Third Quarter Financial Report
July 2007—March 2008

BOARD OF SUPERVISORS

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Introduction

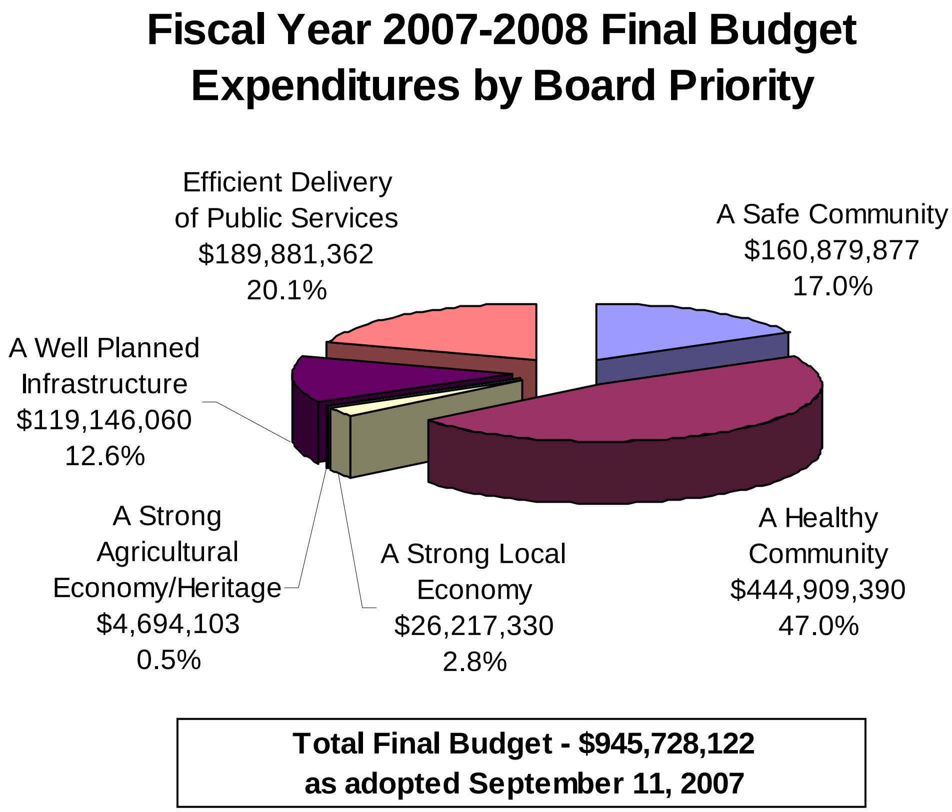
This is Stanislaus County's 2007-2008 Third Quarter Financial Report for the period of July 2007 through March 31, 2008. It has been prepared to inform the Board of Supervisors, County leadership and the public of the County's fiscal status. The report provides revenue and expenditure summaries by each Board of Supervisors Priority and recommends adjustments to County budgets since the adoption of the Final Budget in September 2007.

Summary

On September 11, 2007 the Board of Supervisors adopted the Fiscal Year 2007-2008 Final Budget for Stanislaus County. This spending plan totaled $945,728,122 for all funds and reflected a decrease of $622,740 or a .06% decrease from the 2007-2008 Proposed Budget and a 5.1% increase over the 2006-2007 Final Budget. The Final Budget was balanced and used a combination of $903,268,857 in revenue and $42,459,265 in fund balance and one-time funding sources. The Final Budget also included designations in the General Fund totaling $54,610,014.

The County's 2007-2008 General Fund budget totaled $278,815,789, an increase of 2.2% or $5,895,258 over the Proposed Budget. The Final Budget for Fiscal Year 2007-2008 included $9.7 million in appropriations for contingency funds for future exposures.

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



<u>2007-2008 THIRD QUARTER OVERVIEW</u>

Up to the third quarter point in the fiscal year, adjustments bringing forward funds from the previous fiscal year along with first quarter and mid-year adjustments in the current fiscal year, result in an Adjusted Budget. These actions are summarized below.

Summary of First Quarter and Mid-Year Adjustments

The First Quarter Financial Report included recommendations to increase overall expenditures for all funds by $13,033,597 and to increase overall revenue by $12,762,907. The shortfall was funded from $270,690 of fund balance/retained earnings. The report included recommendations to transfer $4,222,457 from Appropriations for Contingencies. The largest budget action taken at the first quarter point was an additional one-time allocation of $4.189 million toward the Health Services Agency Clinic and Ancillary Services budget. These funds were added to the Health Services Agency Clinic budget to avoid a deficit in the current year and were considered a one-time additional augmentation, until savings initiatives and increased revenue from the Federally Qualified Health Center Look-Alike (FQHC-LA) status was received. Included in the First Quarter Financial Report were recommendations in *A healthy community* program area to increase expenditures and estimated revenue by $12,763,959 and $12,613,607 respectively. The revenue increase included this $4,189,655 County Match increase to the Health Services Agency Clinics for the full cost of the Health Services Agency operating deficit. The First Quarter Financial Report included recommendations to add two new positions and delete two positions which resulted in no net change to the total allocated positions of 4,604. In addition, eight positions were recommended to be reclassified.

The 2007-2008 Mid-Year Financial Report included recommendations of total increases in appropriations of $8,995,480 funded by increased revenue and use of fund balance/retained earnings. The recommendations increased estimated revenue by $16,729,595 with a positive contribution to year-end fund balance/retained earnings of $9,960,563 for programs outside the General Fund, due largely to receipt of the proceeds from the sale of the Stanislaus Behavioral Health Center to Doctor's Medical Center.

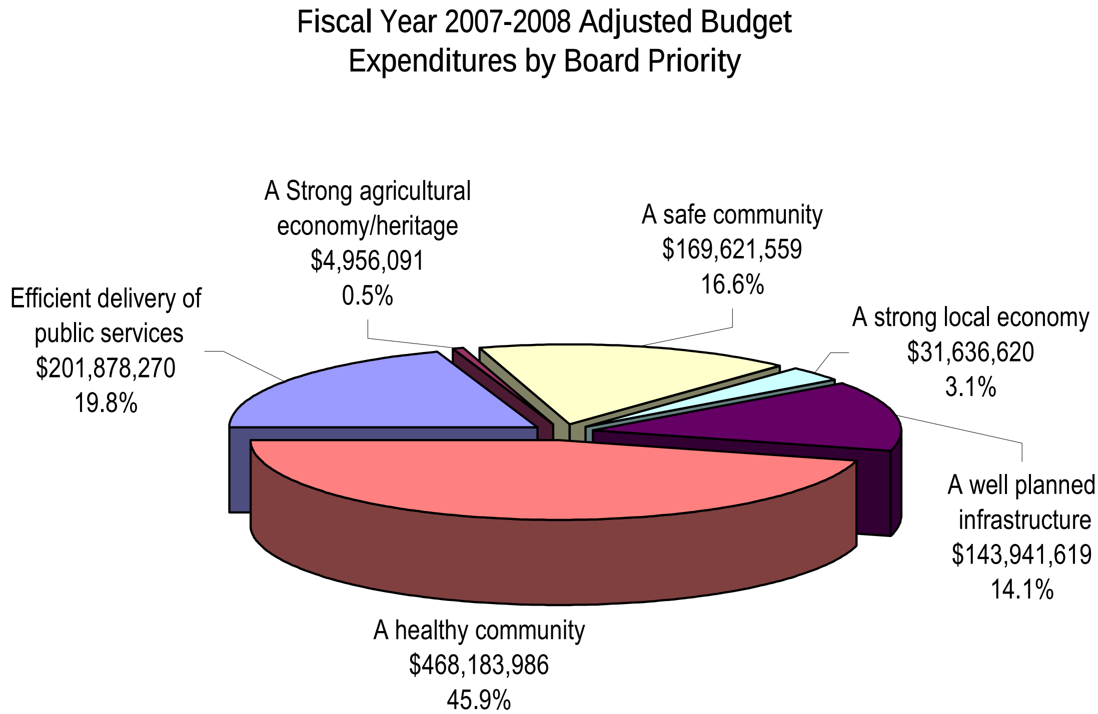
Also recommended were transfers from Appropriations for Contingencies totaling $2,226,448. Discretionary revenue projections were re-evaluated and an overall recommendation to decrease discretionary revenue by $2,597,774 was made to reflect the current worsening economic conditions, and year-end fund balance projections were prepared and suggested minimal year-end savings to a potential year-end deficit position at the observed rates of spending and revenue collections and projections. Further recommendations included authorizing the Chief Executive Officer to implement a budget reduction strategy for the remainder of the current fiscal year and for the Proposed Budget for Fiscal Year 2008-2009.

Summary of Budget Adjustments

The Final Budget is again 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, however, not fully completed. Funding for these projects are reserved or designated by the Auditor-Controller at year-end to ensure these costs are fully funded in the next fiscal year. In addition, throughout the year the Board of Supervisors approves adjustments to Department budgets either through the First Quarter or Mid-Year Financial Reports or in separate agenda items. The sum of these adjustments through March 31, 2008 total $74,490,022. This reflects $34,797,157 in funding that was carried forward and $39,692,865 in budget adjustments approved by the Board of Supervisors in the current fiscal year through March 2008.

The result of these adjustments made prior to the third quarter review has raised the total county budget to $1.02 billion in available spending authority in the current fiscal year.

The following chart reflects the adjusted budget now over $1.0 billion by Board of Supervisors priority as of March 31, 2008:



Total Adjusted Budget - $1,020,218,145
as of March 31, 2008

Overall Summary of Requested Third Quarter Adjustments

The 2007-2008 Third Quarter Financial Review reflects recommended adjustments, a fiscal review of department budgets, and a cash analysis by fund. Departments requested $6.2 million in total adjustments in the current year spending plan. The Chief Executive Office's third quarter recommendations include a total increase in appropriations of $5,259,024. The recommendations further increase estimated revenue by $5,047,841 resulting in a decrease in Fund Balance of $211,183 and transfers from Appropriations for Contingencies totaling $706,074.

Status of Current Year 2% Reductions

The State's current fiscal crisis, the worsening condition of our economy, the County's declining revenues and the continued demand for services present major challenges for Fiscal Year 2008-2009 and beyond. With the pending budget challenges it is critical that the County end Fiscal Year 2007-2008 in a positive position for all funds, in an effort to mitigate the impacts that are facing the County next year and beyond. Potential strategies were developed in March of 2008 including the need to target a 2% reduction to each Department's net county cost, based on the Department's mid-year projections for the end of the fiscal year. The goal was to create at least a $5.9 million fund balance in the General Fund at the end of the Fiscal Year 2007-2008, to help in balancing the 2008-2009 budget.

Departments with a General Fund net county cost or County Match contribution were provided with a targeted County cost reduction amount of 2%. It was recognized that with less than four months remaining in the fiscal year, a 2% level of reduction might not be possible for all Departments. However, it was an important target in providing the County with a strong base to face the upcoming fiscal challenges. Departments with a General Fund contribution were asked to report on their ability to meet the targeted 2% reduction in April 2008.

Overall Departments have projected an additional $2,617,443 in savings from mid-year projections through methods such as holding vacant positions, suspending all but mandated travel and training, and through process improvements. It is projected that these savings will result in a projected fund balance at the end of the fiscal year of over $3.0 million. The savings are identified by priority below:

Priority	2% Target Reduction	Department Projection
A safe community	$2,356,914	$1,137,625
A healthy community	$455,198	$606,505
A strong local economy	$17,273	$17,273
Effective partnerships	N/A	N/A
A strong agricultural economy/heritage	$42,356	$42,356
A well planned infrastructure system	$111,327	$110,827
Efficient delivery of public services	$702,919	$702,857
Total	$3,685,987	$2,617,443

CASH ANALYSIS

General Fund Overall Cash Position

As of third quarter the General Fund cash balance is $32,572,389 compared to $45,150,121 for the same period last fiscal year. The $12.6 million decrease is primarily due to a program administered by the County, referred to as the Teeter Program, where the County advances the full amount of property taxes due to all public agencies in exchange for the delinquencies and penalties. The dramatic downturn in the housing market and the unprecedented high rate of foreclosures in Stanislaus County has created a significant cash shortfall.

Special Revenue Funds Overall Cash Position

As of third quarter the Special Revenue Funds cash is at $59,565,482 compared to $66,008,007 for the same period last fiscal year. The decreased cash position of $6.4 million this fiscal year over last year is primarily due to decreases in advanced funds due to delay in payment of Federal and State advances to support mandated programs, transfers of Fund Balance from Special Revenue to Enterprise Funds, as well as payments on outstanding receivables. While this is a cumulative review of all Special Revenue Funds, it is important to note the following:

- ♦ The cash balance of the Community Services Agency is over $7.4 million, which is approximately $1.7 million more than last year and is due to the timing of receipt of State and Federal funds;

- The cash balance of the Health Services Agency's Special Revenues Funds is over $263,773, which is approximately $4.4 million less than last year and is due primarily to the transfer of $1.7 million from the Public Health Fund balance to the Agency's Enterprise Fund, a transfer of $1.3 million to Behavioral Health and Recovery Services to correctly account for SB 90 funds, and a timing lag on receipt of State revenues; and

- While the cumulative cash balance for the Behavioral Health and Recovery Services' special revenue budgets is over $11.7 million, two budget units have significant changes from the same period last year:

  1) The Mental Health cash position has increased from $8.1 million to approximately $15.5 million and is due to receipt of the full annual advance of the State's Early Periodic Screening Diagnostic Treatment program payment; and

  2) The Managed Care cash deficit of $4.1 million has decreased from a deficit of $6.4 million and is primarily due to a process change in the timing of reimbursement to the Stanislaus Behavioral Health Center for inpatient costs.

Capital Projects Funds Overall Cash Position

As of third quarter the Capital Project Funds cash is at $31,098,349 compared to $26,604,412 for the same period last fiscal year. The positive $4.5 million cash position this fiscal year over last is primarily due to an increase to the Redevelopment Agency budget as the result of increased tax increment and interest earned on the bond money received for the Keyes Storm Drainage Infrastructure project and the CEO-Courthouse Construction Fund due to one-time improvement costs for the boiler replacement project and reupholstery and carpet projects.

Enterprise Funds Overall Cash Position

As of third quarter the Enterprise Funds cash is at $18,178,182 compared to a deficit of $3,350,206 for the same period last fiscal year. The positive $21.5 million cash position this fiscal year over last is due to the actions taken during the previous and current fiscal years to resolve the challenges faced by the health and mental health systems of the County. While this is a cumulative review of all Enterprise Funds, it is important to note the following:

- The cash position of the HSA Clinics and Ancillary Services Enterprise Fund reduced its deficit from $10,467,810 last year to the current deficit of $2,272,464 which is a result of an infusion of General Fund dollars to eliminate the 2005-2006 and 2006-2007 deficits; and

- The Stanislaus Behavioral Health Center (SBHC) eliminated its cash deficit of $4,708,583 last year to the current positive balance of $5,065,598 which is a result of the sale of SBHC to Doctors Medical Center for $10.9 million that occurred in October 2007.

Internal Service Funds Overall Cash Position

As of third quarter the Internal Service Funds cash is at $36,622,227 compared to $31,671,238 for the same period last fiscal year. The primary reason for the $4,950,989 improvement is an increase of $4,020,137 in three Risk Management Self Insurance Funds: General Liability; Workers' Compensation and Unemployment as the result of a decrease in claims cost in all three funds. The Workers Compensation fund with an increase of $3,258,418 had the most significant increase in its cash balance.

Several other funds had significant changes in their cash position:

- The cash balance for Strategic Business Technology increased $690,706 as the result of a carry forward of cash from last fiscal year for equipment upgrades and increased revenue to be used for software purchases;

- Fleet Services improved from a cash deficit of $895,419 to a positive cash position of $148,457 primarily due to the County contribution to the Vehicle Replacement Fund;

- The Professional Liability Self Insurance cash balance decreased $814,210 due to the transfer of cash to the Health Services Agency from retained earnings to allow the Health Services Agency to pay the full cost of Liability Insurance;

- Central Services currently has a cash deficit of $35,470, which is down from a positive balance of $216,205 as the result of a decrease in revenue from Departments; and

- Dental Self Insurance's cash balance decreased by $275,527 from approximately $1.8 million to $1.5 million as the result of a lag in the processing of revenue.

GENERAL FUND UPDATE

General Fund – Designations

General Fund designations totaled $54,610,014 at the beginning of the current fiscal year. Designations are funding set aside by the Board of Supervisors for future and restricted use. Approval was given at mid-year for a total decrease of $10,611,681 bringing the adjusted total to $43,998,333. As seen in the chart below Designation for Contingencies was reduced by $404,088 for the SR 911 Integrated Public Safety System, and appropriations carried forward from last fiscal year to cover the cost of projects not completed in the prior year were reduced by $10,207,593. No additional adjustments are recommended for third quarter.

