



Budget at a Glance

2023 Adopted Budget

Two-Year Budget Period
Ending June 30, 2024

Year
One

Stanislaus County, California

Board of Supervisors
Terry Withrow, Chairman

Buck Condit
Mani Grewal

Vito Chiesa
Chance Condit

Submitted by Jody Hayes
Chief Executive Officer



Mission—Vision—Values

County Mission

We Build Community!

Vision

Becoming a community of choice, where people live, work, and thrive—a place worthy of calling home.

Values



Respect Fairness
Citizenship Caring
Trustworthiness
Responsibility

New Values Coming Soon!

Board Priorities



*Supporting a
Strong and Safe
Community*



*Promoting
Lifelong
Learning*



*Supporting a
Healthy
Community*



*Delivering
Efficient
Public Services*



*Developing a
High-Performing
Economy*



*Enhancing
Community
Infrastructure*

Budget Message

“A vision without a strategy remains an illusion.”
--Lee Bolman



Stanislaus County has a long history of managing its resources with a strong multi-year focus on long-term fiscal sustainability along with the paced management of conservative growth and development, all while ensuring the community benefits through the effective and efficient provision of valuable programs and services. From the policies adopted and supported by the Board of Supervisors to the mindful stewardship of resources by our County departments, the organization has successfully maintained this critical balance between fiscal strength and community benefit.

Envisioned as an opportunity to make wise use of County reserves, we introduced a concept in our Proposed Budget presentation to the Board of Supervisors in June 2022 that would support and strengthen key areas within the organization. However, as Lee Bolman, author, speaker, and professor of leadership and organization studies, has astutely noted, “a vision without a strategy remains an illusion.” We must work to develop and implement specific strategic efforts to bring this vision to fruition.

This budget does just that. It brings our conceptualized plan to life through the implementation of one-time and ongoing funding to support the Building Community Services Investment, Employee Recruitment and Retention Strategy, and Building Community Infrastructure Fund (see page 16 for details). The overall strategy is intended to provide flexibility and focused support in areas of need within the organization and across the community.

We feel this is a balanced approach to benefit the community and the infrastructure that supports it and a valuable use of our County resources while maintaining the fiscal strength that will see us into the future with the ability to manage the unknown. This strategy has us poised to invest where it is needed most, at the heart of the organization and the community.

As always, I am truly honored to serve as your Chief Executive Officer and support this fine organization and its amazing staff. It is through the hard work of this County team that we are able to provide quality services to those who need them most; I thank them for helping bring this vision to life.

Respectfully,

A handwritten signature in black ink, appearing to read "Jody Hayes".

Jody Hayes, Chief Executive Officer



Summary of Board Priorities and Focus Areas

Supporting a Strong and Safe Community

- ⇒ Build on neighborhood strengths to increase community safety
- ⇒ Demonstrate responsiveness to reported trends in criminal justice
- ⇒ Enhance criminal justice partnerships for effective, efficient services
 - ⇒ Ensure local and regional disaster preparedness
- ⇒ Enhance communications/increase safety, resources, services awareness

Supporting a Healthy Community

- ⇒ Support physical, mental, emotional, spiritual, and financial health
- ⇒ Support protection, health, accountability, and independence
- ⇒ Promote access to health care for individuals/families to thrive

Developing a High-Performing Economy

- ⇒ Create a path to economic self-sufficiency
 - ⇒ Determine business needs to develop a skilled workforce
- ⇒ Support agricultural efficiencies via education, technology, innovation
- ⇒ Promote, protect, support agricultural resources and marketplace equity
 - ⇒ Promote an attractive regional environment

Promoting Lifelong Learning

- ⇒ Provide materials, resources, programs, and spaces to promote lifelong learning and personal development

Delivering Efficient Public Services

- ⇒ Improve engagement, transparency in County services and programs
 - ⇒ Provide safe and secure facilities, systems, and operations
 - ⇒ Increase business efficiency through technology and best practices
- ⇒ Invest in recruitment/retention of individuals with passion for service

Enhancing Community Infrastructure

- ⇒ Ensure quality and quantity of reliable water sources
 - ⇒ Maintain effective solid waste disposal
 - ⇒ Improve transportation network (roads and transit)
 - ⇒ Ensure infrastructure equity throughout the County
 - ⇒ Implement a comprehensive flood control strategy
- ⇒ Position the County as a regional and statewide destination
- ⇒ Protect the accessibility of County facilities for residents
 - ⇒ Promote adequate affordable housing

