in Fixed Assets.
<b>Total</b>	<b>\$0</b>	<b>\$41,292</b>	<b>\$0</b>	<b>\$41,292</b>	

**Staffing Requests:** The Department is requesting to transfer four positions from the Mental Health Services Act budget to the Behavioral Health and Recovery Services budget, and to transfer two positions from Behavioral Health & Recovery Services to Mental Health Services Act to properly allocate these positions to the correct budget unit.

BEHAVIORAL HEALTH & RECOVERY SERVICES TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Behavioral Health & Rec Svs	1	151	Behavioral Health Advocate	Transfer in	Transfer from MHSA
	1	9336	Clinical Services Technician II	Transfer in	Transfer from MHSA
	2	14013, 14014	Mental Health Clinician II	Transfer in	Transfer from MHSA
	-1	2115	Systems Engineer II	Transfer out	Transfer to MHSA
	-1	12495	Software Developer II	Transfer out	Transfer to MHSA
Mental Health Services Act	-1	151	Behavioral Health Advocate	Transfer out	Transfer to BHRS
	-1	9336	Clinical Service Technician II	Transfer out	Transfer to BHRS
	-2	14013, 14014	Mental Health Clinician II	Transfer out	Transfer to BHRS
	1	2115	Systems Engineer II	Transfer in	Transfer from BHRS
	1	12495	Software Developer II	Transfer in	Transfer from BHRS

**Summary of Recommendations:** It is recommended to increase appropriations up to \$41,292, funded from Appropriations for Contingencies, to fund BHRS's Technology Innovation Program project. Of this amount \$41,292 will be for Fixed Assets. It is further recommended that the staffing changes described and outlined in the table above be adopted.

### CHILD SUPPORT SERVICES

The Department of Child Support Services is requesting an increase in estimated revenues and appropriations of \$17,577. Following the adoption of the 2015-2016 Final Budget, the Department was notified by the California State Department of Child Support Services of a \$26,801 increase in Electronic Data Processing and Maintenance and Operations (EDP, M&O) funding. In addition, confirmation was also received from the State Department of Child Support Services of a \$9,224 reduction in the Administrative Allocation funding. Last, the Department is requesting to transfer \$166,223 in appropriations from Salaries and Benefits to Fixed Assets for a Network Infrastructure Upgrade. The current Network infrastructure is slow and outdated.

Recommended				Description
Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
\$26,801	\$26,801	\$0	\$0	Increase in revenue and appropriations due to the increase in the Electronic Data Processing (EDP) Allocation granted by the State Department of Child Support Services.
(\$9,224)	(\$9,224)	\$0	\$0	Decrease in revenue and appropriations due to the decrease in Administrative Allocation granted by the State Department of Child Support Services.
	(\$166,223)	(\$166,223)		Transfer existing appropriations from Salaries and Benefits to Fixed Assets for a network infrastructure upgrade.
\$0	\$166,223	\$166,223		Transfer to Fixed Assets from Salaries and Benefits for a network infrastructure upgrade.
<b>\$17,577</b>	<b>\$17,577</b>	<b>\$0</b>	<b>\$0</b>	

**Summary of Recommendations:** It is recommended to increase appropriations and estimated revenue by \$17,577.

## COMMUNITY SERVICES AGENCY

The Community Services Agency (CSA) has completed a thorough review of all programs based on actual experience through December 2015. At this time the Department is requesting an overall budget decrease in estimated appropriations and revenue of \$224,866, which would decrease the total Department budget to \$324.8 million.

The Community Services Agency has requested that the Auditor-Controller and Chief Executive Officer be given the authority to process requests to transfer appropriations among the six Community Services Agency budgets of Services and Support, Public Economic Assistance, General Assistance, IHSS Public Authority- Administration, IHSS Public Authority- Benefits, and IHSS- Provider Wages in order to ensure these budgets end the year in a positive position as it relates to the use of net county cost.

Services and Supports: The Department is requesting to reallocate \$15,000 of existing appropriations from salaries and benefits to Fixed Assets to purchase a new forklift to replace an existing forklift that is over 10 years old and unreparable. The Department is currently renting a forklift to move palletized items on a weekly basis.

Public Economic Assistance: The Department is requesting a decrease in estimated revenue of \$5,719,952 and appropriations of \$6,937,384. The decrease in appropriations recognizes the decline and flat caseload and average grant trends in CalWORKs, \$4,550,820 and Foster Care and Extended Foster Care of \$2,386,564. These changes result in a reduction in Mandated Match of \$1,217,432.

Integrated Children's Services: The Department is requesting a one-time appropriation increase of \$150 from Fiscal Year 2014-2015 earned interest to bring the fund balance to \$0 (zero). During the post-closing process interest earnings were posted to this fund by the Auditor's office. The Department anticipates additional interest adjustments during Fiscal Year 2015-2016.

County Children's Fund: The Department is requesting a one-time appropriation increase of \$20,000 to provide resources, including media and training materials to the Child Abuse Prevention Council to support the Strengthening Families Initiative. As of December 31, 2015, this budget had a fund balance of \$79,440. This request is funded by receipt of estimated revenue of \$139,098.

Public Authority Administration Fund: The Department is requesting an increase in appropriations and estimated revenue of \$72,915 to redirect a Social Services Assistant (SSA) to support the redetermination of customer eligibility to legislated overtime and transportation services. Due to the Maintenance of Effort (MOE), there is no impact to county share. This request is funded by estimated revenue to be achieved in Fiscal Year 2015-2016.

In-Home Supportive Services Provider Wages: The Department is requesting an increase in appropriations and estimated revenue of \$6,619,453 due to State program changes that include: provider wage impacts of 7% restoration of provider hours, overtime and authorized transportation. The increase for the 7% restoration of authorized hours is projected at \$4,738,379, overtime is projected at \$1,286,669 and travel time at \$594,405. Due to the Maintenance of Effort (MOE), there is no impact to county share. This request is funded by estimated revenue to be achieved in Fiscal Year 2015-2016.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
CSA - Services & Supports	\$0	(\$15,000)	(\$15,000)		Decrease in Salaries/Wages appropriations - transfer of appropriations to increase Fixed Assets for Forklift.
CSA - Services & Supports	\$0	\$15,000	\$15,000		Increase in Equipment appropriations - transfer of appropriations to increase Fixed Assets for Forklift.
CSA - County Children's Fund	\$0	\$20,000	\$20,000	\$0	Increase appropriations per Child Abuse Prevention Council recommendation of one-time resources for Strengthening Families funded by using excess current year's revenue.
CSA - Integrated Children's Services	\$90	\$150	\$60	\$0	Increase appropriations for transfer out to Services and Supports fund - Support for Sober Living Environment Services.
CSA - IHSS Public Authority - Administration	\$72,915	\$72,915	\$0	\$0	Increase in estimated revenue and appropriations due to increase in PA contracted salary costs
CSA - IHSS Provider Wages	\$6,619,453	\$6,619,453	\$0	\$0	Increase in estimated Fed/St revenue and appropriations due to 7% restoration of In Home Supportive Services authorized hours and impacts of overtime and travel for IHSS Providers.
CSA - Public Economic Assistance	(\$4,404,652)	(\$4,550,820)	\$0	(\$146,168)	Decrease in revenue and appropriations in CalWorks All Other Families due to lower caseload and grant trends.
CSA - Public Economic Assistance	(\$1,179,538)	(\$2,108,931)	\$0	(\$929,393)	Decrease in revenue and appropriations in Foster Care due to lower caseload and grant trends
CSA - Public Economic Assistance	(\$135,762)	(\$277,633)	\$0	(\$141,871)	Decrease in revenue and appropriations in Extended Foster Care due to lower caseload and grant trends
<b>Total</b>	<b>\$972,506</b>	<b>(\$224,866)</b>	<b>\$20,060</b>	<b>(\$1,217,432)</b>	

**Staffing Requests:** Prior to the economic downturn, the Community Services Agency had a total of 955 allocated positions at the end of Fiscal Year 2008-2009. Through a combination of reductions in force, deletions of vacant positions and unfunding of vacant positions, the Agency's position allocation dropped to 850 during 2009-2010. Beginning in Fiscal Year 2010-2011, growth in mandated programs (CalFresh, CalWORKs, etc.) resulted in the cautious restoration of positions to a total of 945 at the end of Fiscal Year 2012-2013. Since then, additional mandates and programs such as Health Care Reform and Customer Call Center, the Katie A. Lawsuit and the Child Welfare Systems Improvement Plan have resulted in the need and approval of staffing allocations. Additionally, program growth has occurred in Medi-Cal, CalFresh and Child Welfare Services programs.

The Department is experiencing lower caseloads in *some* aid programs (primarily Foster Care and CalWORKs). CalWORKs expenditures are trending 7.6% lower with a projected average of 633 less cases per month, indicating an increase in family self-sufficiency. Continued efforts to work with parents in developing both life and job skills are leading to higher levels of engagement, participation and employment. Foster Care and Extended Foster Care expenditures are trending 14.7% less. This decline in

Foster Care is linked to several program initiatives, including the Department's focus on placing children with relatives as well as reducing the re-entry of children into the Foster Care System.

The Department is requesting to add two new Social Worker Supervisor II positions to meet the State's mandate for the Child Welfare Services (CWS) Case Record Reviews. One position will function as the Quality Assurance (QA) Case Reviewer responsible for completing quality assurance reviews of the 100 cases selected annually by the California Department of Social Services (CDSS). The QA Case Reviewer will examine the On-Site Review Instrument for completeness and consistency, conduct face to face interviews, and participate in identifying trends for Continuous Quality Improvement. The second position will function as a Case Reviewer and join the existing case review team dedicated to conducting in-depth reviews of the 100 cases selected by CDSS to measure the County's performance related to mandated outcomes on safety, permanency and well-being. These reviews are necessary for the purpose of examining practices and ensuring conformity with Title IV-E and Title IV-B requirements. These positions will be funded with Post 2011 Realignment Child Welfare Services allocation.

Additionally, the Department is requesting to add four new Social Worker II block-budgeted positions and two new Social Services Assistants to support legislative changes to the In-Home Supportive Services (IHSS) program related to the Fair Labor Standards Act (FLSA) implementation. New regulations became effective October 13, 2015 and on February 1, 2016 the California Department of Social Services (CDSS) will begin to pay IHSS providers for overtime and travel time. The Department will be responsible for implementing and enforcing the overtime and travel time requirements which will require the Department to perform new administrative functions to include collecting and entering new mandated information, responding to requests for work week variations and providing training on the new regulations. These positions will be funded by allocation from CDSS.