Designation	Fiscal Year 2007-2008 Total Designations	Adjustments as of Dec-07	Total Adjusted Designations
Debt Service	$ 11,779,459	$ -	$ 11,779,459
Contingency	10,169,955	404,088	9,765,867
Tobacco Settlement	1,696,799	-	1,696,799
Tobacco Securitization	202,508		202,508
Restricted	1,300,000	-	1,300,000
Parks Projects (Other)	979,379	-	979,379
Litigation (Other)	2,757,614	-	2,757,614
Facility Mtce & Improve (Other)	1,000,000	-	1,000,000
State 1A Funding Exposure (Other)	4,516,707	-	4,516,707
Landfill Repayment (Other)	10,000,000	-	10,000,000
Carryover Appropriations (Fund 100)	6,396,329	6,396,329	-
Carryover Appropriations (Fund 105)	3,811,264	3,811,264	-
Total Designations	$ 54,610,014	$ 10,611,681	$ 43,998,333

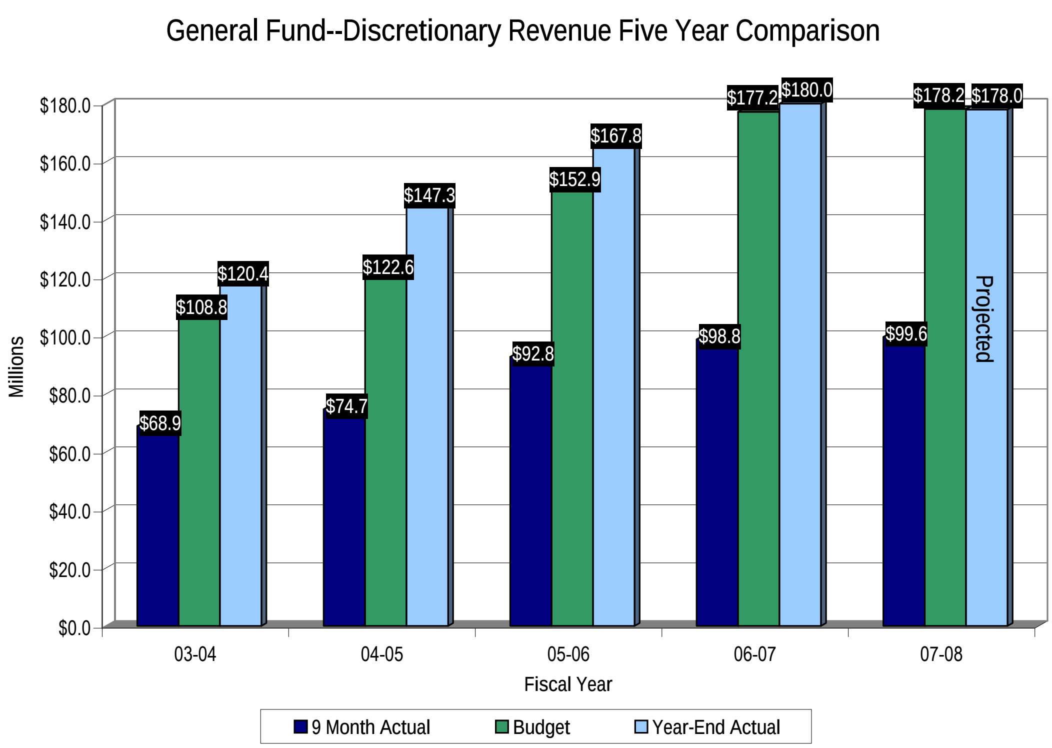
Discretionary Revenue

As of third quarter actual discretionary revenue was $99.6 million compared to $98.8 million for the same time period one year ago. This amount represents 55.9% of the 2007-2008 Adjusted Budget. Typically, discretionary revenue at this point of the fiscal year ranges from 55.8% to 63.3% of the total amount budgeted when looking at the prior 5 years. Although we are within the 5 year range we are projecting to end the fiscal year just slightly under the adjusted budget of $178,151,625 (estimating a decrease of .11%). Over 90% of discretionary revenue comes from property and sales tax sources and because of the continuing real estate slump and lagging consumer sales this is an area of particular concern and will be closely watched through fiscal year end. Property related taxes are expected to be down by $83,000 and sales tax revenue is expected to be under budget by $176,000 but an increase in occupancy tax should more than offset those decreases. In addition, as interest rates decrease earnings on the County's pooled cash decreases. Actual interest earnings for last fiscal year were $5.4 million compared with projected earnings to the end of this fiscal year of $4.5 million. The estimated revenue was reduced to $4.77 million at mid-year but a sharp drop in interest posted for the third quarter indicates that year end will be under budget by approximately $314,000.

At this time no recommendation is being made to adjust discretionary revenue. One cautionary note needs to be made concerning the uncertainty of the collection of supplemental property taxes. As the Tax Collector finishes processing the April 10 collections the current year end projection of $4.7 million may need to be adjusted downward. Without taking into consideration this possible adjustment for supplementals, the chart below indicates a $196,000 shortfall is expected but not enough to warrant an immediate adjustment.

Discretionary Revenue Description	Adjusted Budget FY 2007-2008	3rd Quarter Projection	Difference
Property Taxes	$ 52,201,943	$ 52,191,606	$ (10,337)
Property Tax In-lieu of VLF	55,357,938	55,357,938	-
Transfer Tax	1,502,319	1,429,091	(73,228)
Occupancy Tax	668,000	969,068	301,068
SB 813 Admin Cost for Supplementals	775,000	775,000	-
Sales & Use Tax	14,553,985	14,830,441	276,456
In-lieu of Sales & Use Tax	5,027,967	5,027,967	-
Public Safety Sales Tax (Prop 172)	35,732,083	35,279,984	(452,099)
Fines, Forfeitures & Penalties	-	79,070	79,070
Interest Earnings, Rent	5,279,121	4,964,665	(314,456)
Tobacco Endowment Funds	3,256,723	3,256,723	-
Miscellaneous Revenue Categories	3,796,546	3,793,678	(2,868)
Total	$ 178,151,625	$ 177,955,231	$ (196,394)

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



A safe community

COUNTY DEPARTMENTS

Animal Services
CEO-OES/Fire Warden
CEO-Capital Projects
CEO-County Operations
District Attorney
Grand Jury
Integrated County Justice Information System
Probation
Public Defender
Sheriff

A safe community

OVERVIEW

Ensuring a safe community and protecting the safety of the residents of Stanislaus County continues to be a top priority of the Board of Supervisors. Departments assigned to the Board of Supervisors priority area of *A safe community* include: Animal Services, 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 EXPENDITURES

As of March 31, 2008, expenditures for the departmental budgets that are part of the Board of Supervisors priority area of *A safe community* are at $116.3 million compared to $111.6 million for the same time period one year ago. This amount represents 68.6% of the 2007-2008 adjusted budget. Typically, expenditures at this point of the year range anywhere from 69.6% to 70% of the total annual expenditures, placing this year slightly under the two year average.

Some of the significant variations in departmental expenditures this year, compared to the same time period one year ago include:

- A combined increase of approximately $500,000 in all Animal Services budgets. This is primarily the result of the increased use of Stanislaus County Alternative to Euthanasia (SCATE) Program, the spay neuter voucher program;

- An approximated increase of $596,409 in the Public Defender and Indigent Defense budget as the result of increased salary and benefit cost and increased cost of appointed counsel in indigent defense;

- A combined increase of $3.6 million in expenditures in the Sheriff's budget including Detention, Operations, Ray Simon Training Center, Contract Cities and other grant funded programs due to the new education agreement for the Ray Simon Training Center, which includes offsetting revenue and increased salary and benefit costs;

- A decrease of $2.3 million in CEO-Courthouse Construction Budget as the result of a one-time repayment in Fiscal Year 2006-2007 for the Facilities Settlement Agreement with Superior Court;

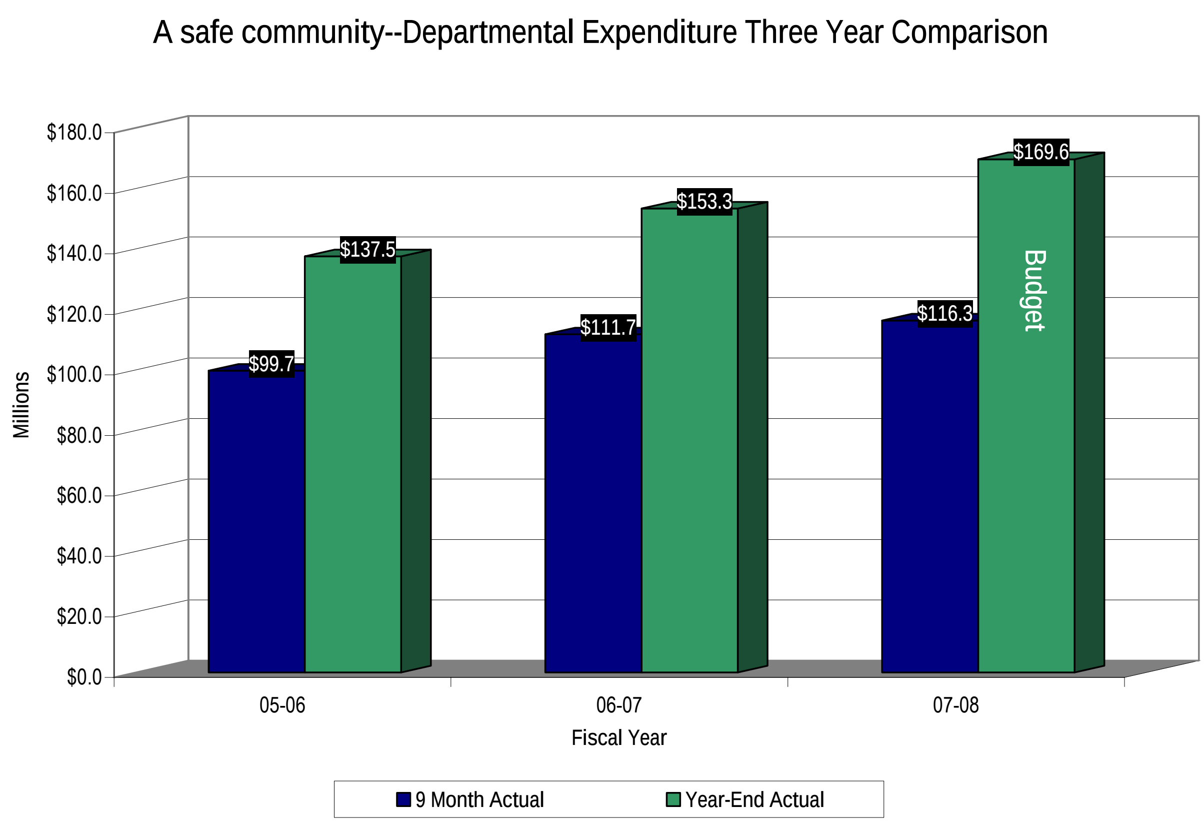
- An increase of approximately $1.1 million in actual cost in the Probation Administration, Field Services and Institutional Budgets as the result of increased retirement, salary, group insurance and service and supply costs;

- An increase of approximately $1.3 million in the District Attorney's budgets for increased salary and group insurance cost, additional staff and services and supplies;

- An approximate decrease of $237,307 in the CEO Criminal Justice Facilities budget due to the timing of the debt service payment on the 12th Street Office building and the rent distribution to the Public Defender; and

- An increase of approximately $115,532 in the Chief Executive Office-Office of Emergency Services/Fire Warden as the result of increased salary, retirement, health insurance and emergency dispatch cost.

The following chart shows a three year period of departmental expenditures, including the current year, for the departments assigned to the Board of Supervisors priority area of *A safe community*:



DEPARTMENTAL REVENUE

As of March 31, 2008, revenue for the departmental budgets that fall under the Board of Supervisors priority area of *A safe community* are at $33.7 million compared to $34.6 million for the same time period one year ago. This amount represents 67.8% of the 2007-2008 adjusted budget. Typically, revenue at this point of the fiscal year ranges anywhere from 64% to 76.6% of the total year's collections, bringing this year within budget estimates.

Some of the significant variations in departmental revenue this year, compared to the same time period one year ago include:

- Approximately $3.5 million less in revenue for Animal Services and District Attorney's Grant programs due to a significant one-time payment for prior years claims received from the State last fiscal year for the SB 90 Mandate Reimbursement Program creating significantly lower revenue than prior year actuals;

- An approximate $2 million decrease in revenue is due to the one-time repayment reimbursement to the Courthouse Construction Fund consistent with the audit findings and agreement with the Administrative Office of the Courts reached last fiscal year;

- A combined $2.67 million increase in revenue in the Sheriff's budgets including Detention, Cal-MMET, Inmate Welfare, Ray Simon Training Center, Contract Cities, Drivers Training and Court Security, due to timelier claiming and invoicing of budgeted department revenue as well as revenue for additional positions assigned to Contract Cities. This includes a $350,444 decrease in revenue in the Sheriff Operations budget as the result of the Department not having received any SB90 payments as of December 2007;

- A $115,000 increase in revenue in the Public Defender's Office due to the timing of revenue received and the additional payments from the State for funds earned last fiscal year but not received until this fiscal year;

- An increase in revenue of $95,633 in the Chief Executive Office-County Fire Service fund as a result of new fee schedule;

- Approximately $95,112 in revenue in Chief Executive Office-County Court Funding due to an increase in court fees. The revenue along with funding from the General Fund is used to fund the County's maintenance of effort obligation for Court Facilities;

- A $307,000 increase in revenue in the District Attorney operations budget as the result of timelier billing and receipt of revenue from other County Departments;

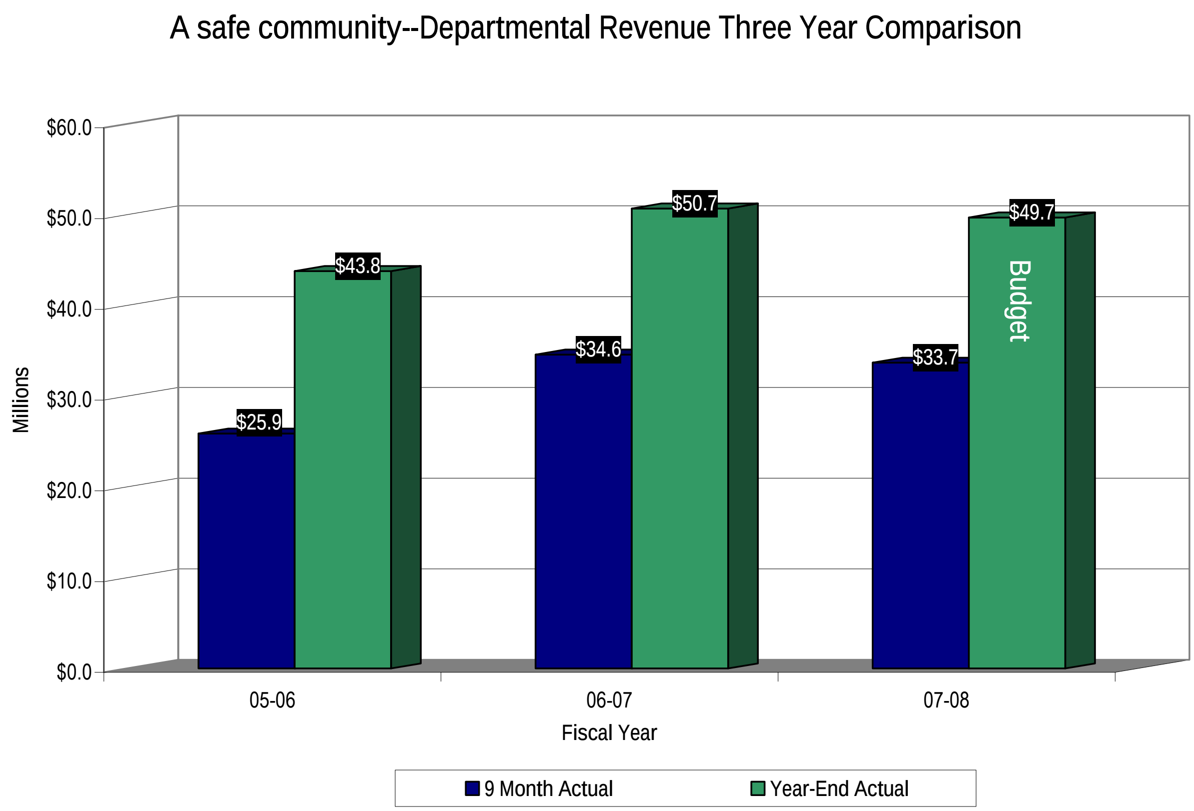
- An increase in revenue of $696,534 in the Probation Institutional Services and Field Services budgets as the result of increased grant revenue, new contracts with County Schools, and timing of receipt of Title IV-E payments and other budgeted revenue;

- An increase in revenue of $278,000 in the Probation Department in the new Youth Offender Block Grant to provide resources for the custody and parole of youthful offenders to age 21;

- An increase in the CEO-Office of Emergency Services revenue of $144,839 due to the timing of a receipt of a federal grant; and

- An increase in revenue of $115,000 in the Chief Executive Office-Criminal Justice Facilities Fund budget due to increased revenue from penalties.