Stanislaus County Organizational Structure

CITIZENS OF STANISLAUS COUNTY

County Counsel

BOARD OF SUPERVISORS

CHIEF EXECUTIVE OFFICER

Clerk of the Board of Supervisors



***Supporting a
Strong and Safe
Community***

District Attorney*
Grand Jury
Probation
Public Defender
Sheriff*



***Developing a
High-Performing
Economy***

Agricultural
Commissioner
UC Cooperative
Extension
Workforce
Development



***Delivering Efficient
Public Services***

Assessor*
Auditor-Controller*
Chief Executive Office
Clerk-Recorder*
General Services
Agency
Information
Technology Central
Treasurer-Tax
Collector*



***Supporting a
Healthy
Community***

Aging and Veterans
Services
Behavioral Health and
Recovery Services
Child Support Services
Community Services
Agency
Health Services
Agency



***Promoting
Lifelong
Learning***

Library



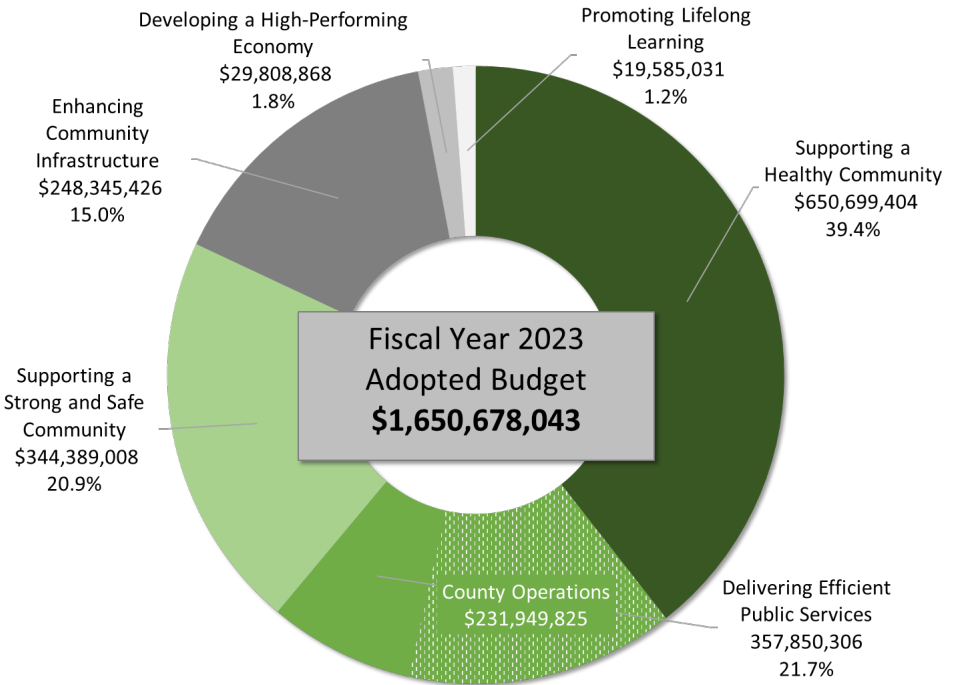
***Enhancing
Community
Infrastructure***

Environmental
Resources
Parks and Recreation
Planning and
Community
Development
Public Works

*Elected Officials do not report directly to the Board of Supervisors and/or the Chief Executive Officer.

Effective September 20, 2022

2023 Adopted Budget



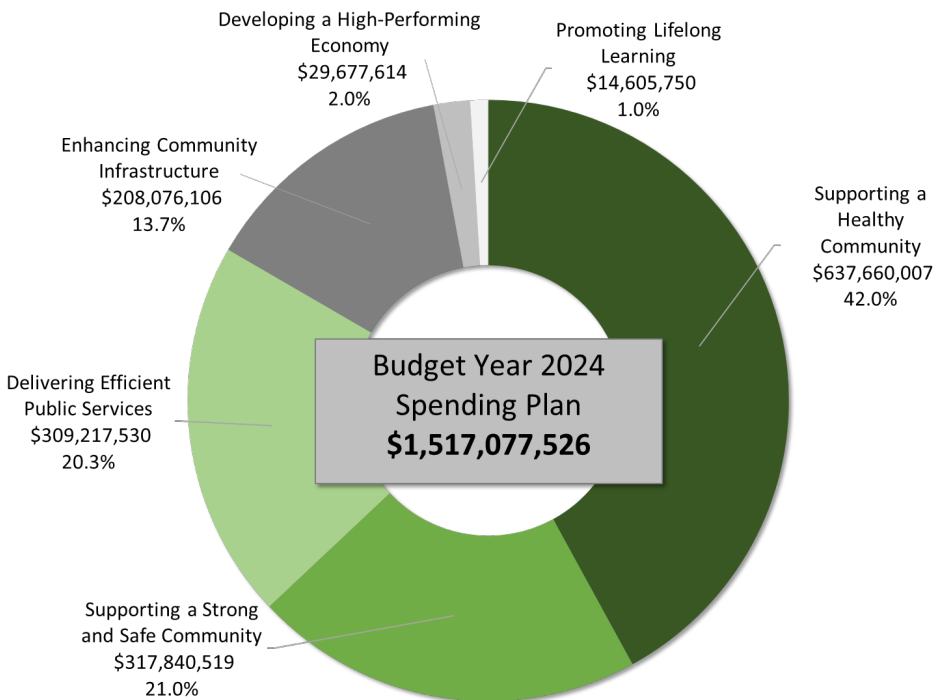
The 2023 Adopted Budget of **\$1.65 billion** was approved by the Board of Supervisors on September 20, 2022, representing a 10.8% increase over the 2022 Adopted Budget. The \$160.9 million increase is attributed to adjustments supporting existing service levels in all departments with standard cost-of-doing-business increases and additional investments in programs, services, vehicles, and equipment. Implementation of several key strategic actions prioritized by the Board of Supervisors included \$16.5 million to begin the first of three years of expenditures in support of the Building Community Services Investment initiative to improve parks, libraries, and County facilities and \$15 million to establish the Building Community Infrastructure Fund supporting individual district projects at the neighborhood level.