COMMUNITY SERVICES AGENCY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Services & Support	2	NEW	Social Worker Supervisor II	Add new positions	Social Worker Supervisor II-bb
Services & Support	4	NEW	Social Worker II	Add new positions	Social Worker II-bb
Services & Support	2	NEW	Social Services Assistant	Add new positions	Social Services Assistant
<b>CSA CHANGES</b>	<b>8</b>				
<b>Beginning Allocation</b>	<b>1068</b>				
<b>Changes in Allocation</b>	<b>8</b>				
<b>Ending Allocation</b>	<b>1076</b>				

**Summary of Recommendations:** It is recommended to increase estimated revenue by \$972,506 and decrease appropriations by \$224,866. This will result in the use of \$20,060 in departmental fund balance. Additionally, it is recommended to return \$1,217,432 in County Match from Public Economic Assistance to the Chief Executive Office Mandated Match Budget. The Department's request for transferability of net county cost among CSA budgets is not recommended at this time. Last, it is recommended that the staffing changes described and outlined in the table above be adopted.

## HEALTH SERVICES AGENCY

**Staffing Requests:** The Department is requesting to delete one vacant Administrative Clerk II position in Administration and to delete one vacant Community Health Worker II position in Clinics and Ancillary.

The Department is also requesting to add three new Nursing Assistant positions and one Staff Nurse III position to support the Family and Pediatric Health Center and the McHenry Medical Office. The Department is expanding services to include Family Practice, OB/GYN, Family Planning and Comprehensive Perinatal Services. The Nursing Assistants are requested to support the two newly

acquired Family Medicine physicians, ensure compliance with state regulations when administering injections and medications and reduce delays in processing referrals to provide better overall patient care. The Staff Nurse III is requested to supervise, act as triage nurse, and support and oversee the new Patient Center Medical Home piloting in the Spring of 2016. The additional salary cost will be funded by revenue generated from increased patient visits.

The Department is further requesting to restore one Health Educator position for the Nutritional Education and Obesity Program. The position is needed to perform the duties previously performed by a Personal Service Contractor.

Additionally, the Department is requesting to reclassify downward one Sr. Physician Assistant position to a Staff Nurse II. This position has been under-filled with a Staff Nurse II and this action will classify the position correctly.

HEALTH SERVICES AGENCY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Administration	-1	10065	Administrative Clerk II	Delete vacant position	Delete position
Clinics and Ancillary	-1	6273	Community Health Worker II	Delete vacant position	Delete position
	3	NEW	Nursing Assistant	Add new positions	Nursing Assistant
	1	NEW	Staff Nurse III	Add new position	Staff Nurse III
Public Health	1	6449	Health Educator	Restore unfunded position	Restore position
<b>H.S.A. CHANGES</b>	<b>3</b>				
<b>Beginning Allocation</b>	<b>470</b>				
<b>Changes in Allocation</b>	<b>3</b>				
<b>Ending Allocation</b>	<b>473</b>				
HEALTH SERVICES AGENCY TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Clinics and Ancillary	1	10505	Sr. Physician Assistant	Reclassify downward	Staff Nurse II

**Summary of Recommendations:** It is recommended that 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

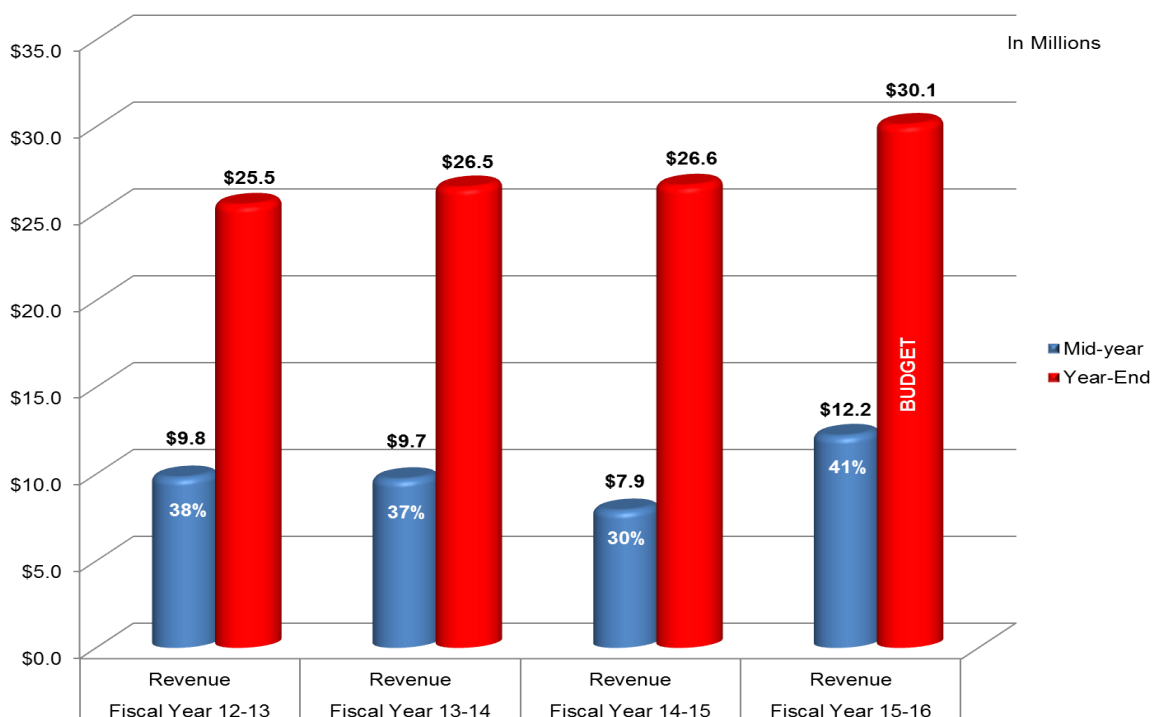
## OVERVIEW

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 Innovation and Opportunity 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 December 31, 2015, actual revenue collected is \$12.2 million, which represents 41% of the estimated annual revenue. This is above the range when compared to the Mid-Year point of the prior three years when collections ranged from 30% to 38% of the final actual revenue. This is due to increased costs in the StanWORKs welfare-to work services which generate more revenue for Alliance Worknet, along with the timing of revenue receipt, which has become more efficient. Additionally, Alliance Worknet was able to claim more revenue from the State than it has in previous years. A final contributing factor is the sharp increase in passport revenue the Library has experienced in this fiscal year.

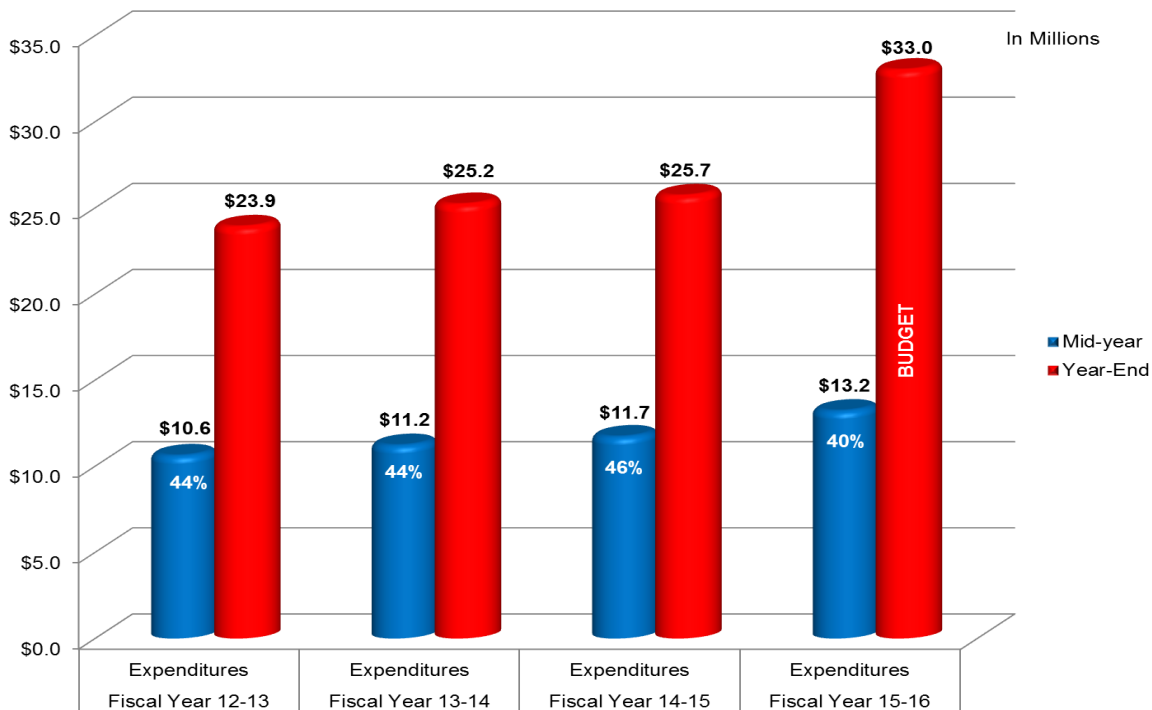
## A Strong Local Economy Four Year Revenue Comparison



## DEPARTMENTAL EXPENDITURES

As of December 31, 2015, expenditures are \$13.2 million, representing 40% of the budgeted appropriations. Expenditures at the Mid-Year point of the prior three years ranged from 44% to 46% of the final actual expenditures, placing this year below the range. This is primarily due to projects that have been budgeted in the Library which have not been fully expensed and a \$1.5 million budget increase in the Community Benefit Fund for future projects.

### **A Strong Local Economy Four Year Expenditure Comparison**



Overall, the departments within A Strong Local Economy are on track to end the year within budget and in a positive fiscal position. The recommendations contained in this report for A Strong Local Economy include an increase in appropriations of \$623,588 funded from an increase of \$526,559 in estimated departmental revenue and \$125,148 from Appropriations for Contingencies resulting in a decrease use of \$28,119 in departmental fund balance/retained earnings.

## MID-YEAR ISSUES AND RECOMMENDATIONS

### **ALLIANCE WORKNET**

**Staffing Requests:** The Department is requesting to reclassify one vacant Family Services Specialist III position upward to Staff Services Analyst. This is due to the forthcoming changes in the Workforce Innovation and Opportunity Act (WIOA). This position will be assigned in the Contracts and Planning unit and will analyze and prepare various types of contracts, and request for proposals related to the operation of employment and training programs. The cost difference will be absorbed within the existing Department's budget.