The following chart shows a three year period of departmental revenue, including the current year, for the departments assigned to the Board of Supervisors priority area of *A safe community:*



THIRD QUARTER ISSUES AND RECOMMENDATIONS

ANIMAL SERVICES: As part of third quarter, Animal Services has requested additional funding for an unexpected retirement cashout of $16,920 and $15,000 for increased fuel costs.

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
Animal Services	$16,920	-0-	-0-	Increase appropriations due to retirement cashout	
Animal Services	$15,000	-0-	-0-	Increase appropriations for increased fuel costs	
Total	$31,920	-0-	-0-		

Summary of Recommendations: It is recommended to increase appropriations by $31,920 for a retirement cashout and increased fuel costs requiring a transfer from the Appropriations for Contingencies.

CHIEF EXECUTIVE OFFICE-OFFICE OF EMERGENCY SERVICES/FIRE WARDEN: The County Fire Warden's vehicle is currently six years old. The life expectancy for an emergency response vehicle is five to six years. The Office of Emergency Services (OES) budget includes $11,794 in Fixed Assets to be used toward the purchase of a new vehicle. Additionally, OES has $11,664 in the Fleet Services depreciation account that can be transferred to the Fixed Asset account to assist with this purchase. Finally, the use of $26,542 in one-time savings from the County Fire Service Fund budget will enable OES to replace the Fire Warden's vehicle this Fiscal Year.

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
CEO-OES	-0-	-0-	-0-	Transfer $11,664 from Other Charges to Fixed Assets equipment	
CEO-OES	$26,542	$26,542	-0-	Transfer in from County Fire Service Fund for vehicle purchase	
CEO-County Fire Service Fund	-0-	-0-	-0-	Transfer $26,542 from Services & Supplies and Other Charges to Operating Transfers Out	
Total	$26,542	$26,542	-0-		

Summary of Recommendations: It is recommended to increase appropriations and estimated revenues by $26,542 from a transfer in from CEO County Fire Service Fund for the purchase of a new vehicle. Additionally, it is recommended to move $11,664 of existing appropriations from Other Charges into Fixed Assets equipment for the purchase of the new vehicle.

CHIEF EXECUTIVE OFFICE–DEPARTMENT OF JUSTICE DRUG AND ALCOHOL: This budget provides the resources required for blood and alcohol analysis for use by Stanislaus Law Enforcement in the determination of test results for drug and alcohol testing. Revenue is generated from fines collected from those that are convicted and through County Match. Revenue from fines during Fiscal Year 2007-2008 has come in significantly higher than projected allowing the County to increase revenue from fines by $14,000 and decrease the use of County Match by $14,000.

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
CEO-Alcohol and Drug	-0-	$14,000	-0-	Increased revenue from fines	
CEO- Alcohol and Drug	-0-	($14,000)	-0-	Decrease in use of County Match	
Total	-0-	-0-	-0-		

Summary of Recommendations: It is recommended that revenue from fines be increased by $14,000 and appropriations from County Match be reduced by $14,000 resulting in no change overall in this budget.

DISTRICT ATTORNEY: The Office of the District Attorney is requesting additional funding of $128,000 to cover a shortfall in salaries and benefits appropriations. This is a recurring budget issue where savings from vacancies due to retirements and terminations does not seem to keep pace with new hires above the Step I level and annual step increases for existing employees. Part of this will be addressed in the upcoming proposed budget by confirming the Departments filled positions are properly budgeted. Additionally, a $25,000 increase is requested to assist with the vacation and sick leave cashout for a long-term employee retiring next fiscal year. The remainder of the cashout will occur in the next fiscal year.

At mid-year appropriations were increased by $40,000 for the services of a forensic accountant whose expertise is required for a homicide trial. It is now anticipated that these costs will likely rise to at least $85,000 so an additional $45,000 increase to services and supplies is requested at third quarter. The workload for transcription services has been heavier than anticipated and travel costs for staff attending parole hearings have exceeded budget estimates. A $5,000 increase for transcription costs and a $5,000 increase for travel costs is requested to cover these budget shortfalls.

Finally, there are several cases scheduled for trial before the end of the fiscal year which will require significant expert witness testimony and witness travel costs. The department is requesting an additional $35,000 for these costs.

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
DA-Criminal	$128,000	-0-	-0-	Salaries and Benefits shortfall, merit increases from Appropriations for Contingencies	

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
DA-Criminal	$25,000	-0-	-0-	Vacation/sick leave cashout from Appropriations for Contingencies	
DA-Criminal	$45,000	-0-	-0-	Forensic Accountant from Appropriations for Contingencies	
DA-Criminal	$5,000 $5,000 $35,000	-0-	-0-	Transcription Travel Witness Testimony from Appropriations for Contingencies	
Total	$243,000	-0-	-0-		

Summary of Recommendations: It is recommended to increase appropriations by $243,000 for salaries and benefits, contracts, travel and expert witness costs, to be funded by a transfer of $243,000 from the Appropriations for Contingencies. This will allow the department to cover additional year end costs and to finish the year in a positive position.

PUBLIC DEFENDER: As part of the third quarter, the Public Defender has requested additional funding to cover increased cost in Indigent Defense. The Indigent Defense costs have been higher than anticipated during this fiscal year as the result of an increase in the number of murder trials during the year, several murder cases that were set for trial during the last quarter but were continued and an increase in the number of cases assigned to panel attorneys as the result of an increase in cases with multiple defendants. Because attorney fees can vary sharply from month to month it is difficult to predict the exact amount needed to cover costs for the remainder of the fiscal year. In the past attorney claims have risen at the end of the fiscal year. If there is a sharp rise in claims, current appropriations will not be sufficient to cover the increased costs. As a result the Public Defender has requested that the Chief Executive Office be given authority to transfer up to $50,000 from Appropriations for Contingencies. Funds will be transferred only if needed to cover costs.

In the mid-year budget the Public Defender was able to increase revenue $27,114 as the result of receiving additional payments from the State that should have been received during Fiscal Year 2006-2007. Expenditures were not increased by this amount but the Public Defender has now requested that expenditures be increased by $20,000 in order to cover the cost of staff promotions and vacation cashouts.

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
Public Defender	$20,000	-0-	-0-	Vacation cash out costs/staff promotions from Appropriations for Contingencies	
Public Defender Indigent Defense	Up to $50,000	-0-	-0-	Panel Attorney Cost from Appropriations for Contingencies	
Total	$70,000	-0-	-0-		

Summary of Recommendations: It is recommended to increase appropriations by up to $70,000, and to authorize the Chief Executive Office to authorize the transfer of up to $70,000 from Appropriations for Contingencies to cover increased staff and indigent defense costs.

SHERIFF'S DEPARTMENT: At third quarter the Sheriff's Department is projecting to end the fiscal year within budgeted appropriations and estimated revenues are expected to be received. Three technical adjustments to transfer existing appropriations from Services and Supplies to Fixed Assets are requested within the Detention division. First, $55,000 is needed to replace 10 of 13 control panels at the Men's Jail. These panels control the opening and closing of cell doors, shower doors and the majority of internal and external gates and doors that are used to control movement of inmates within the facility, ultimately reducing the risk of injury to both staff and inmates. Additionally, $40,000 is requested to fully fund the purchase of an industrial high productivity dryer for the laundry unit. Appropriations for $35,000 were granted in the Proposed Budget for this equipment but did not include shipping and installation. Final bids for equipment, shipping and installation came in at approximately $75,000 making the transfer of the additional appropriations necessary in order to complete the purchase. Finally, $30,000 is requested to replace three re-thermalization ovens for the kitchens of the three distinct housing areas for the minimum housing unit. These ovens are used in the re-heating of pre-cooked and chilled frozen food trays to ensure the destruction of any pathogens before delivering the food trays to the inmates. The existing ovens were purchased in 1994 (when the minimum housing unit was built) and have malfunctioned several times over the past year. As the life expectancy of the ovens is 10-12 years and this is a health and safety issue it is deemed prudent to replace these units at the present time. The Department had previously requested a classification study of an Account Clerk II position assigned to the Public Administrator Unit. The classification study has been completed and recommendations have been included in this report.

Several Trust and Agency funds have been set up since 1999 to accept grant money for the High Intensity Drug Trafficking Area (HIDTA) programs. Until January 1, 2008, Stanislaus County was the fiscal manager for the Central region, coordinating payments among the participating agencies and obtaining reimbursement from the Federal Government. These funds were set up as interest bearing in order to keep all earnings of advanced monies within the project. These grants are now operating as expenditure reimbursement grants and as such regularly carry a negative cash balance. Any earnings on originally advanced funds have been more than offset by the current negative earnings that continue to accrue. It is requested that the Board approve changing these seven funds to re-direct the interest cost for their negative cash balances to the General Fund.

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
Sheriff-Detention	$55,000	-0-	-0-	Increase Fixed Assets for control panels	
Sheriff-Detention	($55,000)	-0-	-0-	Decrease Services and Supplies	
Sheriff-Detention	$40,000	-0-	-0-	Increase fixed assets for dryer purchase	
Sheriff-Detention	($40,000)	-0-	-0-	Decrease services and supplies	
Sheriff-Detention	$30,000	-0-	-0-	Increase fixed assets for re-therm oven purchase	
Sheriff-Detention	($30,000)	-0-	-0-	Decrease services and supplies	
Sheriff-Operations	-0-	-0-	-0-	Upgrade one Account Clerk II position	Account Clerk III
Total	-0-	-0-	-0-		

Summary of Recommendations: It is recommended to approve the transfer of $125,000 from services and supplies appropriations to fixed assets appropriations to allow the Department to make the appropriate improvements to the Detention budgets. It is also recommended to change the status of funds 6004, 6019, 6020, 6021, 6022, 6023 and 6024 to non-interest bearing. One Account Clerk II position is recommended to be upgraded to Account Clerk III, maintaining the Department's total allocated positions at 676.

STANISLAUS REGIONAL 911: The Department requested a classification study of two positions assigned to the technical services unit. This included one position currently classified as an Emergency Dispatcher assigned as the Technical Systems Coordinator and one position currently classified as an Application Specialist I assigned as the G.I.S. Specialist. Additionally, the Department requested a classification review for the two Deputy Director of Emergency Dispatch positions. These two positions are currently vacant, one funded and one unfunded for several years.

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
Stanislaus Regional 911	-0-	-0-	-0-	Reclassify upward & block-budget one Application Specialist I position	Block-budgeted Application Specialist II
Stanislaus Regional 911	-0-	-0-	-0-	Reclassify upward one Emergency Dispatcher position	Block-budgeted Systems Engineer II
Stanislaus Regional 911	-0-	-0-	-0-	Reclassify laterally one Deputy Director of Emergency Dispatch and delete the classification	Manager IV
Stanislaus Regional 911	-0-	-0-	-0-	Delete one vacant, unfunded Deputy Director of Emergency Dispatch	Delete position
Total	-0-	-0-	-0-		

Summary of Recommendations: One Application Specialist I position is recommended to be upgraded to a block-budgeted Application Specialist II, one Emergency Dispatcher position is recommended to be upgraded to a block-budgeted Systems Engineer II, and one Deputy Director of Emergency Dispatch is recommend to be reclassified laterally to a Manager IV. One Deputy Director of Emergency Dispatch is recommended to be deleted, decreasing the Department's total allocated positions to 63. It is recommended to delete the Deputy Director of Emergency Dispatch classification.

SUMMARY

Overall, estimated revenue and expenditures, at the third quarter of the 2007-2008 Fiscal Year, for the Board of Supervisors priority area of *A safe community* are recommended to increase $26,542 and $371,462 respectively. A total of $344,920 is recommended to be transferred from Appropriations for Contingencies to cover the additional expenditures.

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, 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 EXPENDITURES

As of March 31, 2008, expenditures for the departmental budgets that are part of the Board of Supervisors priority area of *A healthy community* are at $301.7 million compared to $288.9 million for the same period one year ago. This amount represents 64% of the 2007-2008 adjusted budget. Typically, expenditures at this point of the fiscal year range anywhere from 62% to 63% of the total yearly expenditures, bringing this year slightly above the two year average.

Some of the significant variations in departmental expenditures this year, compared to the same time period one year ago include:

- A $200,000 net increase in the Area Agency on Aging's budget. This increase is primarily due to increased program, contracts and lease costs funded by existing appropriations and one-time increased funding from the Federal Older American Act;

- An $8.9 million net decrease in the Behavioral Health and Recovery Services' budget. This decrease is primarily due to the sale of the Stanislaus Behavioral Health Center to Doctors Medical Center that occurred in October 2007;

- A $1.5 million net increase in the Child Support Services budget. This increase is primarily due to the conversion of the existing automation system to the California Child Support Automation System (CCSAS) funded by a one-time transfer of revenue from a closed Trust Fund;

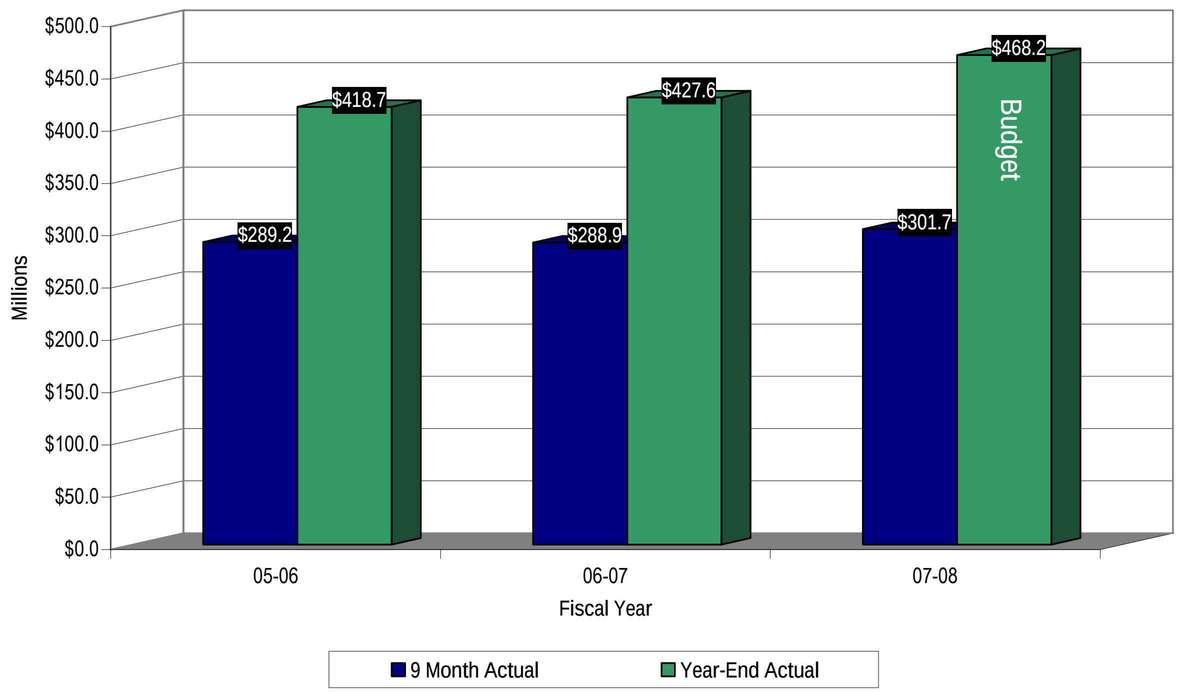
- A $900,000 net increase in the Children and Families Commission budget. This is primarily due to increased grant awards funded by existing appropriations and use of fund balance;

- A $14.9 million net increase in the Community Services Agency's budget. This increase is primarily due to increased staffing costs in the Services and Support budget and an increase in assistance payments in Public Economic Assistance funded by increases in State and Federal revenues; and

♦ A $4.2 million net increase in the Health Services Agency's budget. This increase is primarily due to increased Medically Indigent Adult (MIA) program costs funded by increased County Match and State Realignment revenue.

The following chart shows a three year period of departmental expenditures, including the current year, for the departments assigned to the Board of Supervisors priority area of *A healthy community:*

A healthy community--Departmental Expenditure Three Year Comparison



DEPARTMENTAL REVENUE

As of March 31, 2008 revenue for the departmental budgets that are a part of the Board of Supervisors priority area of *A healthy community* are at $271.7 million compared to $257.4 million for the same period one year ago. This amount represents 58% of the 2007-2008 adjusted budget. Typically, revenue at this point of the fiscal year ranges anywhere from 56% to 57% of the total year collections, bringing this year slightly above the two year average.