The 2023 Adopted Budget included funding for **4,746** full-time allocated positions, representing a net increase to the allocation count of 159 positions over that supported by the 2022 Adopted Budget.

2024 Spending Plan

Fiscal Year 2023 represents Year One of the two-year budget period ending June 30, 2024. Projections for Year Two remove one-time costs and revenues from Year One and accommodate standard cost-of-doing-business increases based on current operations and the consumer price index. Year Two projections, known as the 2024 Spending Plan, will serve as the initial budget in Year Two; departments will have the opportunity to adjust the plan based on updated information through the 2024 Proposed Budget when it goes before the Board of Supervisors in June 2023.

The 2024 Spending Plan of **\$1.52 billion** represents a decrease of \$133.6 million from the 2023 Adopted Budget, largely attributable to the reductions for one-time expenses and the applied policy of maintaining General Fund Contributions and Mandated Match to non-General Fund departments at current levels pending updates in the 2024 Proposed Budget.



Appropriations by Department

In Millions

Supporting a Healthy Community

\$650.7

\$325.0 Community Services Agency
\$197.1 Behavioral Health & Recovery Services
\$101.1 Health Services Agency
\$ 17.4 Child Support Services
\$ 10.1 Aging and Veterans Services

\$232.0 County Operations*
\$ 47.7 General Services Agency
\$ 19.3 Information Technology Central
\$ 11.7 Clerk-Recorder
\$ 9.8 Auditor-Controller
\$ 9.8 Chief Executive Office
\$ 9.1 Assessor
\$ 6.8 CEO—Human Relations
\$ 5.0 County Counsel
\$ 4.3 Treasurer-Tax Collector
\$ 2.4 Board of Supervisors

Delivering Efficient Public Services

\$357.9

(*\$232 in Countywide
support provided through
administrative budgets
in County Operations)

Supporting a Strong and Safe Community

\$344.4

\$209.6 Sheriff
\$ 90.5 Probation
\$ 27.0 District Attorney
\$ 17.1 Public Defender
\$ 0.2 Grand Jury

\$159.1 Public Works
\$ 38.6 Environmental Resources
\$ 33.8 Planning & Community Development
\$ 16.8 Parks and Recreation

Enhancing Community Infrastructure

\$248.3

Developing a High-Performing Economy

\$29.8

\$ 22.3 Workforce Development
\$ 6.5 Agricultural Commissioner
\$ 1.0 UC Cooperative Extension

\$ 19.6 Library

Promoting Lifelong Learning

\$19.6

*Includes County administrative budgets (e.g., benefits, contingencies, etc.)

Appropriations (Costs) and Revenue

Cost Distribution \$1,650,678,043

34.9%	<p>Salaries and Benefits of \$575.8 million make up the largest portion of Countywide expenses, at 34.9% of overall costs, supporting employee-related costs for 4,746 positions allocated to County departments and local agencies.</p>
34.5%	<p>Budgeted appropriations in Services and Supplies total \$569.7 million, representing 34.5% of all costs, covering a variety of program and departmental expenditures, including contract services, maintenance, and office expenses.</p>
19.1%	<p>Other Charges, at \$315.8 million or 19.1% of all costs, are primarily made up of Cost Allocation Plan (CAP) charges.</p>
11.5%	<p>Remaining costs* total \$189.4 million or 11.5% of costs.</p>

*Includes Other Financing Uses, Fixed Assets, Contingencies, and Intrafund accounts.

Revenue Sources \$1,503,405,347

Within Intergovernmental Revenue, approximately **49.3%** of County revenue comes from **State** and **Federal** governments, the majority of which is restricted and must fund specific programs in the *Supporting a Healthy Community* priority area.