ALLIANCE WORKNET TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Alliance Worknet	1	13467	Family Services Specialist III	Reclassify upward	Staff Services Analyst

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

## LIBRARY

The Department is requesting to increase appropriations by \$498,440 to fund increases in Salary & Benefits, Services & Supplies and Other Charges. The additional appropriations will enable the Library to fill five existing Library Assistant positions and to restore one Librarian II position; account for an increase in Part-time Clerical Community Aide wages; to staff the proposed Maker Space area with part-time help; and other salary costs. Additionally, in Services & Supplies, the increase in appropriations will support an increase to the Learning Quest/Stanslaus Literacy Centers contract, which will be paid for by state Literacy funds; to expand security service at the Modesto Library; add Library materials and e-resources, training and other programs. Included in the appropriations request is to add \$35,000 to Fixed Assets to repair the Salida Library Circulation room flooring and to purchase a new security gate for the Modesto Library's back dock area.

The increase in appropriations will be funded with a \$526,559 increase in estimated revenue. This increase is due to a \$242,576 receipt of prior year Sales Tax Revenue for the March through June 2015 quarter. The Department is anticipating a \$125,501 increase in California Library Literacy Services funding and \$110,000 increase in passport revenue. The remaining increases in revenue are due to the receipt of grants for the Veterans Connect @ the Library project, the Technology Testing and Training (TNT) for Libraries project and a Campaign for Grade Level Reading grant as part of Stanislaus READs! along with increases in fee revenue and refund revenue.

**Technology Innovation:** The Library was awarded \$125,148 Technology Innovation funding for their Self-Checkout project. Self-Checkout technology is a tool designed to enable customers to checkout materials such as books, magazines and movies, often with no assistance from library staff. These stations can be used for an expanding number of other transactions including: renewing materials, placing materials on hold, paying fines and fees and paying for the costs of printing by cash or credit card. This technology has been found to be helpful in increasing service hours, reducing lines at checkout desk, improving service to users and in freeing circulation desk staff to undertake more customer-focused tasks.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Library	\$526,559	\$0	(\$526,559)	\$0	Increase estimated revenue for prior year Sales taxes, Intergovernmental Revenues, Charges For Services and Miscellaneous Revenue.
Library		\$463,440	\$463,440	\$0	Increase appropriations for Salaries & Employee Benefits, Services & Supplies and Other Charges.
Library	\$0	\$35,000	\$35,000	\$0	Increase appropriations for Fixed Assets for repairs at the Salida Library and safety improvements at the Modesto Library.
Library	\$0	\$125,148	\$0	\$125,148	Increase in appropriations funded from Appropriations for Contingencies for the Library's Self-Checkout project as part of the Technology Innovations program. Of this amount, \$122,645 will be appropriated in Fixed Assets.
<b>Total</b>	<b>\$526,559</b>	<b>\$623,588</b>	<b>(\$28,119)</b>	<b>\$125,148</b>	

**Staffing Requests:** The Department is requesting to restore one unfunded Librarian II position. This position is requested for the Children's Library division of the Modesto location. The Librarian II position is needed to provide a greater level of professional service and continuity to families visiting the Modesto Library. This position will assume responsibilities for a portion of the more complex duties such as collection development, staff training and supervision, providing children's programs, customer desk services, and outreach. This position will be funded with Library Sales Tax revenues for the remainder of Fiscal year 2015-2016 and on-going.

LIBRARY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Library	1	9124	Librarian II	Restore unfunded position	Restore position
<b>LIBRARY CHANGES</b>	<b>1</b>				
<b>Beginning Allocation</b>	<b>73</b>				
<b>Changes in Allocation</b>	<b>1</b>				
<b>Ending Allocation</b>	<b>74</b>				

**Summary of Recommendations:** It is recommended to increase appropriations by \$623,588, of which \$35,000 is in Fixed Assets, and estimated revenue by \$526,559 in the Library budget. This will result in a decreased use of fund balance in the amount of \$28,119. Included within these adjustments are appropriations of up to \$125,148, funded by transfer from Appropriations for Contingencies, to fund the Library's Technology Innovation Program project. Of this increase \$122,645 will be for Fixed Assets. It is further recommended that the staffing change described and outlined in the table above be adopted.



# **A Strong Agricultural Economy/Heritage**

**COUNTY DEPARTMENTS**

Agricultural Commissioner  
Cooperative Extension

# A Strong Agricultural Economy/Heritage

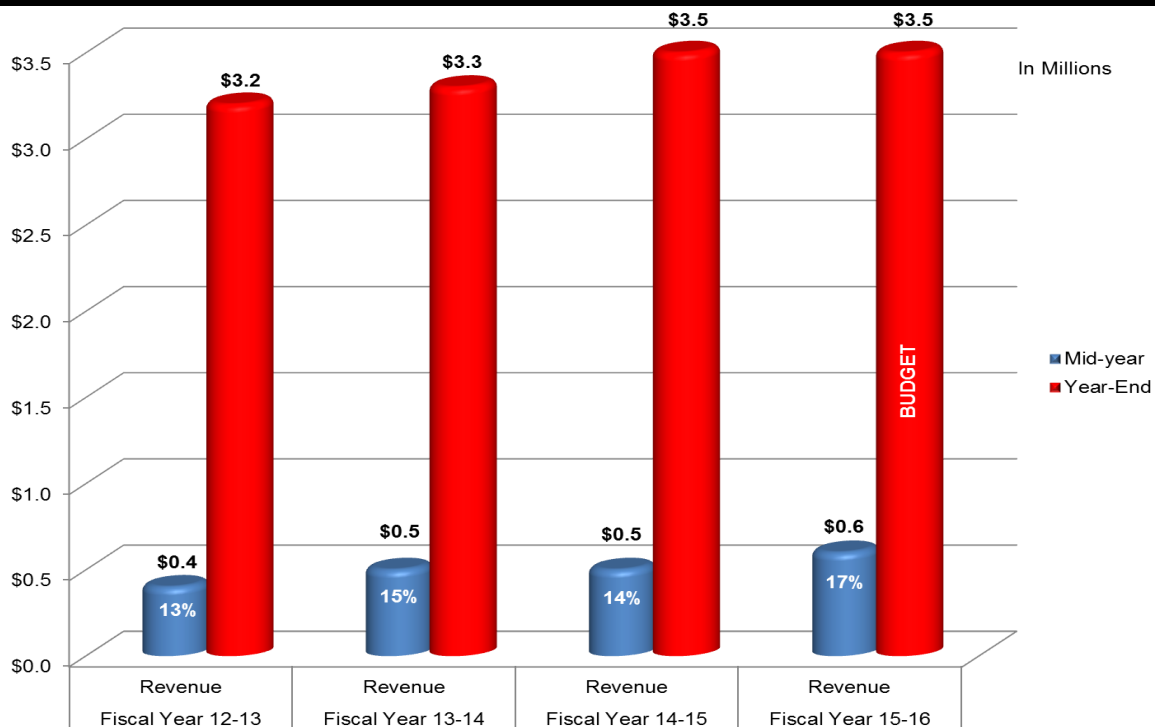
## OVERVIEW

The Board of Supervisors priority area of A Strong Agricultural Economy/Heritage recognizes the vital role of the County's number one industry which generates approximately \$4.4 billion a year for County residents. Farmland conversion, air pollution, soil salinity and drainage, agricultural water supply and water quality, and preservation of our unique agriculture heritage are key aspects of A Strong Agricultural Economy/Heritage. Departments assigned to this priority area include: Agricultural Commissioner's Office and Cooperative Extension. The major funding source for these County budgets includes contributions from the General Fund. The Agricultural Commissioner receives State funding for a number of programs as well as charges for specific services. While not part of the County budget, Cooperative Extension's University of California advisors are funded through the University of California system.

## DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors priority area of A Strong Agricultural Economy/Heritage as of December 31, 2015, actual revenue collected is \$573,145 which represents 17% of the estimated annual revenue. This is slightly above the range when compared to the Mid-Year point of the prior three years when collections ranged from 14% to 15% of the final actual revenue. This is due to slight increases in Charges for Services and State revenue for the Agricultural Commissioner.

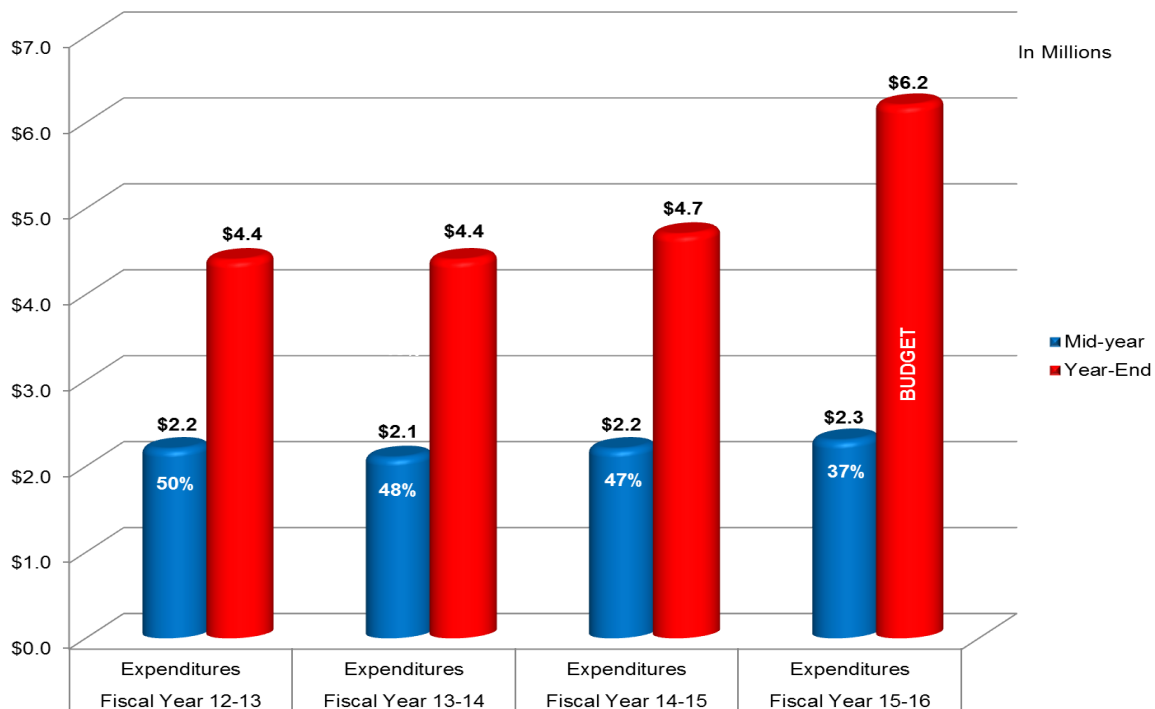
## A Strong Agricultural Economy/Heritage Four Year Revenue Comparison



## DEPARTMENTAL EXPENDITURES

As of December 31, 2015, expenditures are \$2.3 million, representing 37% of the budgeted appropriations. Expenditures at the Mid-Year point of the prior three years ranged from 47% to 50% of the final actual expenditures, placing this year below the range, which is consistent with departments in this priority who have carried over net county costs savings at fiscal year-end in anticipation of funding future increases for salary, health and retirement costs and one-time purchases.