Some of the significant variations in departmental revenues this year, compared to the same time period one year ago include:

♦ A $225,000 net increase in the Area Agency on Aging's revenue. This increase is primarily due to timing of receipt of State and Federal revenues;

- ♦ A $9.1 million net decrease in the Behavioral Health and Recovery Services' revenue. This is primarily due to the elimination of State funds for AB 2034, Integrated Services for Homeless Adults with Serious Mental Illness, reductions in Medi-Cal reimbursements and an overall reduction in revenue associated with the sale of the Stanislaus Behavioral Health Center to Doctors Medical Center that occurred in October 2007;

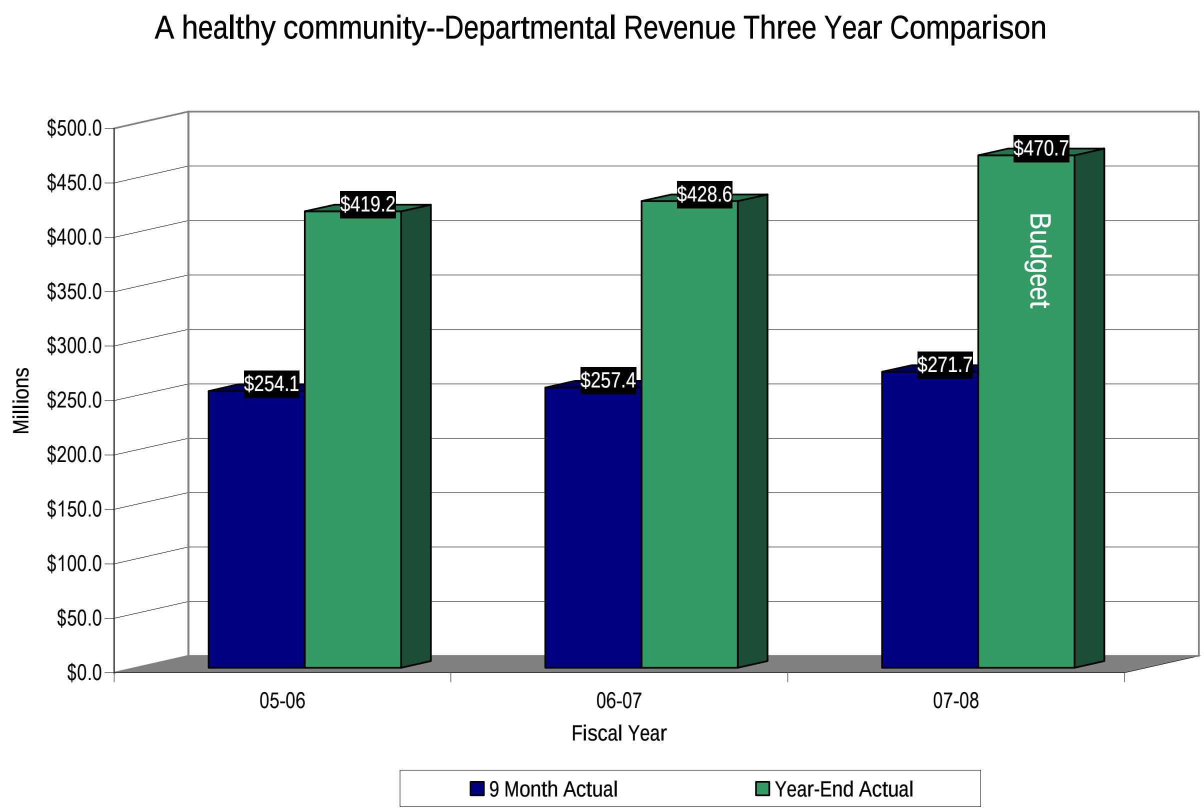
- ♦ A $223,000 net increase in the Child Support Services revenue. This increase is primarily due to timing of receipt of State and Federal revenues;

- ♦ A $70,000 net decrease in the Children and Families Commission revenue. The decrease is primarily due to the timing of receipt of State revenue;

- ♦ A $11.9 million net increase in the Community Services Agency's revenue. This is primarily due to increases in State and Federal funding for In-Home Supportive Services and an increase in funding for Public Economic Assistance payments; and

- ♦ An $11.1 million net increase in the Health Services Agency's revenue. This is primarily due to the enhanced Medi-Cal and Medicare reimbursement rate from the Federally Qualified Health Center Look-Alike (FQHC-LA) designation of the clinics, the increased County Match for the clinics and increases in funding for Public Health programs.

The following chart shows a three year period of departmental revenue, including the current year, for the departments assigned to the Board of Supervisors priority area of *A healthy community*:



THIRD QUARTER ISSUES AND RECOMMENDATIONS

AREA AGENCY ON AGING: The Area Agency on Aging (AAA) requested to upgrade their existing telephone system using existing appropriations. The Department currently depends on a 3COM Key System that has reached its capacity for users and functionality. Maintenance and usability issues have been a regular source of frustration affecting staff productivity and customer service. Staff and customers complain about echo on the lines, and extremely long wait time to transfer callers to voicemail. After numerous attempts to remedy these problems, it has been determined they cannot be fixed.

Moving to a Voice Over Internet Protocol (VoIP) will take advantage of the reliability, maintainability, expandability and needed features that are not available with the current 3COM solution. In addition to improving staff productivity and customer service, the new phone system will allow the Department to realize a small decrease in its monthly communication charges.

The initial cost of the new VoIP system is approximately $19,469 using existing appropriations. Of the total cost, the Department will fund $5,573, the Strategic Business Technology (SBT) will fund $8,896, and the Chief Executive Office County Facilities budget unit will fund $5,000 within existing appropriations. As part of the project evaluation, it has been determined that all of the major components of the VoIP system are portable and can be moved if the Department is relocated. It is recommended to fund this project using existing appropriations.

BEHAVIORAL HEALTH AND RECOVERY SERVICES: On October 31, 2007 the Stanislaus Behavioral Health Center (SBHC) was sold to Doctors Medical Center of Modesto for $10,949,000 plus $113,848 for existing equipment and fixed assets. These funds have been included in the Enterprise Fund's operating accounts pending reconciliation of outstanding debt and revenue. The Department is requesting to transfer 80% of the estimated net proceeds from this sale to the Behavioral Health and Recovery Services (BHRS) Special Revenue Fund fund balance to be designated for future capital expenses related to the provision of mental health services. Once designated, use of these funds will require a four-fifths vote of the Board of Supervisors. The remaining amount will be transferred to designations when the SBHC fund is closed at year-end. The amount requested to be transferred is as follows:

Beginning	Fund Balance	$ 1,280,445
Add:	Sales price and equipment/assets	11,062,848
Less:	Closing Costs	(23,045)
	Holdback for roof & chiller repair	(320,000)
	Outstanding debt from previous operations, closeout of plant, property & equipment, reimbursement for the holdback and transition/relocation costs	(6,764,324)
Sub Total		$ 5,235,924
	80% transfer to Behavioral Health Services fund balance	$ 4,188,739

The Stanislaus Recovery Center (SRC) is the primary treatment provider for alcohol and drugs services under Substance Abuse and Crime Prevention Act (SACPA) (2000), more commonly known as Proposition 36. On an annual basis, the California Department of Alcohol and Drug Programs reallocates unspent prior year funding to counties that expect to fully exhaust their current allocations. On March 7, 2008, BHRS was notified that it would receive $23,817 in reallocated funds. A recommendation was made to the Proposition 36 Operations Committee on March 20, 2008, that 100% of these funds be used to offset overages in treatment costs, primarily at Stanislaus Recovery Center. Probation and Courts both agreed to waive their share of the funds.

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
BHRS	-0-	$4,188,739	($4,188,739)	Proceeds from sale of SBHC	
BHRS-SRC	($23,817)	-0-	($23,817)	Offset of treatment costs from SACPA Prop 36 funds	

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
BHRS-SACPA	$23,817	$23,817	-0-	Transfer Prop 36 funds to SRC for treatment costs	
BHRS-SBHC	$4,188,739	-0-	$4,188,739	Transfer proceeds from sale to BHRS for future use	
Total	$4,188,739	$4,212,556	($23,817)		

Summary of Recommendations: It is recommended to increase appropriations by $4,188,739 and estimated revenues by $4,212,556 from State Prop 36 funding and for the transfer of 80% of the net proceeds of the sale of SBHC from the Enterprise Fund into the Special Revenue Fund, resulting in an increase in departmental fund balance of $23,817.

COMMUNITY SERVICES AGENCY: The Department is requesting an increase in appropriations and estimated revenues as a result of additional funds received for Stage 1 Child Care. At mid-year the Community Services Agency (CSA) identified a need in the Stage 1 Child Care program of almost $900,000 along with a plan to submit a request to the California Department of Social Services (CDSS) for Child Care Reserve Funds. In order to continue subsidized child care services for eligible families CSA dedicated StanWORKs allocation funding to support Child Care payments pending approval of the reserve funds request. CSA has now received verbal notification that the State Department of Finance has approved Child Care Reserve Funds of $737,743 for Stanislaus County. Based on the most recent caseload analysis and expenditure data these additional funds provide full support for Stage 1 Child Care payments through the remainder of the fiscal year.

With Child Care fully funded by the State, the funds set aside in StanWORKs programs are no longer needed to backfill Child Care and can now be redirected back to their original purpose of meeting the Agency's technical equipment refresh needs of the mandated statewide Automated Welfare Consortium IV (C-IV) system. The equipment is nearing the end of its useful life and maintenance agreements to support replacement expire June 30, 2008. In order to maintain equipment levels consistent with service level agreements that are required in CSA's contract with the Consortium, technical refresh of these machines is necessary to hold the vendor accountable. The Department plans to purchase this equipment through a partnership with C-IV and San Bernardino County.

The Department previously set aside $200,000 to help mitigate any potential audit disallowances of Federal funds which could impact the General Fund in this and future years, and is now seeking Board authority to roll forward any unexpended funds in this account to Fiscal Year 2008-2009.

Additionally, the Department has completed a third quarter analysis for the In-Home Supportive Services (IHSS) program based on 8 months actual caseload experience through February 2008 along with actual State payback of waiver revenues. The projected expenditures remain consistent with the mid-year forecast and can be supported within the current budgeted level. As of third quarter, CSA has experienced a more timely receipt of Federal waiver revenues which is factored into the third quarter projection and results in a potential county share savings of approximately $128,438. The Department is requesting Board authorization to retain the actual savings to roll forward to Fiscal Year 2008-2009 to provide support for the increased need for county share support of the IHSS program. Although, CSA's Proposed Budget 2008-2009 reflects the UDW wage increase approved by the Board on July 24, 2007, resulting in an unmet need of $1,764,374, the request to roll forward actual savings is not recommended at this time.

The Department requested to reclassify two vacant positions one Account Clerk II and one Account Clerk III position to address a need for the restructure in the Finance and Operations Division. These positions will perform the higher level work needed in two of the four units and will be given lead responsibilities over these units. Additionally, the Department requested to reclassify an Account Clerk III position performing audit and reconciliation activities, journal voucher preparation, as well as accounting policy compliance. The Department has also requested to laterally classify a Software Developer Analyst III that has been underfilled with a Systems Engineer I.

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
CSA-Services & Support	$737,743	$737,743	-0-	Increase Stage One Child Care from State funding allocation	
CSA-Services & Support	-0-	-0-	-0-	Reclassify upward one Account Clerk II	Accounting Technician
CSA-Services & Support	-0-	-0-	-0-	Reclassify upward two Account Clerk III	Accounting Technician
CSA-Services & Support	-0-	-0-	-0-	Reclassify laterally one Software Developer Analyst III position	Block-budgeted Systems Engineer II
Total	$737,743	$737,743	-0-		

Summary of Recommendations: It is recommended to increase appropriations and estimated revenues by $737,743 from increased State allocation for Stage One Child Care. One Account Clerk II position and two Account Clerk III positions are recommended to be upgraded to Accounting Technician and one Software Developer Analyst III position is recommended to be reclassified laterally to a block-budgeted Systems Engineer II, maintaining the Department's total allocated positions of 955.

HEALTH SERVICES AGENCY: In a recent letter dated February 29, 2008 from the State Department of Public Health, Women, Infants, and Children (WIC) Program Section Chief, the Health Services Agency (HSA) was informed that local WIC agencies are expected to perform a new function of vendor support activities. A 7% base grant increase was provided to all local agencies to fund the additional costs that will be incurred for the development and support of this new program function. This funding was included in the Public Health Final Budget. HSA plans to use two existing staff within the WIC Program to perform these duties as the vendor liaisons, to the 100+ vendors within Stanislaus County. It is estimated there will be about 100 – 160 hours per month of travel by these two staff members. To maximize efficiency and the utilization of resources, the WIC Program is proposing to purchase a vehicle to support the vendor liaison activities, as well as other WIC functions. The State Department of Public Health has provided approval to use WIC funding for the purchase of a 2008 Toyota Prius Hybrid. This vehicle would be purchased through the State of California's Department of General Services Procurement Division, with assistance from the County's General Services Agency Fleet Division, assuring the best pricing. The Department is requesting to transfer $28,000 in appropriations from Services and Supplies into Fixed Assets Vehicles. There is no additional cost to the General Fund as the WIC Program is Federally funded.

The Department requested to delete one vacant Public Health Nurse II position and add a new Staff Services Analyst position for the Emergency Preparedness unit of Public Health. This position will perform ongoing coordination of Emergency Preparedness drills, exercises and training of Public Health personnel and agency partners. The exchange of positions will allow the Department to better support two existing positions assigned to this unit.

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
Public Health	-0-	-0-	-0-	Transfer $28,000 from Services and Supplies to Fixed Assets for vehicle purchase	
Public Health	-0-	-0-	-0-	Delete one vacant Public Health Nurse II position.	Delete position
Public Health	-0-	-0-	-0-	Add one position to support the Emergency Preparedness unit.	Staff Services Analyst
Total	-0-	-0-	-0-		

Summary of Recommendations: It is recommended to transfer $28,000 in appropriations from Services and Supplies to Fixed Assets for a vehicle purchase for the WIC program. One Public Health Nurse II position is recommended to be deleted and one Staff Services Analyst position is recommended to be added, maintaining the Department's total allocated positions of 610.

SUMMARY

Overall, estimated revenue and expenditures for *A healthy community* departments are recommended to increase $4,950,299 and $4,926,482, respectively and result in a positive contribution of departmental fund balance of $23,817. The additional projected revenue adjustments are from increased State and Federal funding for increased program costs.

A strong local economy

COUNTY DEPARTMENTS

Alliance WorkNet
CEO-Economic Development
Library

A strong local economy

OVERVIEW

The Board of Supervisors priority area of *A strong local economy* recognizes the role that County government can play in creating a local economy that promotes, protects, and sustains our agricultural economies while providing for broader, more diversified economic opportunities that will strengthen our local economy and provide for a better, more stable, quality of life for our residents. Job creation, promoting tourism, and providing a solid information technology infrastructure to support E-government are key aspects of *A strong local economy.* Departments assigned to this priority area include: Alliance Worknet, Chief Executive Office-Economic Development, and the Library. The Alliance Worknet's major funding source is Federal funds, while the Library is supported by a special 1/8 cent sales tax and a contribution from the General Fund. The majority of funding for the County's Economic Development budgets comes from the County's General Fund.