State Revenue
34.1%

Federal Revenue
15.2%

Charges for Service
24.5%

Taxes
14.9%

All Other Sources*
11.3%

*All Other Sources includes Licenses, Permits, Franchises; Fines, Forfeitures, Penalties; Revenue from Use of Assets; Miscellaneous Revenue; Other Financing Sources; and other Intergovernmental Revenue

Appropriations and Revenue by Fund Type

Consistent with standard accounting practices, the County’s budget is divided into separate financial entities known as “funds.” Used to carry out specific activities in accordance with special regulations, restrictions, or limitations, governments use these fund entities to segregate their financial resources and demonstrate legal compliance. Three “governmental funds” (General, Special Revenue, and Capital Projects funds) account for local governmental activities and two proprietary fund types address “business-type” activities (Enterprise and Internal Services funds).

Adopted Budget Summary by Fund Type	Total Appropriations	Total Revenue	One-time Funding Required*
General Fund	\$ 499,475,067	\$ 435,231,078	\$ 64,243,989
Special Revenue Fund	919,222,390	861,133,472	58,088,918
Capital Projects Fund	4,875,221	4,635,245	239,976
Enterprise Fund	73,094,456	60,523,217	12,571,239
Internal Service Fund	154,010,909	141,882,335	12,128,574
Total	\$ 1,650,678,043	\$ 1,503,405,347	\$ 147,272,696

*Fund balance, retained earnings, and other one-time funding sources

General Fund—Used to pay for core services such as public safety, parks and recreation, planning and community development, justice administration, tax assessment and collection, and a host of other vital services to the community; the revenue used to pay for these services comes primarily from local taxes such as property tax and sales tax, franchise fees, charges for services, and a variety of other discretionary sources

Special Revenue Funds—Used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes and account for over half of Stanislaus County’s budget

Capital Projects Funds—Typically used to account for financial resources that are identified for the acquisition or construction of major capital facilities

Enterprise Funds—Established for specific services that are funded directly by fees charged for goods and/or services

Internal Service Funds—Used to report activities that provide goods or services to County departments or agencies on a cost-reimbursement basis

General Fund

The 2023 Adopted Budget for the General Fund totals **\$499.5 million**, an increase of \$87.7 million, or 21.3%, over the 2022 Adopted Budget. The net increase includes base funding adjustments to cover the existing service levels of all current programs and allocated positions, reduced by a 5% vacancy factor. The Adopted Budget also includes technical adjustments for items previously approved by the Board along with increased support for various departmental operational needs while reducing for one-time costs budgeted in the prior year. Of note is the General Fund support provided for strategic investments in the organization and community.

Budgets within the General Fund rely on \$152.5 million in departmental revenue, \$282.7 million in Discretionary Revenue, and assumes the use of \$64.2 million in combined assigned and unassigned fund balance. The General Fund started the fiscal year on July 1, 2022 with a fund balance of \$262 million and, based on budgeted expenditures and revenue, is projected to end the fiscal year with a fund balance of \$197.7 million on June 30, 2023.

The use of fund balance assignments to balance the budget represents the value of long-range planning in action. These funds, set aside from savings in prior years, are dedicated to meeting various needs in the current budget. Stanislaus County relies on a two-year budget cycle tied to performance visioning with a focus on multi-year long-range modeling, in which the economic climate is continually assessed, to guide financial decisions.

General Fund	2021 Adopted Budget	2022 Adopted Budget	2023 Adopted Budget
Departmental Appropriations	\$ 384,278,832	\$ 399,771,244	\$ 487,466,546
Appropriations for Contingencies	12,008,510	12,008,510	12,008,521
Total Appropriations	\$ 396,287,342	\$ 411,779,754	\$ 499,475,067
Departmental Revenue	121,645,357	149,623,880	152,541,511
General Fund Contribution	\$ 274,641,985	\$ 262,155,874	\$ 346,933,556
Sources of Funding			
Discretionary Revenue	\$ 233,605,000	\$ 256,853,949	\$ 282,689,567
Fund Balance Assignments	40,926,681	28,281,578	54,598,989
Fund Balance Unassigned	110,304	(22,979,653)	9,645,000
Total Sources of Funding	\$ 274,641,985	\$ 262,155,874	\$ 346,933,556
Surplus/(Deficit)	\$ -	\$ -	\$ -