### **A Strong Agricultural Economy/Heritage Four Year Expenditure Comparison**



Overall, the departments within A Strong Agricultural Economy/Heritage are on track to end the year within budget and in a positive fiscal position. There are no recommended budget changes for this priority area.

## MID-YEAR ISSUES AND RECOMMENDATIONS

### **AGRICULTURAL COMMISSIONER**

**Staffing Requests:** As part of the 2015-2016 Final Budget, the Department requested a classification study of an Agricultural Assistant II position. The study has been completed and it is recommended to reclassify an existing Agricultural Assistant II position and incumbent upward to Staff Services Technician. This position's primary duties are to manage the use of Harvest Hall, act as the Department's safety representative, and fleet coordinator. The additional salary cost will be funded by the Department's salary savings.



AGRICULTURAL COMMISSIONER TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Agricultural Commissioner	1	10801	Agricultural Assistant II	Reclassify upward	Staff Services Technician

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



# **A Well Planned Infrastructure System**

## **COUNTY DEPARTMENTS**

Environmental Resources  
Parks and Recreation  
Planning and Community Development  
Public Works

# A Well Planned Infrastructure System

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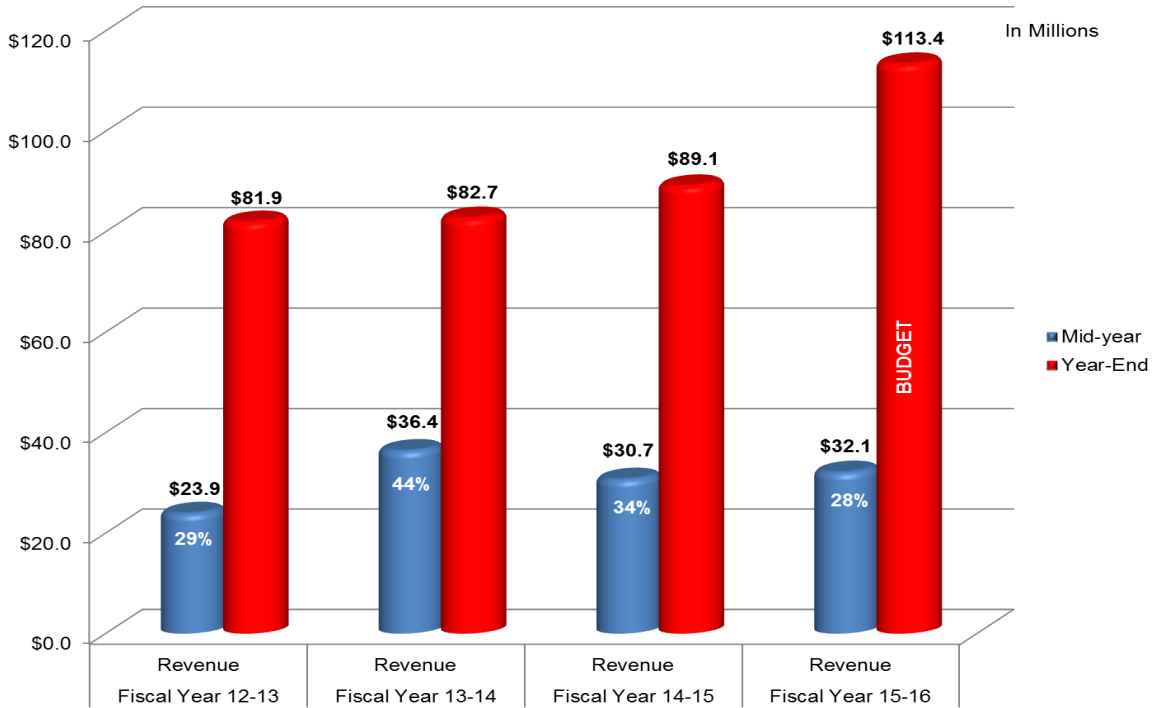
## **OVERVIEW**

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 are supported through 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 December 31, 2015, actual revenue collected is \$32.1 million, which represents 28% of the estimated annual revenue. This is below the range when compared to the Mid-Year point of the prior three years when collections ranged from 29% to 44% of the final actual revenue. The lower percentage of revenue is the result of actual revenue that has not yet been posted for the SR 99/Kiernan Interchange project and Claribel Widening projects. Road capital projects are fully budgeted in the current year, however actual revenue occurs over multiple years. The Claribel Road Widening project was completed in December 2015, and the SR99/Kiernan Interchange project is scheduled for completion in the Spring of 2016.

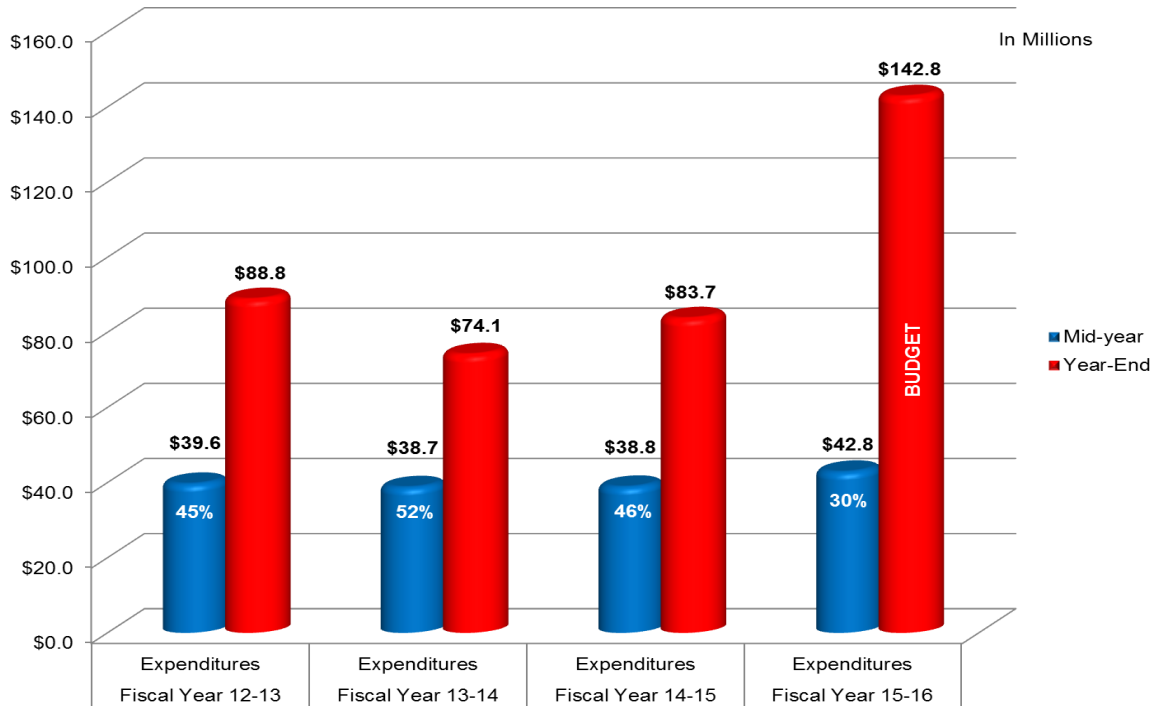
## A Well Planned Infrastructure System Four Year Revenue Comparison



### DEPARTMENTAL EXPENDITURES

As of December 31, 2015, expenditures are \$42.8 million, representing 30% of the budgeted appropriations. Expenditures at the Mid-Year point of the prior three years ranged from 45% to 52% of the final actual expenditures, placing this year below the range. The lower percentage is primarily due to a decrease in contract expenses for the Claribel Road Widening project that was delayed due to PG&E gas line issues. This project was completed in December 2015. Additionally, 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. Additionally, Public Works Transit has budgeted for enhancements to bus shelters and the replacement of CNG and paratransit buses that have not been completed yet.

## A Well Planned Infrastructure System Four Year Expenditure Comparison



Overall, the departments within A Well Planned Infrastructure System are on track to end the year within budget and in a positive fiscal position. The recommendations contained in this report for A Well Planned Infrastructure System include a decrease in appropriations of \$137,067, a decrease in estimated revenue of \$562,935, and an increase in County Match of \$143,815, increasing the use of department fund balance by \$282,053.

### MID-YEAR ISSUES AND RECOMMENDATIONS

#### ENVIRONMENTAL RESOURCES

The Department is requesting a decrease in estimated revenue and appropriations in the amount of \$421,000 due to a shortage of part-time staffing resources assigned to the California Department of Public Health Safe Drinking Water Program. In August 2014, the State disbursed \$461,000 to Stanislaus County for the program. In Fiscal Year 2014-2015, the Department utilized \$40,000 of these funds, leaving a remaining fund balance of \$421,000. The Environmental Health Specialist classification is used to support this program, which is difficult to recruit in a part-time capacity. Staffing shortages have prevented the continued use of these funds in the current fiscal year. The funds remain available in the fund's balance as deferred revenue. When staffing has been restored the Department will continue to use these funds to cover program costs.

E-Waste Collection Program: The Department is requesting an increase in estimated revenue and appropriations to allow for the reimbursement of staff costs to Environmental Resources' main operating budget at year-end and to reflect the anticipated transfer of Interfund revenue to cover the full cost of administering the E-Waste Program and end the year with a zero balance in the fund. This increase in appropriations will bring the budget's Intrafund category into a positive position, thereby allowing intrafund transfers to occur between budget units to reimburse staff costs associated with this program.