DEPARTMENTAL EXPENDITURES

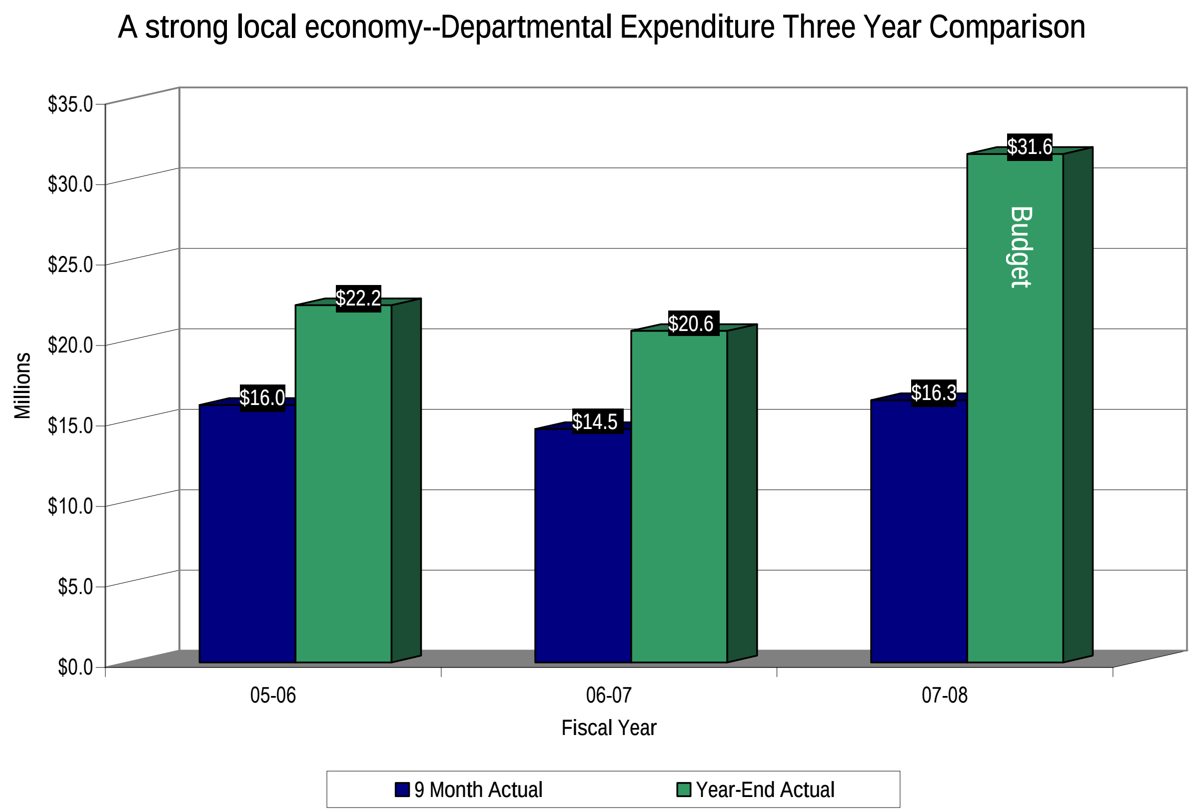
As of March 31, 2008, expenditures for the departmental budgets that fall under the Board of Supervisors priority area of *A strong local economy* are at $16.3 million compared to $14.5 million for the same time period one year ago. This amount represents 51.5% of the 2007-2008 adjusted budget. Typically, expenditures at this point of the fiscal year range anywhere from 48.2% to 55.3% of the total yearly expenditures, placing this year within budget estimates.

While, as a percent, budget expenditures for these departments are within the range of prior years, some of the significant variations in expenditures this year, compared to the same time period one year ago include:

- An increase in the Alliance Worknet of $1.2 million, which reflects an increase in Federal and State funding for Workforce Investment Act (WIA) programs and other department services; and

- An increase in the Library of $589,000 that reflects increases for salary costs and the installation of new computer software at the branches.

The following chart shows a three year period of departmental expenditures, including the current year, for the departments assigned to the Board of Supervisors priority area of *A strong local economy:*



DEPARTMENTAL REVENUE

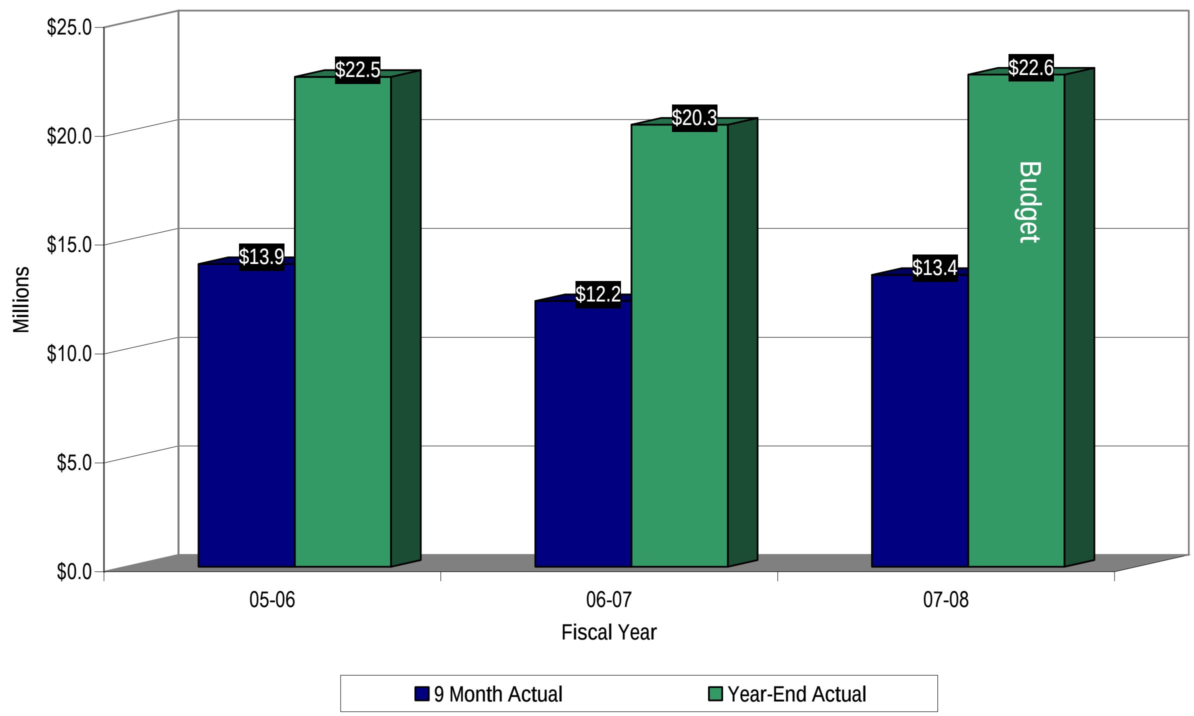
As of March 31, 2008, revenue for the departmental budgets in the Board of Supervisors priority area of *A strong local economy* are at $13.4 million compared to $12.2 million for the same time period one year ago. This amount represents 59.2% of the 2007-2008 adjusted budget. Typically, revenue at this point of the fiscal year ranges anywhere from 53.2% to 60.5% of the total year collections, placing this year within budget estimates.

While, as a percent, budget revenue for these departments is pacing within the range of prior years, one of the significant variations in departmental revenue this year, compared to the same time period one year ago include:

- An increase in the Alliance Worknet of $1.2 million, which reflects an increase in Federal and State funding for Workforce Investment Act (WIA) programs and other department services.

The following chart shows a three year period of departmental revenues, including the current year, for the departments assigned to the Board of Supervisors priority area of *A strong local economy*:

A strong local economy--Departmental Revenue Three Year Comparison



SUMMARY

Overall, estimated revenue and expenditures for the Board of Supervisors priority area of *A strong local economy* will meet budget at year-end. There are no recommended changes for this priority area.

A strong agricultural economy/heritage

COUNTY DEPARTMENTS

Agricultural Commissioner
Cooperative Extension

A strong agricultural economy/heritage

OVERVIEW

The Board of Supervisors priority area of *A strong agricultural economy/heritage* recognizes the vital role of the County's number one industry that generates close to $2 billion a year for County residents. Farmland conversion, air pollution, soil salinity and drainage, agricultural water supply and water quality, and preservation of our unique agriculture heritage are key aspects of *A strong agricultural economy/heritage.* Departments assigned to this priority area include: the Agricultural Commissioner's Department and Cooperative Extension. The major funding source for these County budgets includes contributions from the General Fund. The Agricultural Commissioner receives State funding for a number of programs as well as charges for specific services. While not part of the County budget, Cooperative Extension's University of California advisors are funded through the California State University system.

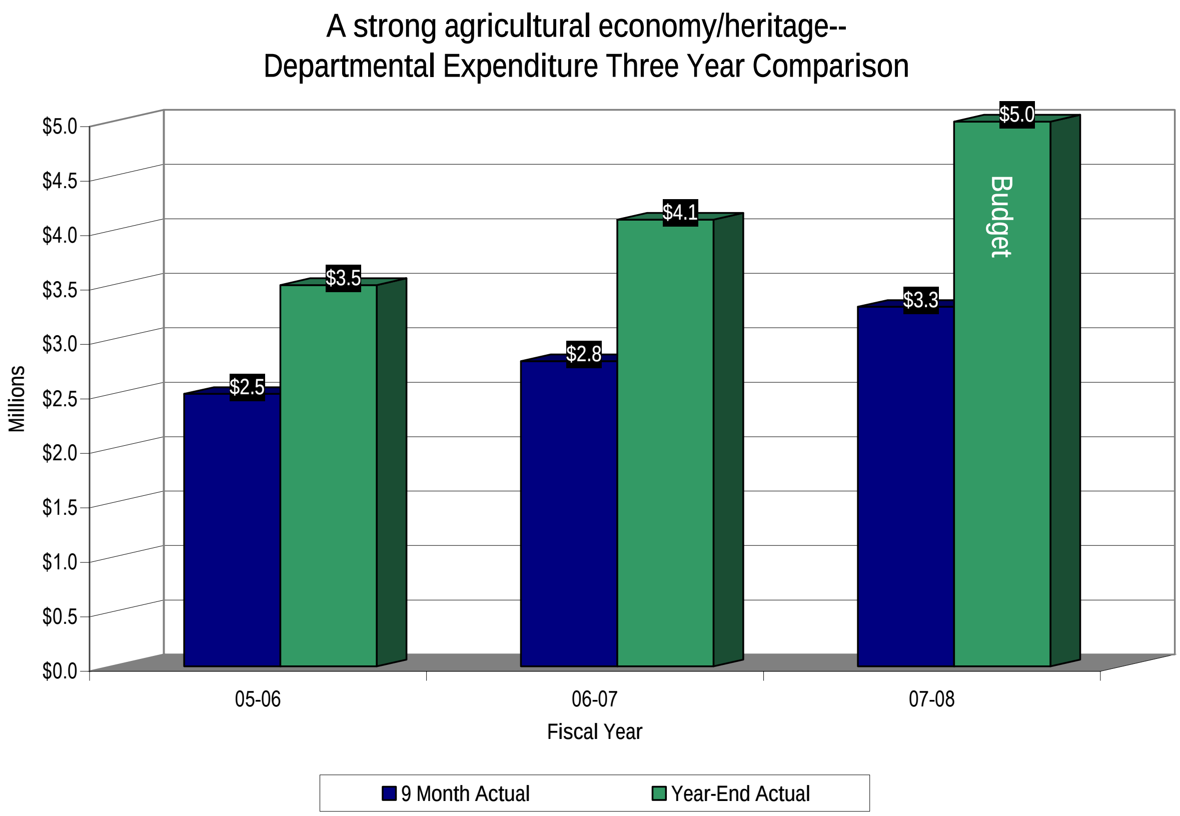
DEPARTMENTAL EXPENDITURES

As of March 31, 2008, expenditures for the departmental budgets that are part of the Board of Supervisors priority area of *A strong agricultural economy/heritage* are at $3.3 million compared to $2.8 million for the same time period one year ago. This amount represents 66.8% of the 2007-2008 adjusted budget. Typically, expenditures at this point of the fiscal year range anywhere from 63.8% to 65.9% of the total yearly expenditures, placing this year slightly higher than prior years.

Some of the significant variations in departmental expenditures this year, compared to the same time period one year ago include:

- The Agricultural Commissioner's Department increased costs for salary and benefits costs associated with additional staffing, retirement cashouts, and wage increases amounting to an increase of $380,000. In addition the Department's purchase of vehicles, including a weight truck, brings fixed assets to $160,000 compared to the same time period one year ago.

The following chart shows a three year period of departmental expenditures, including the current year, for the departments assigned to the Board of Supervisors priority area of *A strong agricultural economy/heritage*:



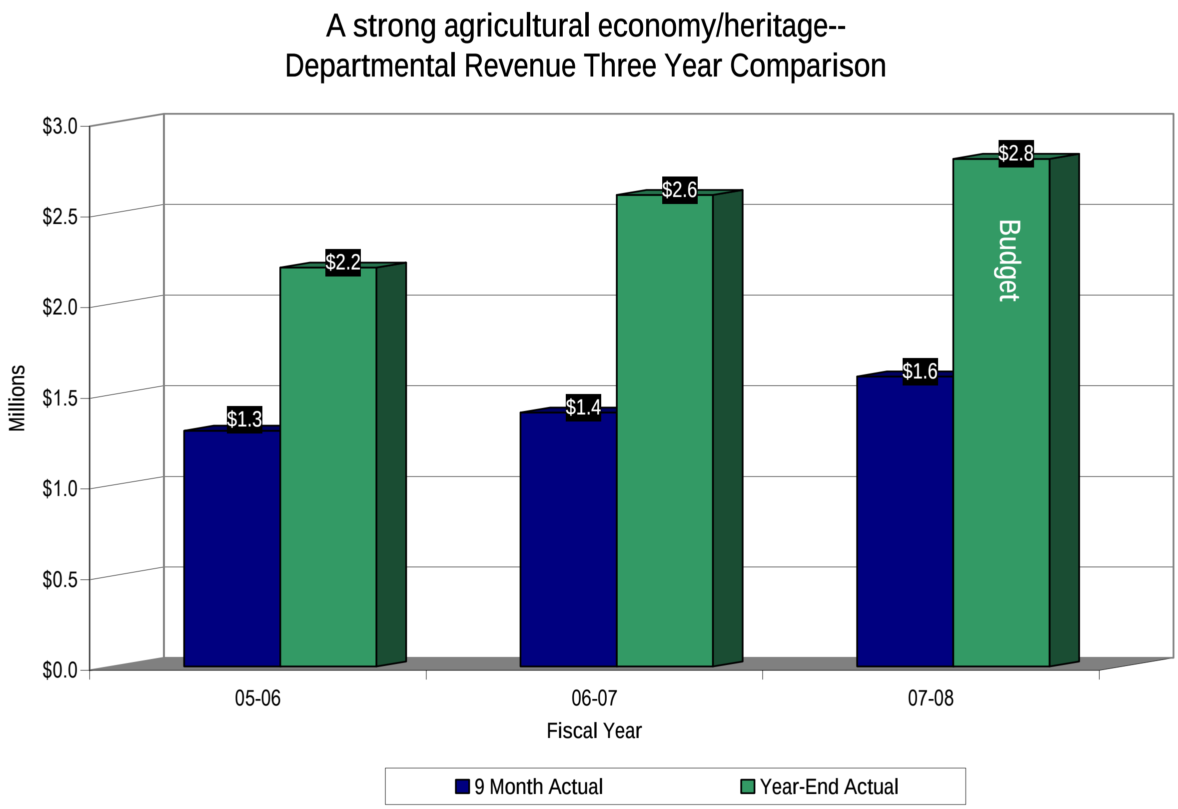
DEPARTMENTAL REVENUE

As of March 31, 2008, revenue for the departmental budgets that fall under the Board of Supervisors priority area of *A strong agricultural economy/heritage* are at $1.6 million compared to $1.4 million for the same time period one year ago. This amount represents 57.5% of the 2007-2008 adjusted budget. Typically, revenue at this point of the fiscal year ranges anywhere from 53.1% to 54.7% of the total year collections, placing this year slightly higher than prior years.

Some of the significant variations in departmental revenue this year, compared to the same time period one year ago include:

- The Agricultural Commissioner's Department additional revenue from the Phytosanitary Certificate program. The Department has experienced an increase in workload for this program resulting in $144,000 in additional revenue in comparison to the same time period one year ago.

The following chart shows a three year period of departmental revenue, including the current year, for the departments assigned to the Board of Supervisors priority area of *A strong agricultural economy/heritage:*



SUMMARY

Overall, estimated revenue and expenditures for the Board of Supervisors priority area of *A strong agricultural economy/heritage* will meet budget at year-end. There are no recommended changes for this priority area.

A well-planned infrastructure system

COUNTY DEPARTMENTS

Environmental Resources
Parks and Recreation
Planning and Community Development
Public Works

A well-planned infrastructure system

OVERVIEW

The Board of Supervisors priority area of *A well-planned infrastructure system* is essential to the quality of life for the residents of Stanislaus County and to the maintenance and expansion of a robust economy. Water quality, effective liquid and solid waste disposal and regional approaches to transportation circulation are critical to *A well-planned infrastructure system.* Departments assigned to this priority area include: Environmental Resources, Parks and Recreation, Planning and Community Development and Public Works. Environmental Resources and Planning and Community Development's Building Services Division are supported primarily through fees and charges for services that are provided. The General Fund primarily funds the Parks and Recreation Department and Planning and Community Development Department. The Public Works Department primary sources of funding are derived from charges for services and State and Federal funding for transportation and roads.

DEPARTMENTAL EXPENDITURES

As of March 31, 2008, expenditures for the departmental budgets that are part of the Board of Supervisors priority area of *A well-planned infrastructure system* are at $65.9 million compared to $52.9 million for the same time period one year ago. This amount represents 45.8% of the 2007-2008 adjusted budget. Typically, expenditures at this point of the fiscal year range anywhere from 45.4% to 45.9% of the total yearly expenditures, placing this year within budget estimates.