County General Fund Contributions

\$346,933,556 in Net County Cost

\$140.3 Sheriff
\$ 28.7 County Operations
\$ 28.1 Probation
\$ 22.9 District Attorney
\$ 18.9 General Services Agency
\$ 15.6 Public Works
\$ 13.3 Community Services Agency
\$ 12.5 Public Defender
\$ 8.8 Parks and Recreation
\$ 7.7 Assessor
\$ 6.3 Chief Executive Office
\$ 6.2 Clerk-Recorder
\$ 5.4 Health Services Agency
\$ 4.6 Library
\$ 4.3 Behavioral Health/Recovery Serv.
\$ 4.3 Environmental Resources
\$ 2.9 CEO - Human Relations
\$ 2.6 Planning & Community Develop.
\$ 2.6 County Counsel
\$ 2.3 Agricultural Commissioner
\$ 8.6 All Other Departments*

County General Fund contributions to departments and partnering agencies in the 2023 Adopted Budget total **\$346.9 million**. These contributions, also noted as **Net County Cost**, are funded by **\$282.7 million** in Discretionary Revenue and **\$54.6 million** in fund balance assignments, relying on **\$9.6 million** in unassigned fund balance. The majority of funding supports departments within the priority *Supporting a Strong and Safe Community* (specifically Sheriff, Probation, District Attorney, and Public Defender) followed by County Operations, Public Works, and Community Services Agency.

*All Other Departments include Board of Supervisors, Aging and Veterans Services, Auditor-Controller, Treasurer-Tax Collector, UC Cooperative Extension, and Grand Jury

Figures in millions

County Long-Range Financial Plans

The General Fund Long-Range Summary is an illustration of the County’s financial plans that extend beyond the current fiscal year based on known and/or anticipated funding and expenditure projections. The projections include escalation factors designed to meet the normal cost of doing business and address the organization’s ongoing service needs. Both funding and expenditure assumptions are identified in the Long-Range Summary below, with projections provided through Budget Year 2027.

Approximately 94% of all Discretionary Revenue consists of property and sales tax sources. Property tax revenue is estimated to increase 4% through for two years, then decline to 3% thereafter, and sales tax revenue is projected to increase 3%, with Public Safety sales tax revenue forecast at 2% growth annually. Department revenue is projected at 1% each year. Expenditure assumptions include:

- 3% base budget increases
- 5% health insurance increases
- 3% retirement increases
- Removal of current one-time projects
- Included Building Community Services Investment through Fiscal Year 2025

Item	2023 Adopted Budget	2024 Projected Budget	2025 Projected Budget	2026 Projected Budget	2027 Projected Budget
<u>Funding Assumptions</u>					
Discretionary Revenue	\$ 282,689,567	\$ 291,200,000	\$ 300,100,000	\$ 307,700,000	\$ 315,500,000
Departmental Revenue	152,541,511	144,100,000	145,500,000	147,000,000	148,500,000
Unassigned Fund Balance	9,645,000	9,000,000	9,000,000	8,290,538	9,000,000
Assigned Fund Balance	54,598,989	38,973,287	37,110,710	20,401,536	21,499,608
Total Funding	\$ 499,475,067	\$ 483,273,287	\$ 491,710,710	\$ 483,392,074	\$ 494,499,608
<u>Expenditure Assumptions</u>					
Base Budget	\$ 355,164,949	\$ 365,800,000	\$ 376,800,000	\$ 388,100,000	\$ 399,700,000
5% Vacancy Rate Factor	(9,260,000)	(9,445,000)	(9,634,000)	(9,827,000)	(10,024,000)
Health Insurance and Retirement	63,558,742	63,552,045	63,766,776	63,799,401	63,181,610
Jail Medical	16,322,979	16,884,981	17,549,970	18,195,859	18,864,353
Less CCP Funding	(5,229,066)	(5,272,086)	(5,316,606)	(5,362,687)	(5,410,381)
Building Community Infrastructure	15,645,000	-	-	-	-
Contingencies (incl Reserve incr)	12,525,521	12,921,000	13,167,000	13,069,000	12,713,000
One-time Projects and Equipment	33,967,307	15,000,000	15,000,000	15,000,000	15,000,000
Elections Support	1,754,785	1,807,429	1,861,651	1,917,501	1,975,026
Debt Service Offset by Rents	(1,475,150)	(1,475,081)	(1,484,081)	(1,500,000)	(1,500,000)
Building/Community Services	16,500,000	23,500,000	20,000,000	-	-
Total Costs	\$ 499,475,067	\$ 483,273,287	\$ 491,710,710	\$ 483,392,074	\$ 494,499,608
Total (Deficit in Brackets)	\$ -	\$ -	\$ -	\$ -	\$ -