**Underground Storage Tank Program:** The Department is requesting a decrease in estimated revenue and appropriations due to the cancellation of the State Water Resources Control Board contract, which grants authority to Stanislaus County to act as the Local Oversight Lead Agency responsible for investigation and monitoring of leaking underground petroleum storage tanks. The State set a threshold of 70 sites and once an agency has fewer than half that number the State becomes the responsible agency. San Joaquin County and Merced County have also cancelled their contracts. The remaining appropriations and fund balance will be used to reimburse the Environmental Resources main operating budget for staff costs already incurred this fiscal year. As of December 31, 2015 the departmental fund balance was \$93,615. The Department is projecting estimated interest earnings will increase fund balance to fully support the Mid-Year adjustments in the Underground Storage Tank Program. At the end of this fiscal year, this budget will be closed-out as a result of funding being eliminated for this program.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Environmental Resources	(\$421,000)	(\$421,000)	\$0	\$0	Decrease in estimated revenue and appropriations due to staffing shortages assigned to the State Water Resources Safe Drinking Water program. Grant funds received in FY 14/15 are currently available in fund balance, deferred revenue.
DER - E-Waste Collection Program	\$17,035	\$5,269	(\$11,766)	\$0	Increase in revenue and appropriations in intrafund accounts due to a change in accounting practice, resulting in a decreased use of fund balance.
DER - Underground Storage Tank Program	(\$258,970)	(\$165,151)	\$93,819	\$0	Non-renewal of annual State Water Resources Control Board Contract, budget will be closed.
<b>Total</b>	<b>(\$662,935)</b>	<b>(\$580,882)</b>	<b>\$82,053</b>	<b>\$0</b>	

**Summary of Recommendations:** It is recommended to decrease estimated revenue by \$662,935 and appropriations by \$580,882 in the Environmental Resources budgets. This will result in an overall increased use of fund balance by \$82,053.

## PARKS AND RECREATION

The Department is requesting to increase estimated revenue and appropriations for repairs to the damaged Kiwanis Camp picnic shelter, which will be funded by insurance reimbursement and an increase in department estimated revenue. In addition, the Department is requesting to transfer appropriations within the fixed asset accounts to purchase four large mowers to use at the Community Parks. The mowers currently used by Community Parks are in excess of ten years old, or 2,000 hours. They are worn out and much staff time is spent maintaining them in running condition. The Department is also requesting to transfer appropriations from fixed assets to the intrafund account as a result of a keying error in submitting their Final Budget. This transfer will ensure that the budget ends the fiscal year in a positive position.

**Modesto Reservoir Patrol:** The Department is requesting to increase appropriations for the installation of new fuel pumps at Modesto Reservoir. This will be funded by departmental fund balance. As of December 31, 2015 fund balance was \$272,256.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Parks & Recreation	\$100,000	\$100,000	\$0	\$0	Increase in estimated revenue and appropriations for Kiwanis picnic shelter, funded by insurance reimbursement and an additional anticipated revenue.
Parks & Recreation	\$0	\$41,377	\$0	\$41,377	Transfer of fixed assets - on-site improvements, cars, and computer equipment to intrafund accounts, due to keying error.
Parks & Recreation	\$0	(\$41,377)	\$0	(\$41,377)	Transfer of fixed assets - on-site improvements, cars, and computer equipment to intrafund accounts, due to keying error.
Parks & Recreation	\$0	\$60,000	\$0	\$60,000	Transfer fixed asset appropriations to farm machinery and tools, from on-site improvements, cars, and computer equipment, for the purchase of mowers.
Parks & Recreation	\$0	(\$60,000)	\$0	(\$60,000)	Transfer fixed asset appropriations to farm machinery and tools, from on-site improvements, cars, and computer equipment.
Parks - Modesto Reservoir Patrol	\$0	\$200,000	\$200,000	\$0	Increase appropriations for new gas pumps at Modesto Reservoir, to be funded by fund balance.
<b>Total</b>	<b>\$100,000</b>	<b>\$300,000</b>	<b>\$200,000</b>	<b>\$0</b>	

**Summary of Recommendations:** It is recommended to increase estimated revenue by \$100,000 and appropriations by \$300,000 in the Parks and Recreation budgets. This will result in a \$200,000 use in departmental fund balance. As previously noted, fund balance available as of December 31, 2015 is \$272,256.

## PUBLIC WORKS

### Administration:

**Technology Innovation:** Public Works requested \$60,345 in Technology Innovation Funding for the Interactive Geographic Information System (GIS) project. Stanislaus County-GIS Central plans to upgrade the current system to an interactive online website to speed up processing time and deliver information quicker. A web-based application written in JavaScript and using the latest Environmental Systems Research Institute ArcGIS software, server technology will provide the ability to identify the desired parcels, districts, roads, record of survey, and subdivision maps in a selected area making the GIS Central product significantly more practical and user friendly. This project will focus on improving the public-facing GIS information currently accessible from the County website. As part of funding, this project will need a formalized project road map and task list. Additionally, the Department should develop a prototype to demonstrate the updates.

This project will enhance a customer focused, enterprise system and is a good complement to the newly redesigned Stanislaus County website. This project has the ability to touch the entire County citizenry as the information it provides (parcel information including the assessed amount, zoning, district information, etc.) benefits the general population and not a specific sector, segment or internal department. Therefore, it is recommended to fund this project using fund balance assigned to automation, the actual accounting for which will be a transfer from Appropriations for Contingencies at Mid-Year.

## Engineering:

**Technology Innovation:** Public Works is requesting \$20,000 in Technology Innovation Funding for the Public Works - Survey Drone project. The use of an Unmanned Aerial Vehicle (UAV), or drone aircraft, will provide for the time efficient and cost efficient collection of geographical data that will benefit not only the County Surveyors office but many other departments and divisions within Public Works for which the surveyors' office provides information, such as Public Works Traffic Division, Engineering Design Division and Roads Crews and Planning & Community Development. This technology will also significantly reduce safety risks for the surveyors in the field. Prior to implementing this project, the Department must work with County Counsel to develop a countywide drone-use policy that aligns with Federal Aviation Administration (FAA) regulations and best practices. Additionally, if still required, the Department must obtain a Certificate of Waiver or Authorization from the FAA. The Department will need to identify cost savings as a result of implementing a drone. Additionally, the Department must work with Risk Management and review if there are any additional insurance needs. The budget for this project will be split between Engineering and Monument Preservation.

The Department has also requested \$53,470 for the Accela Right of Way Management project. Accela Right of Way Management software provides visibility and real-time oversight into street projects and activities that occur within the public right of way. Accela Right of Way Management will enable proactive management of projects, including utilities, public works incidents, traffic and events in order to optimize street performance, reduce costs and minimize environment impact.

## Roads:

**Technology Innovation:** Public Works is requesting \$10,000 of Technology Innovation funds for tablets to be utilized in Field Work projects. This project will enable Public Works to improve inventory records of traffic signs, traffic sign maintenance, underground electrical conduits, storm water conduits, storm drains, storm basins, wells and catch basins, and provide access to this information on the County's intranet. It will also expedite compliance with state water board requirements. The tablets will reduce staff time and transportation costs and improve customer service in Public Works by improving response time and accuracy when confirming Underground Service Alert (USA) locations.



Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Public Works - Admin	\$0	\$60,345	\$0	\$60,345	Increase in appropriations funded from Appropriations for Contingencies for Public Works - Admin's Interactive Geographic Information System project as part of the Technology Innovations program.
Public Works - Engineering	\$0	\$63,470	\$0	\$63,470	Increase in appropriations funded from Appropriations for Contingencies for one-half of Public Works - Engineering's Survey Drone project and the Accela Right of Way Management project as part of the Technology Innovations program. One-half of the Survey Drone project costs will be budgeted in Monument Preservation. Of the total amount \$24,290 will be appropriated in Fixed Assets.
Public Works - Monument Preservation	\$0	\$10,000	\$0	\$10,000	Increase in appropriations funded from Appropriations for Contingencies for one-half of the Survey Drone project as part of the Technology Innovations program. Of this amount, \$10,000 will be appropriated in Fixed Assets.
Public Works - Roads	\$0	\$10,000	\$0	\$10,000	Increase in appropriations funded from Appropriations for Contingencies for Public Works - Roads' Tablets for Field Work project as part of the Technology Innovations program. Of this amount \$10,000 will be appropriated in Fixed Assets.
<b>Total</b>	<b>\$0</b>	<b>\$143,815</b>	<b>\$0</b>	<b>\$143,815</b>	

**Summary of Recommendations:** It is recommended to increase appropriations up to \$143,815, funded from Appropriations for Contingencies, to fund Public Works Technology Innovation Program projects. Of this increase, \$44,290 will be for fixed assets.



# 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

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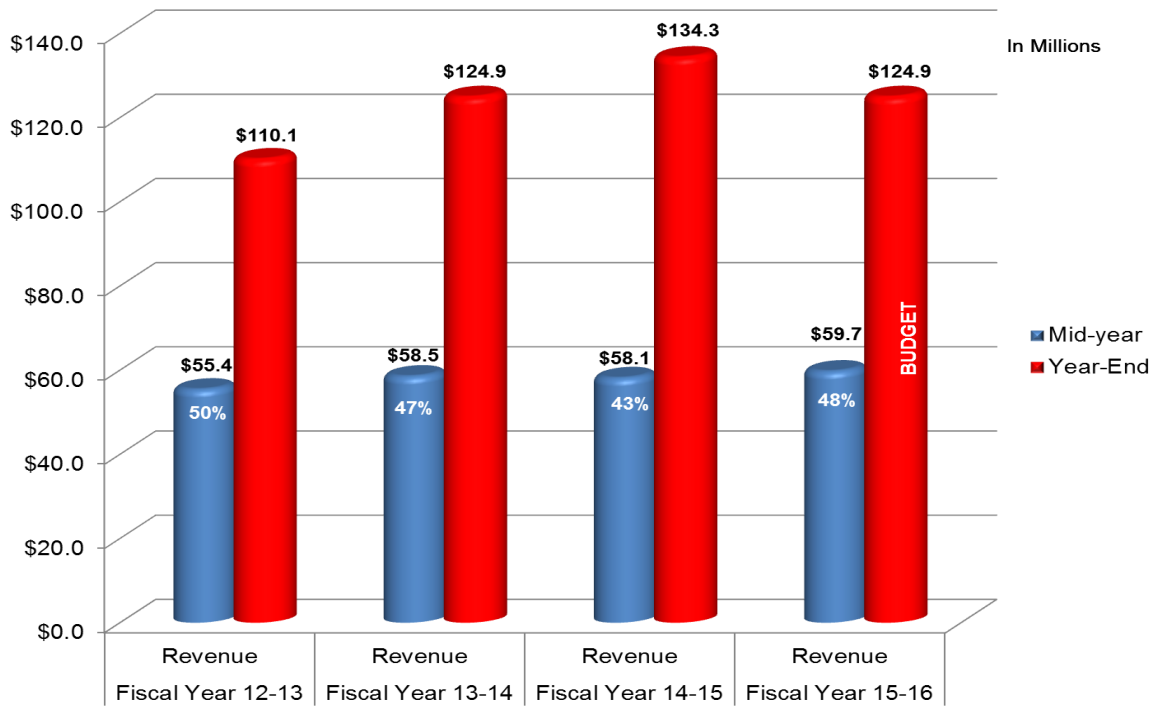
## **OVERVIEW**

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

## **DEPARTMENTAL REVENUE**

For the departmental budgets that are part of the Board of Supervisors priority area of Efficient Delivery of Public Services as of December 31, 2015, actual revenue collected is \$59.7 million, which represents 48% of the estimated annual revenue. This is within the range when compared to the Mid-Year point of the prior three years when collections ranged from 43% to 50% of the final actual revenue.