Some of the significant variations in expenditures this year, compared to the same time period one year ago include:

- A variance in Public Works expenditures is due in large part to a change in budgeting approach. Historically, the Public Works Department has brought Road's projects to the Board of Supervisors on an individual basis. In the 2007-2008 Proposed Budget, the Department included all anticipated Road's projects, resulting in an increase of $6.5 million in actual expenditures in the Public Works – Roads and Bridge budget;

- The Public Works Department's Morgan Shop Division has also experienced an increase in fuel costs which combined with the purchase of equipment resulted in an increase of $840,000 in expenditures from one year ago;

- Also included in the variance is $1 million in Parks and Recreation for planning, trail work, irrigation, planting, grading, and other construction within the Tuolumne River Regional Park Gateway Project;

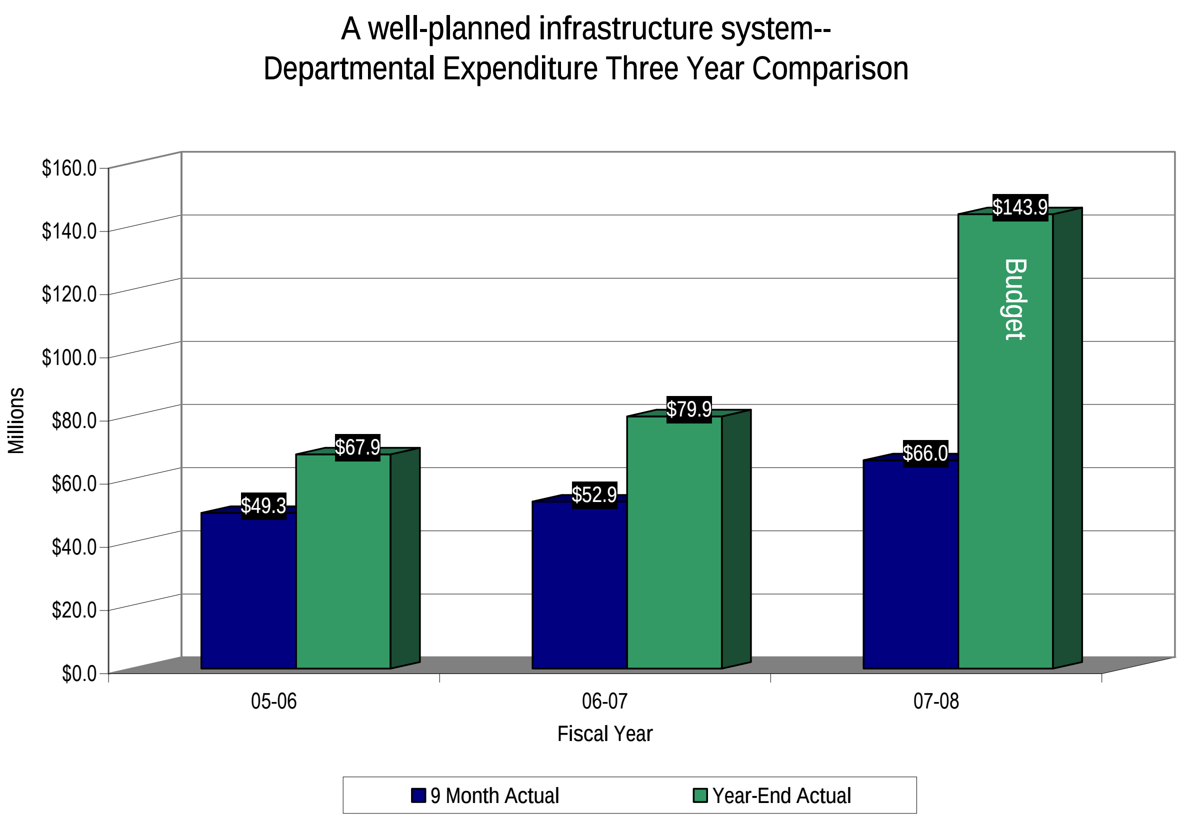
- The Planning and Community Development Department also showed an increase of approximately $850,000 in their Special Revenue Grants budget for increased activity associated with the Robertson Road and Empire Infrastructure projects;

- The Stanislaus County Redevelopment Agency experienced an increase of approximately $2.9 million associated with a Habitat for Humanity home purchase project, increased activity in the first time homebuyers program, payment of the Keyes Storm Drain Project tax bond, and as a result of a correction at mid-year to the Housing Set Aside portion of tax increment;

- The Department of Environmental Resources experienced an $370,000 increase from the previous fiscal year in costs associated with increased health insurance, salaries, and benefits; and

- Also included in the variance is an increase of $377,000 in expenditures within the Department of Environmental Resources Waste-to-Energy Program due to increased fees paid to the AB939 and Household Hazardous Waste programs and $143,000 in increased services fees to the Covanta Group as a result of normal escalation of operations and maintenance costs.

The following chart shows a three year period of departmental expenditures, including the current year, for the departments assigned to the Board of Supervisors priority area of *A well-planned infrastructure system:*



DEPARTMENTAL REVENUE

As of March 31, 2008, revenue for the departmental budgets that are part of the Board of Supervisors priority area of *A well-planned infrastructure system* are at $57.3 million compared to $48.8 million for the same time period one year ago. This amount represents 56.6% of the 2007-2008 adjusted budget. Typically, revenue at this point of the fiscal year ranges anywhere from 67.4% to 72.6% of the total year collections, placing this year's actual revenue received slightly lower than the two-year average.

Some of the significant variations in departmental revenue this year, compared to the same time period one year ago include:

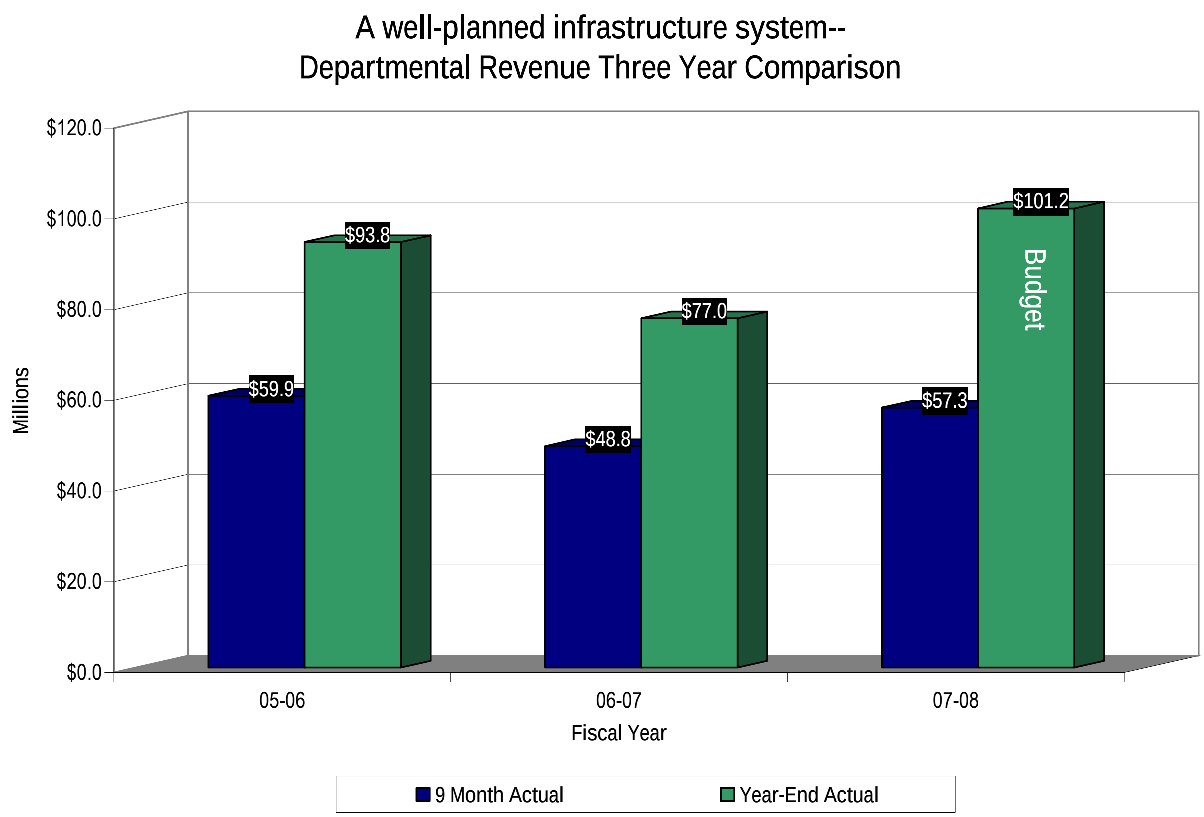
- Public Works Department received increased revenue of $3.8 million as a result of additional Federal and State funding;

- A $1 million transfer from Public Facility Fees to advance the Tuolumne River Regional Park Gateway Project;

- Planning and Community Development Department also showed an increase of approximately $1.1 million in their Special Revenue Grants budget for increased activity associated with the Empire Infrastructure project; and

- The Stanislaus County Redevelopment Agency experienced an increase of approximately $2.7 million as a result of payment (principal and interest) of the Keyes Storm Drain Project tax bond and a correction at mid-year to the Housing Set Aside portion of tax increment.

The following chart shows a three year period of departmental revenue, including the current year, for the departments assigned to the Board of Supervisors priority area of *A well-planned infrastructure system:*



THIRD QUARTER ISSUES AND RECOMMENDATIONS

PARKS AND RECREATION: The Department requested to delete one vacant full-time Park Aide position. The Department uses this classification for extra-help, part-time staffing and does not require a full-time allocated position.

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
Parks and Recreation	-0-	-0-	-0-	Delete one Park Aide position	Delete position
Total	-0-	-0-	-0-		

Summary of Recommendations: One full-time Park Aide position is recommended to be deleted, decreasing the Department's allocated positions to 34.

PUBLIC WORKS: The Public Works Morgan Shop Division has identified an exposure of $130,000 in increased fuel costs, which will be partially offset by interdepartmental revenue in the amount of $71,000.

The Department has also identified an exposure of $190,000 in additional depreciation and amortization charges.

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
Public Works Morgan Shop	$190,000	-0-	$190,000	Depreciation & Amortization	
Public Works Morgan Shop	$130,000	$71,000	$59,000	Gasoline, Oil, & Fuel	
Total	$320,000	$71,000	$249,000		

Summary of Recommendations: It is recommended to increase appropriations by $320,000 for increased fuel costs, depreciation and amortization charges of which $249,000 is funded with available department fund balance and $71,000 in anticipated department revenue.

SUMMARY

Overall, estimated revenue and expenditures for *A well-planned infrastructure system* are recommended to increase $71,000 and $320,000, respectively. The increased revenue is from Public Works Morgan Shop user departments as a result of increased fuel costs.

The Local Agency Formation Commission (LAFCO) is an independent commission established by the legislature in each County. The Commission, while not included in the County's budget, uses the County's classification system and as such it is required that all classification changes be approved by the Stanislaus County Board of Supervisors. LAFCO has requested a classification study be completed for one Confidential Assistant III. It is recommended that the classification study be conducted.

Efficient delivery of public services

COUNTY DEPARTMENTS

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

Efficient delivery of public services

OVERVIEW

The public expects government to be responsive to their needs and to conduct business efficiently. County departments provide services to a diverse customer base and to serve these customers efficiently it is important to consistently understand and review how to improve County services. Departments assigned to the Board of Supervisors priority area of *Efficient delivery of public services* include: Assessor, Auditor-Controller, Chief Executive Office, Clerk of the Board of Supervisors, 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 EXPENDITURES

As of March 31, 2008, expenditures for the departmental budgets that are part of the Board of Supervisors priority area *of Efficient delivery of public services* are at $119.9 million compared to $117.5 million for the same time period one year ago. This amount represents 59.4% of the 2007-2008 adjusted budget. Typically, expenditures at this point of the fiscal year range anywhere from 59.2% to 62.4% of the total yearly expenditures, placing this year within budget estimates.

Some of the significant variations in expenditures this year, compared to the same time period one year ago include:

- A $4.4 million decrease in the Chief Executive Office Debt Services budget due to a delay in the timing of COP payment postings which typically are posted in April and May of each year;

- A $2.4 million dollar increase in the Chief Executive Office-Risk Management Self-Insurance Fund reflecting increased cost of Health Insurance including the 18.8% increase in health insurance premiums and the transfer of funds to the Health Services Agency to cover the full cost of Professional Liability;

- A $1.5 million dollar increase in the Chief Executive Office General Fund Match budget over last year due to the increased County contribution to the Health Services Agency-Clinics and Ancillary Services budget to eliminate the 2005-2006 cash deficit;

- A $858,783 increase in the Chief Executive Office Plant Acquisition budget due to an increase in appropriations to reimburse the Fink Road Landfill Enterprise Fund for land no longer deemed necessary for landfill purposes;

- A $628,713 increase in the Chief Executive Office-Operations and Services budget due to increased salary and contract costs;

- A $377,916 increase in the General Services Agency Facilities Maintenance budget which reflects an increase in expenditures for maintenance of facilities and grounds, janitorial services and utility costs. Revenues are expected to increase to offset the increase in utility charges, as these are designed as pass-through for utility bills to be paid by a single source and reimbursed by departments benefiting from the service;

- A $295,317 increase in the Assessor's Department due to increased salaries, the purchase of two replacement servers and the replacement cost of four new vehicles;

- A $255,491 decrease in the Chief Executive Office-Vehicle License Fee due to a decrease in the State VLF fees received;

- A $187,658 increase in the Treasurer Tax Collector budget due to costs in collections relating to problems in the Megabyte file transfer;

- A $129,439 increase in the Strategic Business Technology budget due to equipment costs for both hardware and software projects;

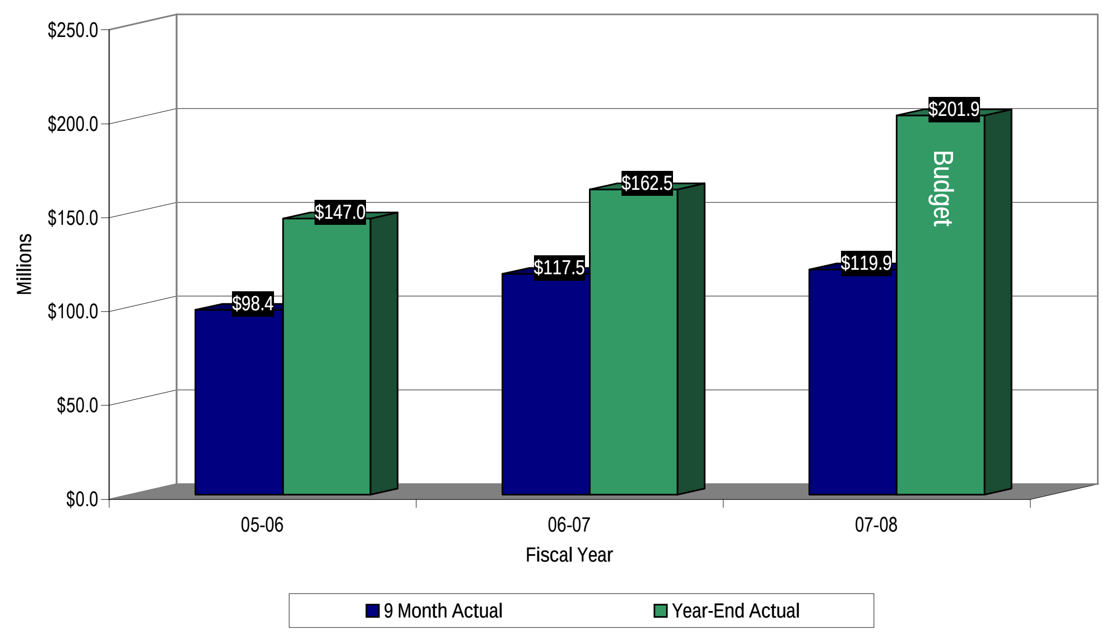
- A $127,545 increase in the General Services Agency Administration budget which represents start-up costs associated with establishing the new Administrative Division to support the Agency's development and support the Central Services, Facilities Maintenance, Fleet and Purchasing operations;

- A $123,880 increase in General Services Agency Fleet Services Division is associated with the increased cost for parts and services; and

- A $166,706 increase in the Clerk-Recorder Elections Division due to the additional cost of the pending June election.