Discretionary Revenue

2023 Discretionary Revenue Distribution **\$282,689,565**



Supporting a Strong and Safe Community \$166.3 Million*



Delivering Efficient Public Services \$64 Million



Enhancing Community Infrastructure \$25.5 Million



Supporting a Healthy Community \$20.4 Million



Promoting Lifelong Learning \$3.8 Million

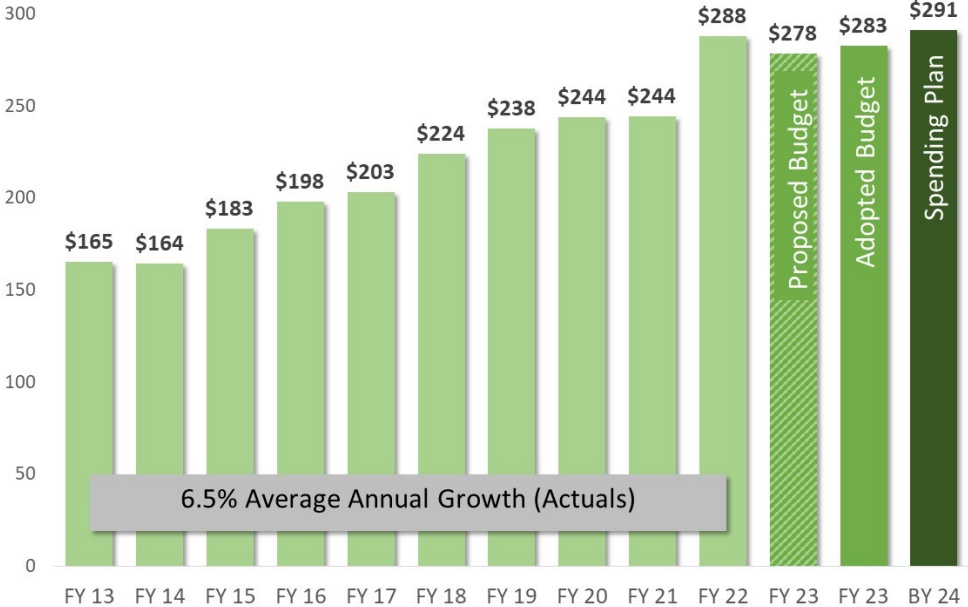


Developing a High-Performing Economy \$2.7 Million

*Includes \$65.7 million in Prop 172 Public Safety Sales Tax

Discretionary Revenue Multi-Year Summary

Millions



Tax Revenue

7.875% Sales Tax Distribution

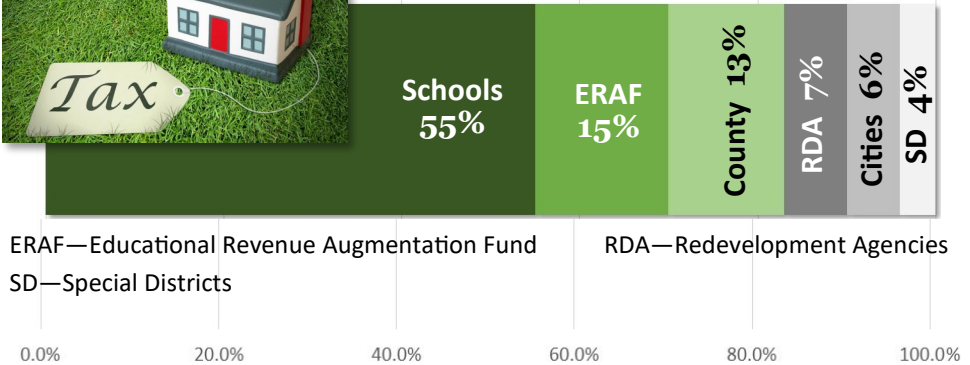


Property Tax Allocation

Property taxes are allocated to several local entities, the schools, cities, and other agencies and districts, in addition to the County's base property tax percentage share. The County's portion of the annual property tax revenues collected by the Tax Collector varies among tax code areas, but has historically fallen between 10% to 12% of the taxes collected, increasing to approximately **13%** after the elimination of Negative Bailout. Stanislaus County's portion remains among the lowest of the county allocations in the State. Recent changes to the master property tax sharing agreement may alter these ratios in the future.



Recent changes to the master property tax sharing agreement may alter these ratios in the future.



ERAF—Educational Revenue Augmentation Fund
SD—Special Districts

RDA—Redevelopment Agencies

Strategic Initiatives

Countywide Investments

The 2023 Adopted Budget included the implementation of a combination of one-time and ongoing strategies to “right-size” a growing fund balance in the General Fund with an intentional investment in areas in which local funding is required to deliver services to the community, all while ensuring operational sustainability well into the future.