## Efficient Delivery of Public Services Four Year Revenue Comparison

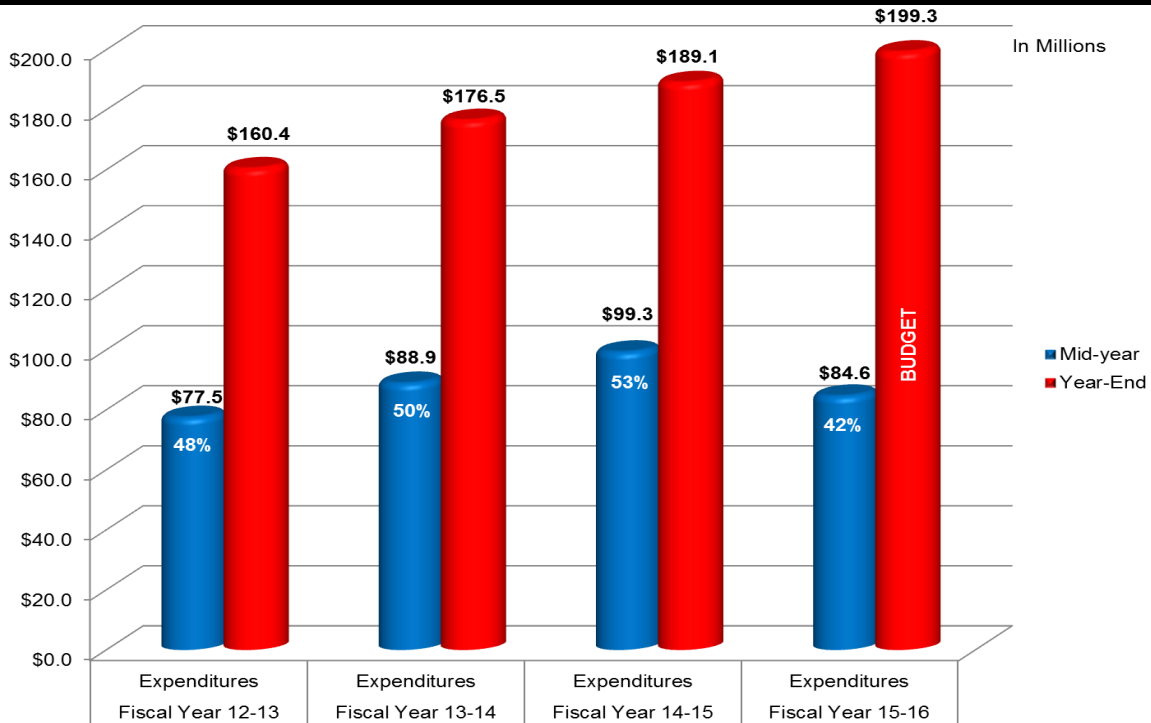


### DEPARTMENTAL EXPENDITURES

As of December 31, 2014, expenditures are \$84.6 million, representing 42% of the budgeted appropriations. Expenditures at the Mid-Year point of the prior three years ranged from 48% to 53% of the final actual expenditures, placing this year below the range. The lower percentage of expenditures at Mid-Year compared to budget is partially attributable to the Clerk-Recorder Elections Division budget. This budget contains appropriations for the June 2016 Presidential Primary election and related expenditures will not be realized until year-end. Additionally, the Net County Cost Savings included in the Treasurer-Tax Collector Admin/Taxes Division and Chief Executive Office – Operations and Services budgets will not be fully utilized this fiscal year, making the percentage of budgeted appropriations expended at Mid-Year appear lower.

The Chief Executive Office – Focus on Prevention fund was established in 2015 to account for the activities and services of the community initiative, Focus on Prevention. Approved by the Board of Supervisors as a ten year or longer county-wide transformation process in areas critical to the quality of life in Stanislaus County, the program is currently in Phase I. Only 9.6% of appropriations have been expended on related activities to date, including the first Convening on Homelessness in October 2015. Additional expenditures are anticipated as the program enters Phase II.

## 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 and in a positive fiscal position.

The recommendations contained in this report for Efficient Delivery of Public Services include increased appropriations of \$7,998,183, funded by an increase in estimated revenue of \$10,265,800, a decrease in net county cost of \$2,774,453, and an increased use of departmental fund balance of \$506,836. The use of up to \$2,661,014 transferred from Appropriations for Contingencies is included and recommended to fully fund Technology Innovation projects; termination and retirement cashouts; comp time, equipment, software, and mutual aid costs for the Sheriff's Department; overtime, litigation, witness, transcription, and IT equipment costs for the District Attorney's office; CEO General Fund Contribution to Other Programs for increased costs associated with North McHenry revenue sharing agreement with the City of Modesto; and increased GIS charges and staffing costs in the Assessor's Department.

### MID-YEAR ISSUES AND RECOMMENDATIONS

#### ASSESSOR

The Assessor is a Phase II General Fund Department and does not have termination cashout appropriations included in its existing budget. The Department is requesting additional appropriations of \$37,853 for employees who terminated employment in Fiscal Year 2015-2016. Additionally, Geographical Interface System (GIS) charges for the last six months of Fiscal Year 2014-2015 were not charged to the Department until the current year, resulting in insufficient appropriations for the charge in Fiscal Year 2015-2016. The Fiscal Year 2014-2015 appropriated funds for this charge were not expended and were returned to the General Fund at year-end. The Department has requested additional appropriations for Fiscal Year 2015-2016 in the amount of \$27,839 to cover these costs.

During the economic downturn, the Assessor's Department experienced staffing reductions that have not been restored to date. While the Department has been diligent and creative in accommodating the workload with fewer staff, challenges persist and the processing of deeds continues to experience a lengthy time delay. The Department requested full-time staff positions to address workload needs and has completed benchmark analysis with other counties to support additional positions; this request for on-going staffing funded by the General Fund will be considered at Proposed Budget and in accordance with County Long Range Modeling.

Ultimately, the solution will be an evaluation and departmental request for staffing adjustments in the 2016-2017 Proposed Budget process. However, in an effort to alleviate some of these challenges now, the Assessor has requested an additional \$27,227 for extra help staffing to address the backlog of approximately 7,000 deeds that require processing by June; an Administrative Clerk II would be utilized at the reception counter to allow existing staff more time to process and an Account Clerk III would be trained to process deeds as well. All appropriation increases will be funded through Appropriations for Contingencies.

**Legislative Changes:** Assembly Bill (AB) 1534, effective January 1, 2016, allows for local Boards of Supervisors to impose certification requirements on County Assessor employees responsible for property tax change in ownership and exemption decisions. The purpose of this legislation is to ensure County Assessor employees making these decisions are adequately trained and educated. The Department is evaluating a request to the Board of Supervisors that would impose this requirement in the future. The implementation of this legislation may require additional appropriations in Other Travel Expenses to accommodate the additional training and education that will be necessary for support staff.

**Technology Innovation:** The Assessor requested \$25,000 of Technology Innovation funding to migrate Assessor maps to the Geographical Interface System (GIS) format. This project will begin the process of moving the Assessor in the direction of maintaining Assessor maps in a GIS format compatible with the current County GIS model. Funding will be for phase one of the project which includes converting Assessor AutoCAD map files to GIS vector map files. Benefits of this project would be timelier and accurate updates to the GIS base layer, which in turn would benefit existing county GIS users and the public.

Additionally, the Assessor requested \$90,000 of Technology Innovation funding to scan appraisal documents and microfilm records. This project will improve efficiency by offering appraisal records to be more readily available to staff and the public. The project would eliminate a significant amount of time needed to pull and refile microfilm and will ensure that documents are accessible and available at all times. The process would stop the degradation of the records and allow them to be preserved longer. The time savings would not just be recognized in the first year, but it would continue indefinitely, which would let staff focus on better serving the public's needs.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Assessor	\$0	\$115,000	\$0	\$115,000	Increase in appropriations funded from Appropriations for Contingencies for the Assessor's Scanning of Appraisal Documents and Microfilm Record project and Migration of Assessor Maps to GIS Format project as part of the Technology Innovations program.
Assessor	\$0	\$37,853	\$0	\$37,853	Increase appropriations for termination cashouts funded by Appropriations for contingencies
Assessor	\$0	\$27,839	\$0	\$27,839	Increase appropriations for 2014-2015 GIS charges that hit in 2015-2016 funded by Appropriations for contingencies
Assessor	\$0	\$27,227	\$0	\$27,227	Increase appropriations for extra help staff; Admin Clk II for reception and Account Clk III to address backlog of approximately 7,000 deeds that require processing by June funded by Appropriations for contingencies
<b>Total</b>	<b>\$0</b>	<b>\$207,919</b>	<b>\$0</b>	<b>\$207,919</b>	

**Staffing Requests:** The Department is requesting the reclassification of one Administrative Clerk I position upward to a block-budgeted Administrative Clerk II position. The Administrative Clerks in the Assessor's office perform at an Administrative Clerk II level. This change will allow the Department to assign necessary work at a higher clerical level. The cost difference for this position will be funded within the existing budget.

ASSESSOR TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Assessor	1	2076	Administrative Clerk I	Reclassify upward	Administrative Clerk II-block budget

**Summary of Recommendations:** It is recommended to increase appropriations by \$207,919 to cover costs identified in the Department request table, funded by Appropriations for Contingencies. Included within this adjustment are appropriations up to \$115,000 to fund the Assessor's Technology Innovation Program project. It is further recommended that the staffing change described and outlined in the table above be adopted.