The following chart shows a three year period of departmental expenditures, including the current year, for the departments assigned to the Board of Supervisors priority area of *Efficient delivery of public services:*

Efficient delivery of public services--
Departmental Expenditure Three Year Comparison



DEPARTMENTAL REVENUE

As of March 31, 2008, revenue for the departmental budgets that are a part of the Board of Supervisors priority area of *Efficient delivery of public services* are at $78.3 million compared to $78.4 million for the same time period one year ago. This amount represents 66% of the 2007-2008 adjusted budget. Typically, revenue at this point of the fiscal year ranges anywhere from 66% to 75% of the total year collections, placing this year within budget estimates.

Some of the significant variations in departmental revenue this year, compared to the same time period one year ago include:

- A $967,914 increase in the Chief Executive Office Risk Management Self-Insurance Purchased Insurance Fund as the result of revenues collected for increased medical insurance premiums, revenue from charges to the Health Services Agency for the full cost of Professional Liability and interest from the Professional Liability fund balance;

- A $903,111 decrease in the Clerk Recorder's revenue, primarily due to the significant decline in the housing market, a trend that is expected to continue for the remainder of the 2007-2008 Fiscal Year;

- A $539,291 net increase in Strategic Business Technology revenue is primarily due to projects such as Voice Over Internet Protocol (VoIP) and application to Departments;

- A $626,483 increase in General Services Agency Fleet Services Division due to $300,000 in County match that was received over the past two years;

- A $293,186 increase in General Services Agency Facility Maintenance revenue due to work performed varying between internal service departments, general fund departments and special revenue departments;

- A $282,391 decrease in the Chief Executive Office Plant Acquisition budget due to no receipt of revenue in the 2007-2008 Fiscal Year. This budget does not typically receive revenue;

- A $225,217 decrease in the Chief Executive Office Operations Department due to a timing lag in revenues being reported;

- A $255,491 decrease in the Chief Executive Office-Vehicle License Fee due to a decrease in the State VLF fees received;

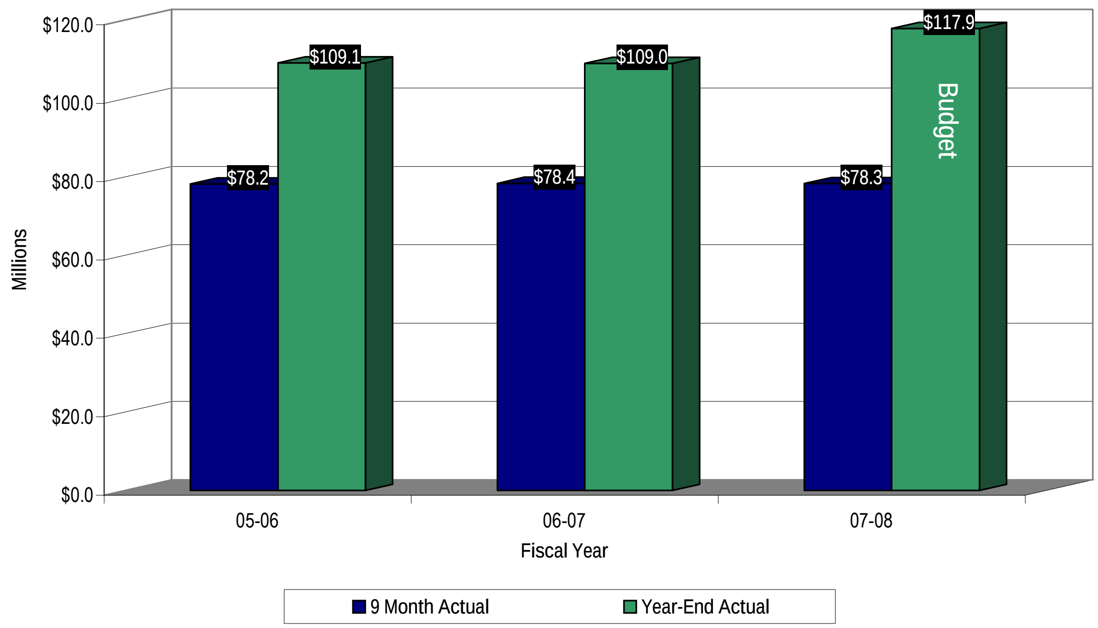
- A $233,893 decrease in the General Services Agency Central Services revenue due to a reduction in the demand for printing services;

- A $244,773 decrease in revenue in the Treasurer-Tax Collector Revenue Recovery budget unit due to delinquent Court Fees not timely posted in the account; and

- A $208,663 decrease in the Assessor's revenue, primarily due to a carry over from a State Grant that was received as revenue in the 2006-2007 Fiscal Year.

The following chart shows a three year period of departmental revenue, including the current year, for the departments assigned to the Board of Supervisors priority area of *Efficient delivery of public services:*

Efficient delivery of public services--
Departmental Revenue Three Year Comparison



THIRD QUARTER ISSUES AND RECOMMENDATIONS

BOARD OF SUPERVISORS-CLERK OF THE BOARD: In Fiscal Year 2006-2007 the Department requested a staffing study, a new position to focus on technology support needs of the Department, and to re-allocate a previously deleted Confidential Assistant III position. A comprehensive study was conducted with a recommendation to add one position which will focus on technical support for the Department and assist with the increasing amount of Assessment Appeals Board (AAB) filings due to the decline of the housing market. This position will be partially funded by Assessment Appeals fees and SB2557 property tax administration revenue.

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
Clerk of the Board	-0-	-0-	-0-	Add one position for technology support & AAB filings.	Confidential Assistant IV
Total	-0-	-0-	-0-		

Summary of Recommendations: One Confidential Assistant IV position is recommended to be added, increasing the Department's total allocated positions to 16.

CHIEF EXECUTIVE OFFICE-APPROPRIATIONS FOR CONTINGENCIES: Appropriations for Contingencies serves as the 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 2007-2008 Final Budget included $9,741,050 in appropriations for exposures such as increases in employee health insurance costs, salary related costs, operating costs related to the sale of the Stanislaus Behavioral Health Center, the operating deficit of the Health Services Agency Clinics and Ancillary Services Division, and other unanticipated exposures.

It is anticipated that most of the exposures identified in the Final Budget will materialize by the end of the year. Some of these anticipated exposures have already occurred, most notably, costs for negotiated labor agreements and one-time additional funding for the Health Services Agency operating deficit. In addition, many issues are outstanding as a result of the Governor's Proposed Budget for 2008-2009, which as written will significantly impact the health, behavioral health and social services programs and some criminal justice and transportation projects prior to the end of the fiscal year.

Since the Final Budget was approved, the following transfers have occurred:

Appropriations for Contingencies 2007-2008
Approved Transfers through March 31, 2008

Department	Amount
Auditor-Controller, to assist in funding the outside Auditor for the annual County Audit for 2006-2007	($8,580)
District Attorney Criminal budget for seven months funding of a Legal Clerk III position	($32,802)
Health Services Agency Clinics & Ancillary Services budget through County Match to offset the net anticipated operating deficit for 2007-2008	($4,189,655)
Agricultural Commissioner for retirement cashout	($30,457)
Animal Services for retirement cashout	($18,452)
CEO-Office of Emergency Services for salary & health care costs, EOC activation costs	($71,967)
CEO-Office of Emergency Services for emergency dispatch costs	($142,411)
Animal Services Trust Fund through County Match, for SCATE program	($100,000)
Clerk-Recorder Elections for June 2008 election	($150,000)
Sheriff Cal-MMET through County Match for accrued negative interest	($87,568)
District Attorney Criminal for salary, health insurance, cashout & expert witness costs	($187,000)
Parks & Recreation for retirement cashout	($37,137)
Planning & Community Development retirement cashout	($151,975)
Probation Field Services for retirement cashout, salary costs	($130,920)
Probation Institutions for salary costs	($249,620)
Public Defender for salary, health insurance & increased defense costs	($313,400)
Sheriff Administration for salary and fixed asset costs	($17,815)
Sheriff Detention for salary, ovens, dishwasher, vans, phone system, intercom & security camera costs	($227,350)
Sheriff Operations for salary, vehicle, trailer, office furniture & photo management system costs	($289,535)
Treasurer-Tax Collector salary and health insurance costs	($17,409)
Total	($6,454,053)

As a result of these transfers, the 2007-2008 contingency balance is $3,286,997. At this time, it is recommended that the following additional transfers be made at the third quarter which totals $706,074. Each of these recommended transfers are explained within the sections of each program area in this report.

Appropriations for Contingencies 2007-2008
Third Quarter Requests

Budget Unit	Recommended			Description
	Appropriations	Revenue	Fund Balance	
Appropriations for Contingencies	($16,920)	-0-	-0-	Animal Services for Retirement cashout costs
Appropriations for Contingencies	($15,000)	-0-	-0-	Animal Services for increased fuel costs
Appropriations for Contingencies	($361,154)	-0-	-0-	N. McHenry Tax Sharing Agreement through County Match for increased payment obligations to the City of Modesto
Appropriations for Contingencies	($128,000)	-0-	-0-	District Attorney Criminal for salary and benefits shortfall
Appropriations for Contingencies	($25,000)	-0-	-0-	District Attorney Criminal for vacation/termination cashout
Appropriations for Contingencies	($45,000)	-0-	-0-	District Attorney Criminal for Forensic Accountant costs
Appropriations for Contingencies	($5,000)	-0-	-0-	District Attorney Criminal for additional transcription costs
Appropriations for Contingencies	($5,000)	-0-	-0-	District Attorney Criminal for additional travel costs
Appropriations for Contingencies	($35,000)	-0-	-0-	District Attorney Criminal for expert witness costs
Appropriations for Contingencies	($20,000)	-0-	-0-	Public Defender for vacation cashout
Appropriations for Contingencies	($50,000)	-0-	-0-	Public Defender Indigent Defense for increased costs
Total	($706,074)	-0-	-0-	

Summary of Recommendations: A transfer of $706,074 from Appropriations for Contingencies is recommended for the departmental requests listed above, leaving a remaining balance of $2,580,923 for the remainder of the fiscal year. A four-fifths vote of the Board of Supervisors is required for all transfers from the Appropriations for Contingencies budget.

CHIEF EXECUTIVE OFFICE-GENERAL FUND MATCH AND SUPPORT: This budget includes appropriations to meet the County's obligation under the North McHenry Tax Sharing Agreement with the City of Modesto. The Auditor-Controller makes quarterly payments to the City of Modesto based on estimated tax revenues for properties included in the Agreement and then conducts an annual review to determine additional payments or credits based on actual revenue received. The Auditor-Controller has finalized the review of actual revenues received in 2006-2007 and has identified additional estimated payment obligations totaling $361,154 above the original $1.8 million budgeted for this obligation in the 2007-2008 Final Budget.

This budget also includes appropriations for the County's support of the Department of Justice Alcohol and Drug budget. Estimated revenue in that budget are projected to increase by $14,000, thereby reducing the amount of County Match required this fiscal year.

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
CEO-General Fund Match & Support	$361,154	-0-	-0-	N. McHenry Tax Sharing Agreement from Appropriations for Contingencies	
CEO- General Fund Match & Support	($14,000)	-0-	$14,000	Decrease in appropriations for Department of Justice Alcohol & Drug due to increased revenues from fines	
Total	$347,154	-0-	$14,000		

Summary of Recommendations: It is recommended to increase appropriations by $347,154 resulting from a transfer of $361,154 from Appropriations for Contingencies for the North McHenry Tax Sharing Agreement and a positive contribution $14,000 to fund balance from the Department of Justice Alcohol and Drug budget.

CHIEF EXECUTIVE OFFICE-PLANT ACQUISITION: The Plant Acquisition Budget provides funding for the acquisition, repair, and remodel of existing and new County facilities. During the 2007-2008 Fiscal Year, a budget of $485,430 was established for various County facility-related expenses including expansion and renovation projects.

The Chief Executive Office is requesting to use existing appropriations in the amount of $31,224 for a transfer from services and supplies to fixed assets. This transfer would be used to fund $31,224 in fixed assets for costs associated with the Emergency Dispatch Backup Radio System. In addition, close out costs for the major Capital Projects, including the Gallo Center for the Arts project and other efforts are recommended to be funded through existing appropriations in the Plant Acquisition Budget through the end of the fiscal year. These costs will be funded by existing funds in the county budget.

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
Plant Acquisition	-0-	-0-	-0-	Emergency Dispatch Backup Radio System	
Total	-0-	-0-	-0-		

Summary of Recommendations: It is recommended to transfer $31,224 in existing appropriations from the Plant Acquisition services and supplies to fixed assets.

GENERAL SERVICES AGENCY: The General Services Agency is comprised of five Divisions: Administration, Central Services, Facilities Maintenance, Fleet and Purchasing. Each Division insures that County Departments have the necessary tools to provide direct services to the community.

Administration Division: The Administration Division is requesting $3,042 in additional appropriations to cover higher than anticipated costs for data processing services. Increased data processing costs are associated with the implementation of TeamWeb, a web based application that allows internal customers to enter work requests over the Intranet. The application has saved internal customers valuable time, allows them to track progress on work requests in a real-time environment, and has improved communication between GSA and its customers. The Administration Division has also worked with the Strategic Business Technology (SBT) to post GSA monthly statements on-line, and anticipated completion date is May 2008.

It is recommended to fund this request through a transfer from existing appropriations in the Facilities Maintenance Division budget.

Facilities Maintenance Division: The Facilities Maintenance Division is projecting to end the year under budget by approximately $50,000. The Department is requesting to transfer existing appropriations of $3,042 into the Administrative Division budget in support of data processing cost overages. Further, the Department is requesting to decrease appropriations by $44,376 and to transfer the excess net county cost to the Purchasing Division to cover an estimated revenue shortfall. Finally, it is requested to transfer in the two-way shared costs from the 12th Street Office Building Special Revenue Fund.

Purchasing Division: The Purchasing Division is projecting a shortfall in estimated revenue of $44,376 due to increased actual usage by General Fund departments and decreased actual usage by Special Revenue Fund and Internal Service Fund departments, compared to budgeted usage. It is recommended to transfer $44,376 of excess net county cost from the Facilities Maintenance Division to the Purchasing Division to cover the estimated revenue shortfall.

12TH Street Office Building: The 12th Street Office Building is a public private venture owned by three entities: Stanislaus County, Stanislaus County Employees Retirement Association (StanCERA), and Westland Development, LLC. The Amended and Restated Enabling Declaration for the building, dated August 28, 2007 includes specific language regarding the accounting procedures for maintenance funds from all three parties, to be used for common areas. These funds are to be maintained separate and apart from any other funds, including those provided by the County and StanCERA for maintenance of areas common to only these two parties. At the time this budget was established, this requirement was not clearly understood and the two funds were commingled. At this time it is recommended to transfer the two-way maintenance budget into the GSA Facilities Maintenance budget, in order to be compliant with the Enabling Declaration.

Budget Unit	Recommended			Description	Staffing
	Appropriations	Revenue	Fund Balance		
Administration Division	$3,042	-0-	-0-	Transfer Appropriations from Facilities Maintenance for increased Data Processing costs	
Facilities Maintenance Division	($3,042)	-0-	-0-	Decrease appropriations and Transfer to Administration Division	
Facilities Maintenance Division	($44,376)	-0-	$44,376	Decrease appropriations and Transfer to Purchasing Division	
Facilities Maintenance Division	$421,754	$420,330	($1,424)	Transfer in from 12th St Office Building Special Revenue Fund	
Purchasing Division	-0-	($44,376)	($44,376)	Decrease in revenue funded by net county cost from Facilities Maintenance	
12th St Office Building	($421,754)	($420,330)	$1,424	Transfer to GSA Facilities Maintenance budget from Special Revenue Fund	
Total	($44,376)	($44,376)	-0-		

Summary of Recommendations: It is recommended to decrease appropriations and estimated revenues by $44,376 through an increase appropriations of $3,042 in the Administration Division funded by a transfer from the Facilities Maintenance Division, and a transfer of $44,376 of excess net county cost from the Facilities Maintenance Division to the Purchasing Division to cover the estimated revenue shortfall. Also, a transfer of appropriations of $421,754 and estimated revenues of $420,330 from 12th Street Office Building special revenue fund.

SUMMARY

Overall, for the Board of Supervisors priority area programs of *Efficient delivery of public services* expenditures are recommended to decrease by $358,920. Included in the decrease in appropriations is $706,074 from Appropriations for Contingencies that are being transferred to fund identified needs in other budgets.

DEPENDENT LIGHTING DISTRICTS

As part of the 2007-2008 Final Budget, spending plans were estimated and appropriations were approved for the Dependent Lighting Districts governed by the Board of Supervisors to allow them to operate. Year-end analysis reveals that, due to unexpected repairs and additional services provided, some of these districts need an increase in appropriations to pay the final expenditures of the 2007-2008 Fiscal Year.