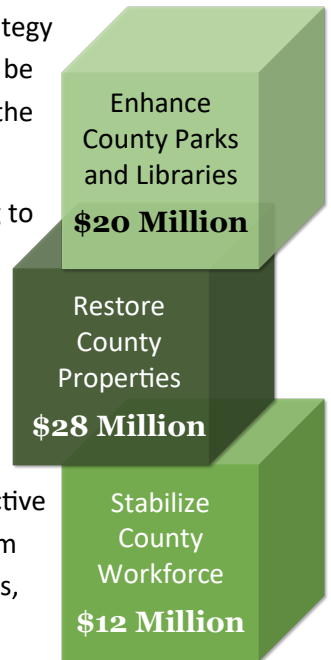
Building Community Services Investment (One-Time Investment)

This one-time, **\$60 million** investment strategy involves three key areas of funding which would be implemented over three years to leverage the strength of the County General Fund to:

Enhance County Parks and Libraries—Contributing to quality of life, community wellness, and learning, looking to contracted support to deliver projects;

Restore County Properties—Addressing deferred maintenance, community centers, and managing aging building inventory of 2.5 million sq. ft.; and

Stabilize County Workforce—Developing effective recruitment and retention strategies with input from the Board of Supervisors, County Department Heads, and labor organizations where applicable.



Building Community Infrastructure Fund (Ongoing Investment)

A **\$15 million** initial investment, with annual contributions dependent upon savings from each prior year, will provide a dedicated funding stream for each member of the Board of Supervisors to address community infrastructure projects of priority in their respective districts, intended to benefit local communities and positively affect people’s lives, investing taxpayer funds where they are needed most.

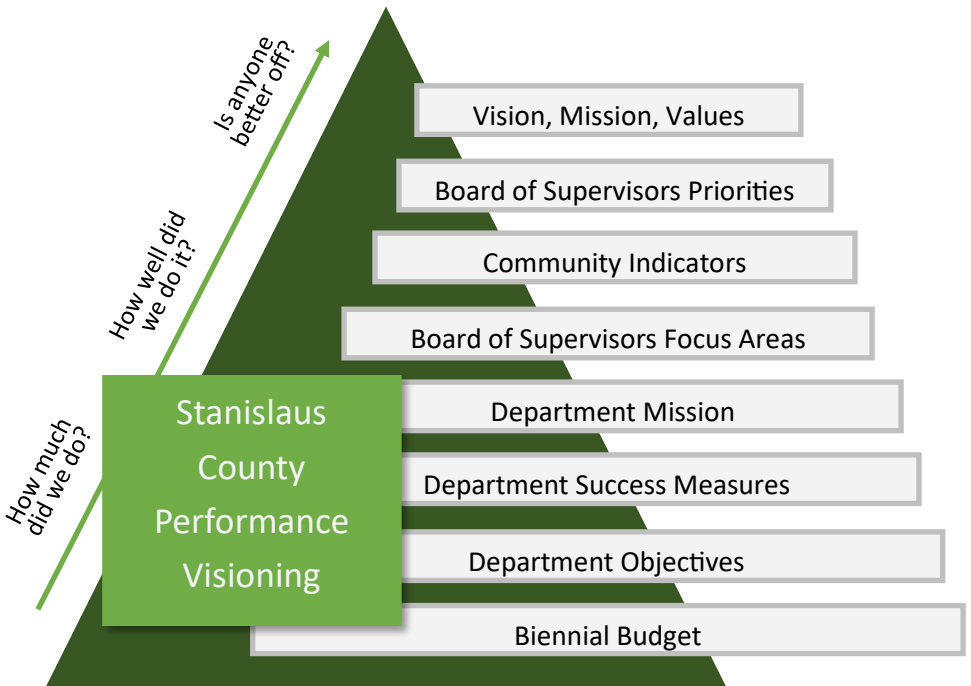
Multi-Year Staffing Summary

Department	2021 Adopted Budget	2022 Adopted Budget	2023 Adopted Budget
Aging and Veterans Services	24	25	29
Agricultural Commissioner	40	40	42
Assessor	58	61	61
Auditor-Controller	41	43	46
Behavioral Health and Recovery Services	487	454	492
Board of Supervisors	10	10	11
Chief Executive Office	36	37	40
CEO - Human Relations	25	31	39
Child Support Services	161	154	147
Clerk-Recorder	48	48	50
Community Services Agency	1,155	1,156	1,172
County Counsel	18	19	20
District Attorney	153	153	155
Environmental Resources	105	108	109
First 5 Stanislaus	5	5	5
General Services Agency	73	80	83
Health Services Agency	440	456	463
Information Technology Central	45	45	46
Law Library	2	2	2
Library	72	72	72
Local Agency Formation Commission	3	3	3
Parks and Recreation	55	59	59
Planning and Community Development	35	36	40
Probation	283	284	274
Public Defender	51	58	69
Public Works	121	121	126
Sheriff	767	786	846
StanCERA	16	16	16
Stanislaus Animal Services Agency	35	35	38
Stanislaus Regional 911	59	59	59
Treasurer-Tax Collector	33	33	33
UC Cooperative Extension	5	6	7
Workforce Development	92	92	92
Total Staffing	4,553	4,587	4,746