## AUDITOR-CONTROLLER

The Board of Supervisors approved the early implementation of a 1% salary increase which has impacted salary costs for the Auditor-Controller. To accommodate the increase, the Department is requesting an increase in appropriations of \$27,302. These costs will be offset by an increase in revenue from Cost Allocation Plan (CAP) and direct assessment charges totaling \$42,000, resulting in Net County Cost savings of \$14,698.

Additionally, the Department is requesting an increase of \$13,000 in Fixed Assets to purchase a folder/sealer to better process Form W-2, Form 1095, and Form 1099. The cost of this equipment will be covered with the Net County Cost savings noted above, with savings remainder of \$1,698.

Budget Unit	Requested				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Auditor-Controller	\$42,000	\$27,302	\$0	(\$14,698)	Increase appropriations for salary costs associated with early implementation of 1% salary increase; offset by increased revenue from CAP/direct assessment charges
Auditor-Controller	\$0	\$13,000	\$0	\$13,000	Increase appropriations for purchase of fixed asset (folder/sealer to process mandated forms) funded by increased departmental revenue
<b>Total</b>	<b>\$42,000</b>	<b>\$40,302</b>	<b>\$0</b>	<b>(\$1,698)</b>	

**Summary of Recommendations:** It is recommended that appropriations be increased by \$40,302 funded by an increase in estimated revenue of \$42,000, resulting in Net County Cost savings of \$1,698 in the Auditor-Controller budget.

## CHIEF EXECUTIVE OFFICE

### Operations and Services:

**Technology Innovation:** The Chief Executive Office has requested \$225,000 in Technology Innovation funding to fund the Electronic Agenda Management System project. The electronic agenda management system will allow for a more consistent and streamlined process, and improve efficiencies within the agenda management process. An electronic solution also reduces or eliminates paper by converting to electronic files. Solutions include the use of iPads, laptops, and other electronic devices as a means to reduce the need for printing items on paper.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
CEO - Operations and Services	\$0	\$225,000	\$0	\$225,000	Increase in appropriations funded from Appropriations for Contingencies for the Chief Executive Office's Electronic Agenda Management System project as part of the Technology Innovations program.
<b>Total</b>	<b>\$0</b>	<b>\$225,000</b>	<b>\$0</b>	<b>\$225,000</b>	

**Staffing Requests:** The Department is requesting to restore one unfunded Manager III position to act as the Housing and Supportive Services Coordinator. This position will play a critical role in coordinating and ensuring cross-sector alignment of activities and strategies across County departments and the Stewardship Council to reduce homelessness in Stanislaus County, and will lead efforts to develop shared measurement systems to assess the achievement of desired results. This position will be funded equally by Behavioral Health and Recovery Services and Community Services Agency.

In addition, the Department is requesting to block-budget three Confidential Assistant III positions up to the Confidential Assistant IV level to more appropriately align the duties in support of Senior Leadership Executive Officers, and meet current workload demands. This change in job scope allows the department to focus the duties of the positions at a higher level of analysis that requires critical-thinking and problem-solving in support of assigned work teams in the areas of Human Resource Management, Finance & Operations and Economic Development. This reclassification will provide more flexibility to the Chief



Executive Office as work teams focus on workforce development, and budget cycle models to support performance goals.

Last, the Department has requested to transfer one Deputy Executive Officer position from Risk Management to Operations and Services to allocate the position with the correct budget unit.

CHIEF EXECUTIVE OFFICE STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Operations & Services	1	11483	Manager III	Restore unfunded position	Restore position
<b>CEO CHANGES</b>	<b>1</b>				
<b>Beginning Allocation</b>	<b>69</b>				
<b>Changes in Allocation</b>	<b>1</b>				
<b>Ending Allocation</b>	<b>70</b>				
CHIEF EXECUTIVE OFFICE TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Risk Management	-1	1526	Deputy Executive Officer	Transfer out	Transfer to Operations & Services
Operations & Services	1	1526	Deputy Executive Officer	Transfer in	Transfer from Risk Management
	3	1807, 1816, 7084	Confidential Assistant III	Reclassify upward	Confidential Assistant IV-bb

**Summary of Recommendations:** It is recommended to increase appropriations up to \$225,000, funded from Appropriations for Contingencies, to fund the Chief Executive Office's Technology Innovation Program project. It is further recommended that the staffing changes described and outlined in the table above be adopted.

## CHIEF EXECUTIVE OFFICE – COUNTY OPERATIONS

Appropriations for Contingencies: Appropriations for Contingencies serves as a contingency fund for the County to provide sufficient funding for emergencies and unanticipated expenses. Transfers from this fund require a four-fifths vote of the Board of Supervisors. The 2015-2016 Adopted Final Budget included a total of \$8,170,864 in appropriations: \$5,170,864 in base funding for unexpected fiscal and program financial exposures or emergencies which may occur as a result of the economic decline, reductions in Federal and State revenues, or other program and community needs; and an additional \$3.0 million for additional program exposures and opportunities, including a countywide Technology Innovation Program, improved security, cash-out expenses and any future labor opportunities.

Through December 31, 2015, there were zero transfers from Appropriations for Contingencies approved by the Board of Supervisors.

At this time, it is requested that appropriations be decreased by a total of \$2,661,014 as follows:

- Up to \$285,180 to CEO General Fund Contribution to Other Programs to fund Technology Innovation Funding projects for Animal Services, Behavioral Health and Recovery Services, the Library and Public Works – funding will be transferred when costs will occur within the upcoming six months;
- Up to \$115,000 to the Assessor to fund Technology Innovation Funding projects – funding will be transferred when costs will occur within the upcoming six months;
- Up to \$134,400 to the District Attorney to fund Technology Innovation Funding projects – funding will be transferred when costs will occur within the upcoming six months;
- Up to \$173,150 to Probation – Field Services to fund Technology Innovation Funding projects – funding will be transferred when costs will occur within the upcoming six months;

- Up to \$98,150 to the Chief Executive Office – Office of Emergency Services to fund Technology Innovation Funding projects – funding will be transferred when costs will occur within the upcoming six months;
- Up to \$140,948 to Clerk-Recorder – Elections to fund Technology Innovation Funding projects – funding will be transferred when costs will occur within the upcoming six months;
- Up to \$225,000 to the Chief Executive Office – Operations and Services to fund Technology Innovation Funding projects, offset by a reduction in the Automation Reserve assignment – funding will be transferred when costs occur within the upcoming six months;
- Up to \$60,345 to Public Works Administration to fund Technology Innovation Funding Projects, offset by a reduction in the Automation Reserve assignment – funding will be transferred when costs occur within the upcoming six months;
- \$503,616 to fund termination and retirement cash-out costs in Aging and Veterans Services, Assessor, District Attorney, Probation and Sheriff;
- \$391,028 to Sheriff Administration, Detention and Operations for increased costs associated with comp time, equipment and software purchases, and mutual aid;
- \$292,832 to District Attorney Criminal Division for increased costs associated with overtime, litigation, witness, transcription and IT equipment;
- \$186,299 to CEO General Fund Contribution to Other Programs for increased costs associated with the N. McHenry Revenue Sharing Agreement with the City of Modesto; and
- \$55,066 to Assessor for increased costs associated with GIS charges and staffing costs for extra help positions and reclassification costs.

These actions require a four-fifths vote by the Board of Supervisors. If the requested use of \$2,661,014 is approved, a remaining balance of \$5,509,850 would be available for use through June 30, 2016.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
CEO Appropriations for Contingencies	\$0	(\$1,232,173)	\$0	(\$1,232,173)	Transfer from Appropriations for Contingencies for IT Innovations projects.
CEO Appropriations for Contingencies	\$0	(\$503,616)	\$0	(\$503,616)	Transfer from Appropriations for Contingencies for termination and retirement cashouts.
CEO Appropriations for Contingencies		(\$391,028)	\$0	(\$391,028)	Transfer from Appropriations for Contingencies to Sheriff for comp time, equipment, software and mutual aid costs.
CEO Appropriations for Contingencies		(\$292,832)	\$0	(\$292,832)	Transfer from Appropriations for Contingencies to the District Attorney for overtime, litigation, witness, transcription and IT equipment costs.
CEO Appropriations for Contingencies		(\$186,299)	\$0	(\$186,299)	Transfer from Appropriations for Contingencies to CEO General Fund Contribution to Other Programs for increased costs associated with N. McHenry revenue sharing agreement with the City of Modesto.
CEO Appropriations for Contingencies		(\$55,066)	\$0	(\$55,066)	Transfer from Appropriations for Contingencies to Assessor for increased GIS charges and staffing costs.
<b>Total</b>	<b>\$0</b>	<b>(\$2,661,014)</b>	<b>\$0</b>	<b>(\$2,661,014)</b>	

**Summary of Recommendations:** It is recommended to transfer appropriations of \$2,661,014 from Appropriations for Contingencies, by a 4/5 vote of the Board of Supervisors.

General Fund Contribution to Other Programs: This budget includes the N. McHenry Revenue Sharing Agreement with the City of Modesto. At this time, estimated payments to the City based on that agreement will be higher than the budgeted appropriations by \$655,000. Additionally, the HSA long-term deficit has been fully repaid in the current year, resulting in a decrease in appropriations of \$468,701.

It is recommended to increase appropriations in this budget to act as a pass through in transferring Technology Innovation appropriations to non-general fund departments.

- \$35,270 to Animal Services to fund three projects;
- \$41,292 to Behavioral Health and Recovery Services to fund one project;
- \$125,148 to the Library to fund one project; and
- \$143,815 to Public Works to fund four projects.

General Fund Match Vehicle License Fee: This budget receives and distributes 1991 Vehicle License Fee realignment revenue and is used to fund Stanislaus County Public Health, Mental Health and Social Services programs and is a major funding source for County health and social services programs. There is no impact to the County's General Fund as a result of this pass-through budget.

As part of the enacted State Budget for Fiscal Year 2013-2014, Assembly Bill (AB) 85 detailed budget adjustments for health and human services. Included in AB 85 was 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 Vehicle License Fee realignment revenue between the Health Subaccount and the Social Services subaccount.

As a result, it is recommended to increase appropriations and estimated revenue by \$10 million to reflect the increased funding for social services programs administered by the Community Services Agency.