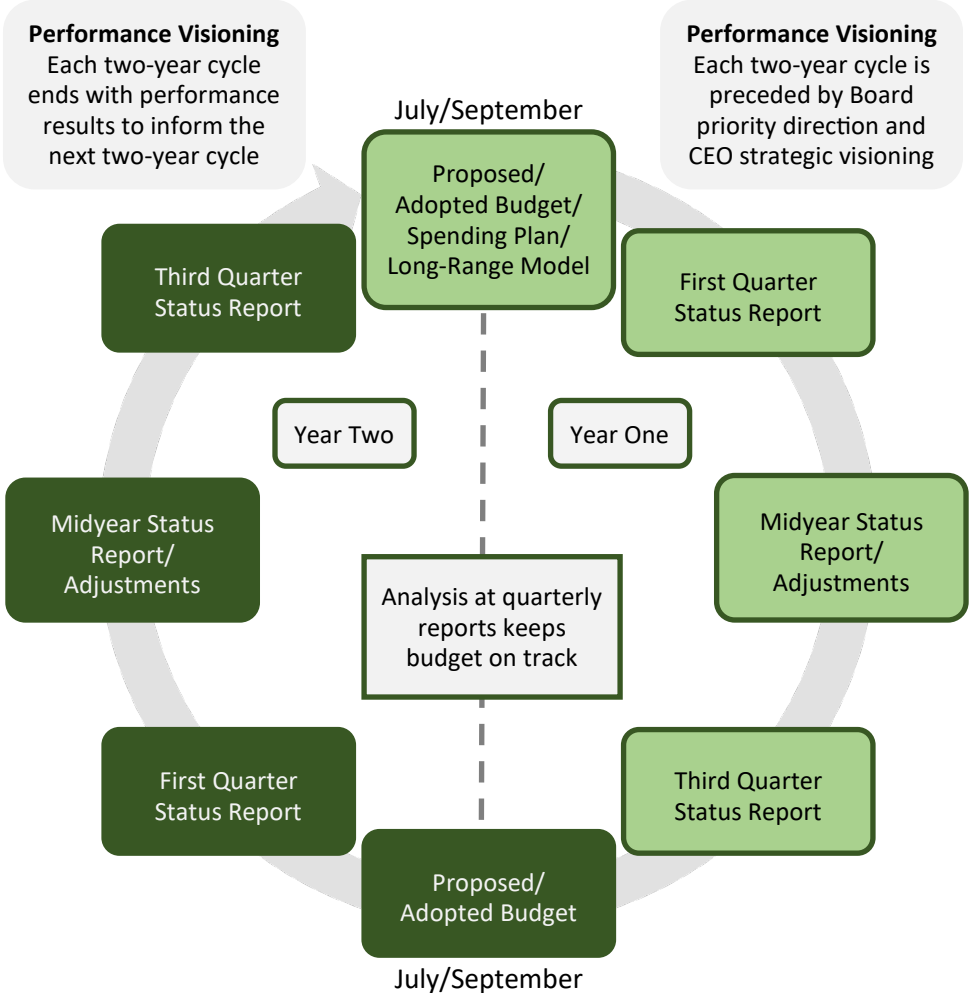
Performance Visioning

Performance visioning is an essential element of Stanislaus County’s two-year budget process. Designed as a tiered structure, the performance visioning model identifies the connective layers that drive success. Supported by the biennial budget process, departments set and strive to meet two-year objectives intended to affect positive movement on mission-focused success measures, which ultimately align with Board focus areas within each priority, all guided by the organization’s vision, mission, and values.

At the heart of the County’s approach to performance visioning is the overriding question, **“What does success look like?”** To help determine progress towards that success, departments track criteria unique to their focus areas that at the most basic identify *How much did we do?*, progressing to the more indicative *How well did we do it?* Ideally, success measures would go further and be able to identify ***Is anyone better off?*** The answer to that question drives plans and activities that seek to better serve the community.



Stanislaus County Two-Year Budget Cycle



The Stanislaus County budget cycle represents a distinct two-year period, beginning on **July 1, 2022** (Fiscal Year 2023 or Year One) and ending on **June 30, 2024** (Budget Year 2024 or Year Two). This diagram outlines the process beginning at the top with the Proposed and Adopted Budgets in Year One, which includes the projected Spending Plan identified for Year Two. The cycle progresses clockwise with quarterly status reports before reaching Proposed Budget at the bottom, when the Spending Plan is updated before repeating the cycle for Year Two.

Stanislaus County Board of Supervisors



Buck Condit
District 1



Vito Chiesa
District 2



Terry Withrow
District 3



Mani Grewal
District 4



Chance Condit
District 5