Mandated County Match: This budget contains local funds used to leverage Federal and State funding for a variety of programs and functions that have a mandated match or maintenance of effort requirement. As a result of reduced CalWORKs and Foster Care/Extended Foster Care caseloads and grant amounts, the Community Services Agency Public Economic Assistance budget is returning \$1,217,432 in unused General Fund Mandated County Match.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
CEO General Fund Contribution to Other Programs	\$0	\$655,000	\$0	\$655,000	Increase appropriations for N. McHenry revenue sharing agreement with the City of Modesto, funded from Appropriations for Contingencies.
CEO General Fund Contribution to Other Programs	\$0	(\$468,701)	\$0	(\$468,701)	Reduction in use of Tobacco Securitization interest for the HSA long-term deficit repayment; now fully paid off.
CEO General Fund Contribution to Other Programs		\$345,525	\$0	\$345,525	Increase in appropriations for IT innovations projects for Stanislaus Animal Services, Behavioral Health and Recovery Services, Library and Public Works, funded from Appropriations for Contingencies.
CEO Mandated County Match		(\$1,217,432)	\$0	(\$1,217,432)	Decrease in appropriations for Community Services Agency Public Economic Assistance.
CEO Vehicle License Fees	\$10,000,000	\$10,000,000	\$0	\$0	Increase in estimated revenue and appropriations to reflect additional realignment funding for the Family Support subaccount.
<b>Total</b>	<b>\$10,000,000</b>	<b>\$9,314,392</b>	<b>\$0</b>	<b>(\$685,608)</b>	

**Summary of Recommendations:** It is recommended appropriations be increased by \$9,314,392 funded by an increase in estimated revenue of \$10 million and a transfer from Appropriations for Contingencies of \$531,824. This will result in a return of \$1,217,432 in Mandated County Match.

### CEO-RISK MANAGEMENT SELF-INSURANCE FUNDS

Dental Self-Insurance: Beginning in calendar year 2015, the new Dental Buy-Up program was introduced. For the 2016 calendar year, enrollment and utilization of the Dental Buy-Up program has increased. To account for this, it is requested that appropriations and estimated revenue be increased by \$150,000.

Professional Liability Self-Insurance: The Department requests that appropriations be increased by \$20,000 to fund increased defense fees in the medical malpractice program, funded by retained earnings. The retained earnings balance as of December 31, 2015 was \$661,332.

Workers' Compensation Self-Insurance: It is requested that appropriations be increased by \$400,000 to fully fund workers' compensation claims through the end of the year, funded by retained earnings. The requested appropriations are due to increased costs of medical treatments and specialty medications for claims that were incurred in prior fiscal years. It is anticipated that the positive performance of departments in the areas of safety and workers' compensation will be reflected in future budgets. The retained earnings balance as of December 31, 2015 was \$1,108,746.

Budget Unit	Requested				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
CEO - Risk Management Division Dental Self-Insurance	\$150,000	\$150,000	\$0	\$0	Increase estimated revenue and appropriations due to increased enrollment and increased participation in the Buy-Up Program
CEO - Risk Management Division Professional Liability Insurance		\$20,000	\$20,000	\$0	Increase appropriations to fund increased defense fees in the medical malpractice program funded by retained earnings
CEO - Risk Management Division Workers' Compensation Self-Insurance		\$400,000	\$400,000	\$0	Increase appropriations to fund increased medical and specialty medication costs in the workers' compensation program funded by retained earnings
<b>Total</b>	<b>\$150,000</b>	<b>\$570,000</b>	<b>\$420,000</b>	<b>\$0</b>	

**Summary of Recommendations:** It is recommended appropriations be increased by \$570,000 funded by an increase in estimated revenue of \$150,000 and \$420,000 in retained earnings in the CEO-Risk Management Self-Insurance Funds budget.

## CLERK-RECORDER

In July, the sole American supplier of secure bank note paper used by California counties to print certified copies of birth, death, and marriage certificates closed its doors without notice. The Clerk-Recorder located paper from outside the United States from the Canadian Bank Note Company and strictly rationed the distribution of documents using the limited supply on hand beginning in August. The first shipment from Canada was received in November and certificate copy limitations were immediately removed. However, certificate requests have been slow to rebound and the first six months of revenue for copies has been greatly impacted. The Department is monitoring the ongoing impact to revenue and will consider any necessary budgetary adjustments at Third Quarter.

**Staffing Requests:** As part of the 2015-2016 Final Budget, the Department requested a classification study of one Accountant I position. The study has been completed. Based on the job duties and responsibilities, it is recommended to reclassify upward and block budget this position to an Accountant II. The cost difference will be funded within the Department's existing budget.

CLERK RECORDER TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Clerk Recorder	1	3123	Accountant I	Reclassify upward	Accountant II-block budget

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

**Elections: Technology Innovation:** The Clerk-Recorder - Elections has requested \$140,948 in Technology Innovation funding to fund the Campaign, FPPC and Form 700 Web Reporting System project. Implementation of this web based reporting system supports a two-fold approach to file and access candidate campaign, County Fair Political Practices Commission (FPPC) and Form 700 Statement of Economic Interest mandated County filings. Filing and accessing online would reduce the number of office visits required and make both filing and research transparent and accessible. This project is leaning heavily on Strategic Business Technology for assistance. Therefore, as part of the recommendation, the project must take a phased approach starting with the very high profile Campaign documents.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Clerk-Recorder - Elections	\$0	\$140,948	\$0	\$140,948	Increase in appropriations funded from Appropriations for Contingencies for the Election's Campaign, FPPC and Form 700 Web Reporting System project as part of the Technology Innovations program. Of this amount \$140,948 will be appropriated in Fixed Assets.
<b>Total</b>	<b>\$0</b>	<b>\$140,948</b>	<b>\$0</b>	<b>\$140,948</b>	

**Summary of Recommendations:** It is recommended to increase appropriations up to \$140,948, funded from Appropriations for Contingencies, to fund the Clerk-Recorder's Technology Innovation Program project.

## GENERAL SERVICES AGENCY

Central Services: The Department is requesting to increase revenue and appropriations in the amount of \$8,800 for landscaping services, provided by the Parks Department, at 801 Scenic Drive. This increase is due to the District Attorney's Office moving their storage to this location, which was previously the Central Services print shop. Central Services is serving as a pass-through for the General Fund charges in this fiscal year. In Budget Year 2016-2017 these charges will remain with the Parks Department.

The Department is currently working with Strategic Business Technology to develop a Contract Management software program. This has included staff completing additional data entry to the new program for testing and implementation, creating some additional staff overtime costs. Additionally, the Department has seen a significant increase in the volume of property leases. The Department is requesting an increase in appropriations of \$6,483 for overtime costs, funded by department retained earnings. As of December 31, 2015 Central Services retained earnings was \$193,010.

Facilities Maintenance: The Department is requesting to increase appropriations in the amount of \$61,853 that will be funded by retained earnings. This will fund the following: a Modesto Junior College (MJC) intern from the Department of Technical Education to gain practical experience in the facilities field; increased on-call pay due to employee leave of absence; a new server to support Environmental Control software currently managed on a desk-top computer; a network switch replacement; a new large format scanner/printer for scanning building blueprints; and two new vacuums and a floor scrubber for janitorial services. As of December 31, 2015 Facilities Maintenance retained earnings balance was \$1,399,514.

Fleet Services: The Department is requesting an increase in estimated revenue and appropriations in the amount of \$65,000 for materials inventory. As a result of changes in vehicle model styles, modifications of new vehicles have been unable to re-use existing equipment from the vehicle being replaced. New inventory is needed for future repairs and to maintain a prudent level of useful materials inventory.

The Department is also requesting an increase in appropriations of \$18,500 to fund an increase in overtime costs due to employee leave of absences, and to add new computer work stations with Wi-Fi access to each of the mechanic's bays. Currently, Equipment Mechanics must leave their bay to access computer information on parts availability and work order information. Installing computers at each bay will increase efficiency. These requests will be funded by department retained earnings. As of December 31, 2015 Fleet Services retained earnings balance was \$1,286,106.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
GSA - Central Services	\$8,800	\$8,800	\$0	\$0	Increase in revenue and appropriations for landscaping services at 801 Scenic.
GSA - Central Services	\$0	\$6,483	\$6,483	\$0	Increase in appropriations for overtime costs associated with increased volume of property leases; and in-house development of Contract Management software, funded by department retained earnings.
GSA - Facilities Maintenance	\$0	\$61,853	\$61,853	\$0	Increase in appropriations for an MJC Intern, increased on-call pay due to leave of absence, various technical and janitorial equipment, funded by department retained earnings.
GSA - Fleet Services	\$65,000	\$65,000	\$0	\$0	Increase in materials inventory due to model changes in vehicles.
GSA - Fleet Services	\$0	\$18,500	\$18,500	\$0	Increase in appropriations for overtime costs due to leave of absences; and purchase new computers and WiFi for access at each mechanic's bay, funded by department retained earnings.
<b>Total</b>	<b>\$73,800</b>	<b>\$160,636</b>	<b>\$86,836</b>	<b>\$0</b>	

**Summary of Recommendations:** It is recommended to increase appropriations by \$160,636 and estimated revenue by \$73,800 in the General Services Agency budgets. This will result in an increase in the use of departmental retained earnings by \$86,836.

## STRATEGIC BUSINESS TECHNOLOGY

**Staffing Requests:** The Department is requesting to restore one unfunded Senior Software Developer/Analyst position to provide the Department with a broader range of development capabilities. This position will provide support to address E-Government initiatives to improve workflow in departments and create efficiencies through automation and paper reduction. The salary cost difference will be funded within the Department's existing budget.

STRATEGIC BUSINESS TECHNOLOGY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Strategic Business Technology	1	885	Sr Software Developer/Analyst	Restore unfunded position	Restore position
<b>SBT CHANGES</b>	<b>1</b>				
<b>Beginning Allocation</b>	<b>24</b>				
<b>Changes in Allocation</b>	<b>1</b>				
<b>Ending Allocation</b>	<b>25</b>				

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

## **BUDGET SCHEDULE**

The following schedule is recommended for the 2015-2016 Third Quarter Financial Report and the 2016-2017 Proposed Budget:

- February 5, 2016                      Issue 2016-2017 Proposed Budget Instructions
- February 22, 2016                    Issue 2015-2016 Third Quarter Budget Instructions
- March 21, 2016                        Department Third Quarter Budget Submissions due to  
Chief Executive Office
- March 28, 2016                        Department 2016-2017 Proposed Budget Submittals due to  
Chief Executive Office
- May 3, 2016                             Third Quarter Financial Report to the Board of Supervisors
- June 14, 2016                          2016-2017 Proposed Budget Public Hearing