Dependent Lighting Districts are included in Special Districts and receive revenue from property taxes and/or special assessments. The funds can only be used for the purpose for which they were collected and only those residents who benefit from services provided by a special district pay for them. Listed below are the districts governed by the Board of Supervisors requiring an adjustment in the current 2007-2008 Fiscal Year.

County of Stanislaus
Dependent Lighting Districts

Fund	District Name	2007-2008 Approved Budget	Requested Adjustment	2007-2008 Requested Budget
1851	Almond Wood Estates	$5,754	$4,400	$10,154
1852	Country Club	2,053	900	2,953
1853	Country Club – Zone B	801	300	1,101
1855	Deo Gloria Estates	2,999	1,525	4,524
1856	Denair	20,040	7,000	27,040
1857	Empire	21,375	2,850	24,225
1858	Fairview Tract	6,261	1,300	7,561
1859	Gilbert Road	243	200	443
1860	Gibbs Ranch	1,471	1,575	3,046
1861	Golden State	662	125	787
1862	Hillcrest Estates	8,403	1,000	9,403
1863	Mancini Park Homes	3,573	3,675	7,248
1865	North McHenry	8,279	4,175	12,454
1866	North Oaks	2,955	1,325	4,280
1867	Olympic Tract	11,984	625	12,609
1869	Peach Blossom Estates	529	975	1,504
1871	Richland Tract	3,482	1,800	5,282
1872	Salida	81,413	21,400	102,813
1873	Sunset Oaks	10,801	5,500	16,301
1874	Sylvan Village #2	2,284	200	2,484

Fund	District Name	2007-2008 Approved Budget	Requested Adjustment	2007-2008 Requested Budget
1875	Tempo Park	3,881	8,000	11,881
1876	Schwartz-Baize	91	100	191
	Total	$199,334	$68,950	$268,284

Recommendation: It is recommended to increase Dependent Lighting Districts requested budget adjustment of $68,950 funded through existing fund balance to more accurately reflect the revised estimated costs of services provided to these districts.

Looking Ahead

Local Economic Trends
Challenges at Third Quarter and Beyond
Projected Year-End Carryover Designations
Budget Schedule

Looking Ahead

LOCAL ECONOMIC TRENDS

Unemployment Rate

According to the California Employment Development Department (EDD), the unemployment rate in Stanislaus County was 10.8% in February 2008 (an increase from the 9.4% in February 2007). This compares with a not seasonally adjusted unemployment rate of 6.1% statewide and a 5.2% nationally for the same month.

Jobs

Labor market statistics from the EDD also showed that total employment in Stanislaus County increased by 1,000 jobs, from 167,900 jobs in February of 2007 to 168,900 jobs reported in February 2008. Non-farm employment decreased by 100 jobs and farm employment increased by 1,100 jobs for the same time period. Leisure and Hospitality, Trade, Transportation and Utilities, and Manufacturing showed an increase in non-farm employment; however these increases were offset by substantial decreases in Natural Resources, Mining and Construction, Financial Activities, and Government jobs.

Affordability Index

With home prices declining across the country, housing became more affordable for individuals and families in the last quarter of 2007. Both the National Association of Realtors (NAR) and the California Association of Realtors (C.A.R.) report the affordability index rising because of these conditions. The NAR housing affordability index is forecast to rise 14 percentage points to 27 in 2008. In February C.A.R. reported the percentage of households that could afford to buy an entry-level home in California stood at 33 percent in the fourth quarter of 2007, compared with 25 percent for the same period the prior year. C.A.R.'s First-time Buyer Housing Affordability Index measures the percentage of households that can afford to purchase an entry-level home in California. In the Bay Area, the affordability index was at 23% compared to 25% for the same quarter. At the time of this report, the index for Stanislaus County was only available for the second quarter of 2007 and stood at 41% compared to 36% in the second quarter of 2006.

Median Home Price

The C.A.R. also reported that as of February 2008, the median home price in Stanislaus County was $250,250 which equates to a 29.6% decrease from the $355,250 price reported in February 2007. A similar trend was evident over this same time period for the incorporated cities of Ceres, Modesto, Oakdale, Patterson, Riverbank and Turlock ranging from a 13% to 37% decrease. The median home price in the Bay Area and the State of California as of February 2008 was $554,280 (compared to $706,880 in February 2007) and $409,240 (compared to $554,280 in February 2007), demonstrating .5% and 26.2% decreases, respectively.

Building Permits

According to the California Building Industry Association (CBIA), the total number of building permits issued in Stanislaus County as of February 2008 were down nearly 79% when compared to the prior year. CBIA reported 27 in 2008 compared to 127 in 2007. San Joaquin County showed a similar decline of 83%, while Merced County had an increase of 63.9% for the same period. The State of California statistics showed a trend downward of 27.9% over that same time period.

Gasoline

According to the California Energy Commission (CEC), the average statewide price for regular unleaded fuel was $3.77 per gallon as of April 14, 2008. For the same period April 2007, the average statewide price for regular unleaded gasoline was $3.30 per gallon, while the price was $2.90 per gallon for the same period in April 2006. In comparison, the national average for regular unleaded fuel was $3.389, or 38.5 cents lower than the average price of regular unleaded fuel in California as of April 14, 2008.

CHALLENGES AT THIRD QUARTER AND BEYOND

Discretionary Revenue Growth

As reported in the mid-year analysis and report, the outlook for discretionary revenue growth is not optimistic. Mid-year analysis indicated that revenue received from property taxes would show growth of no more than 1%. Since that time the Assessor is estimating a best case scenario of a 4% decrease in the secured assessment roll with a most likely case of a 6% decrease. Additionally sales tax revenue is not anticipated to show any growth from the most optimistic viewpoint. As these two sources of revenue represent 90% of the total discretionary revenue received our approach for the future is extremely cautious. One positive for the upcoming year is our intent to re-evaluate our methodology for the Tax Loss Reserve Fund, a fund we are required by law to maintain. We currently set aside 25% of the total delinquent taxes as a reserve against loss and the excess delinquent taxes collected are considered discretionary. The other acceptable option is to keep 1% of the total secured tax roll in reserve. As delinquencies rise and overall assessed property values decrease it becomes fiscally prudent to adopt this second option. The methodology for the fiscal year must be chosen by October 31st so an analysis will be done and any changes will be made as soon as possible in the next fiscal year. This could mean an additional $3 to $4.5 million in discretionary revenue for next year. Even with this increase it is doubtful that excess discretionary revenue will materialize as a significant contributor to fund balance as in past years.

Departmental Targeted Reductions for 2007-2008 and 2008-2009

As the 2008-2009 Fiscal Year approaches, there is an awareness of the State's current worsening fiscal crisis as well as the County's declining revenues and demand for services. It is projected that Stanislaus County will face a $14.3 million General Fund shortfall in the coming year to maintain the existing level of services. General Fund Departments and Departments that received County Match have received a 3% reduction to their net county cost. The planned reductions will have significant consequences on the level of services provided and will not be sufficient to eliminate the anticipated shortfall in funding next fiscal year and for several years to follow given the current economic conditions.

Capital Improvement Planning (CIP)

The County's Fiscal Year 2007-2008 Preliminary Capital Improvement Plan (CIP) was approved by the Board of Supervisors on December 4, 2007. Included in the CIP was a list of 304 capital projects requested over the next 20 year period. The total preliminary cost estimate for the entire requested project list is approximately $1.47 billion. The County's share of this total cost is projected to be approximately $1 billion dollars. Sixty-three new projects were included in the Preliminary CIP Project List and 22 projects were either completed or removed from the list. In summary, projects that have been approved and funded by the Board of Supervisors represent 6.4% of the County cost of all Capital Improvement Plan Projects. Forty of the 304 Preliminary CIP Projects are listed in the 'Approve/Funded' category, and 75 projects are considered to be 'Pending Implementation.'

Beyond the role of the CIP to be a long range planning guide there are several significant projects in the planning stage including the Animal Services Facility, the expansion of the Public Safety Center, Jails and Coroner project, Juvenile Justice Planning, planning for law enforcement services and facilities, the Empire Pool Project, the 12th Street Office Build-out for the District Attorney to list a few current efforts. These projects are either in planning, design or nearing construction. These are current year challenges to identify sufficient funding and resources to complete these critically needed facility improvements and expansions.

In the 2006-2007 Mid-Year Report, existing funds were approved to update the Juvenile Justice Needs Assessment Master Plan. With the State of California in the process of evaluating options to address services for juveniles housed in State facilities by providing incentives to counties to house non-violent juvenile offenders locally rather than transfer them to the Youth Authority it became a priority for the County to re-examine its goal of building a commitment facility locally consistent with the 1996 Juvenile Justice Master Plan. The State has now started releasing funds to counties to cover the increased operational cost of maintaining these juveniles in local facilities and/or operational costs. These funds in the future may also serve as a source of funding for new facilities making this review even timelier. The Plan is in the final process of being completed and will be presented to the Board of Supervisors in the latter part of the fiscal year.

Sheriff and Chief Executive Office staffs are continuing efforts to address the facility needs identified in the Sheriff Facilities and Jail Needs Assessment presented to the Board of Supervisors in June 2007. Needs were identified in excess of what the County is able to assume future debt for and as a result, efforts to review funding options and prioritizing the need are currently underway and will be presented to the Board in separate upcoming agenda reports. Compounding the challenges of this County's own local needs, is the State's severe prison overcrowding and the Governor's proposal as part of his 2008-2009 State Budget proposal for the early release of over 22,000 State prison inmates. If this happens local resources will be severely taxed, and the current jail overcrowding will likely be compounded as these inmates re-offend. There is jail bed funding available from the State through legislation enacted last year, often referred to as AB 900, however, preference points are given for this funding if counties agree to site a prison re-entry facility. Through a separate agenda item the Board of Supervisors were asked to pursue jail construction funds but not pursue a State prison re-entry facility. Funding notification is expected to be released in May 2008.

The Capital Improvement Plan has been approved by the Planning Commission and will be presented in a separate agenda report for final Board of Supervisors approval in May, 2008.

Funding for Social Service and Health Care Programs

The Governor's 2008-2009 Proposed Budget contained numerous initiatives to reduce spending and defer payments in 2007-2008. On February 16, 2008 the Governor signed six bills into law to achieve emergency reductions to the State's Budget in the current year. Impacts in 2007-2008 to local health and human services departments are minimal and focus on reductions to Public Health programs. The recommended deferrals, if approved, include Medi-Cal program payments to Counties. If passed into law, the potential impact to the Health Services Agency may be as high as $1.4 million in cash flow issues. Additionally, the anticipated impact of the reductions in 2008-2009 are significant and may result in up to $4.5 million reduction for Behavioral Health and Recovery Services, primarily from a recommended 5% reduction to Outpatient State Maximum Allowables. Approximately $2.3 million reduction may occur in the Community Services Agency, primarily in Child Welfare Services, In-Home Supportive Services, CalWORKS and Foster Care programs.

Health Services Agency

Among the most significant challenges facing the County is the ongoing restructuring of the Health Services Agency's clinic system, to ensure fiscal viability. Entering the 2007-2008 Fiscal Year, the Agency identified an unfunded shortfall of $12.6 million. At the time of the Final Budget, a separate staff report was presented to the Board of Supervisors identifying initiatives designed to achieve cost savings and efficiencies, as part of a clinic re-design and set a public hearing for additional cost-saving initiatives. The public hearing was held on October 16, 2007, when the Board of Supervisors approved several significant changes to the clinic system. The approved initiatives and resulting changes are estimated to achieve a savings of over $6.2 million annually. Additionally, on September 24, 2007 the County was informed its application for Federally Qualified Health Center Look-Alike (FQHC-LA) status had been approved by the Federal Government. As a result of this designation, the Agency will receive enhanced patient reimbursement revenues that are estimated to net an additional $6.4 million annually. The First Quarter action included the newly achieved FQHC-LA revenue of $4.8 million and the $3.6 million in projected changes leaving a shortfall in the current year of $4.189 million. This is considered a one-time shortfall as significant efforts by the Health Services Agency, the Chief Executive Office, the Board's Health Executive Committee and the full Board of Supervisors to restructure the agency to have a balanced budget in 2008-2009 without an increase in the current level of General Fund support of $4.4 million annually. The Agency returned to the Board of Supervisors in March 2008 with additional recommendations including reductions in force, and continues to work on additional cost-saving initiatives. It is anticipated that the improved revenues resulting from the FQHC-LA designation and the full implementation of cost-saving initiative will result in balanced budgets for the Agency beginning in 2008-2009. The Governor's budget proposal for 2008-2009 calls for a 10% reduction in Medi-Cal reimbursement which will have an additional negative impact on clinic and specialty services reimbursement.

Behavioral Health and Recovery Services

The County's Behavioral Health and Recovery Services programs continue for the most part to face reduced funding and increased demand. Significant change to mental health programs has occurred over the past few years to adjust to this demanding fiscal situation. While new funding was approved by the voters in the form of Proposition 63 in November 2004, much of the other critically needed mental health funding has been retracted by the State leaving a significant gap between real needs and allocated funding.

These challenges present significant distress to an already underfunded program area, in both behavioral health and alcohol and drug treatment services.

Library

The slump in our local economy has had an adverse effect on sales tax revenue for Library services. This significant decrease in revenue, combined with increasing cost of doing business, has resulted in the need for the Library to take steps to address its operational deficit. Without corrective action, this deficit would result in the use of more than $2.2 million of Library fund balance this fiscal year. The library has instituted a hiring freeze, taken other measures to cut back on operational costs, and plans to return to the Board of Supervisors within the next few weeks to address recommended operational changes for the 2008-2009 Fiscal Year.

Property Tax Administration Fee (SB 2557)

As part of the 2004 Budget package (SB 1096) the Legislature adopted a mechanism to fund the State's economic recovery bond program with a ¼ cent of sales tax. This mechanism called for the State to withhold a ¼ cent of the Bradley-Burns Sales tax from cities and counties. Also as a part of the 2004 budget package, the Legislature adopted a swap of vehicle license fee (VLF) backfill revenues to cities and counties for a new allocation of ad valorem property tax revenue. This was to permanently replace local revenues lost with the reduction of the VLF rate from 2% to 0.65%. The compensating revenues for cities and counties are transferred from the ad valorem property tax revenues that would otherwise be allocated to the County's Educational Revenue Augmentation (ERAF) Fund. Most importantly the growth in the VLF back-fill is now based on the increase in the annual percentage growth in the assessed valuation of property for cities and counties.

In the early 90's SB 2557 was passed to allow counties to recover their costs of providing property tax administrative services. Although this new legislation SB 1096 impacted the property tax administrative services, legislation prohibited the collection of additional fees for two years. During this two-year period a temporary shift of property taxes from counties and cities, referred to as ERAF III, was imposed by the State. During this period of time new guidelines were drafted to reflect the changes in the law under SB 1096 and implemented on a statewide basis in Fiscal Year 2006-2007.

The League of California Cities is challenging these new guidelines. The County Counsel's Association has drafted a legal opinion on behalf of the California State Association of Counties (CSAC). As of now, there has been no final resolution. It is the intent of counties to continue to utilize the statewide uniform guidelines for implementation of SB 1096 until directed otherwise by statute or court. The potential impact to Stanislaus County totals $570,000.

Labor Relations

The County currently has long term contracts with a majority of its bargaining units. Negotiations during the 2007-2008 Fiscal Year were recently completed with the Sheriff's Management Association and the California Nurses Association. The County will begin negotiations at the end of the current fiscal year for a new health insurance agreement to be effective January 1, 2009 for all represented employees.

Property Tax

It is anticipated that in Fiscal Year 2008-2009, there will be an approximate $4 billion shortfall in the secured assessment roll in Stanislaus County. Each January the base line is established for the Property Taxes for the following fiscal year. In January 2008 the assessment of the baseline indicated that there would be change that will result in reassessment of property taxes. It is anticipated that the total Stanislaus County Assessment Roll will be approximately $42,272,198,844, which equates to an approximate 6% decrease over the 2007-2008 assessment roll. This is based on the reassessment of approximately 40,000 properties. Funds collected are for the State of which Stanislaus County receives 12% of Property Tax in discretionary revenue. It is unprecedented in the history of Stanislaus County to have a decrease in the secured assessment roll. Existing properties typically increase annually 2% and with new construction and property transfers the secured assessment roll historically has increased an average of 4%-5% annually. It is unknown at this time if Stanislaus County will continue to see a decline in 2009-2010.

Proposed Budget 2008-2009

The Chief Executive Office's preliminary projected deficit for 2008-2009 given revised discretionary revenue projections, funding the negotiated labor agreements and very minimal growth in department revenue was $10.6 million for programs funded by the General Fund at the current service level. This assumed ending Fiscal Year 2007-2008 with a $5.9 million fund balance, much of which is anticipated to be achieved through the 2% cost savings goal discussed previously and other strategies currently being explored.

The Chief Executive Office continues to look at other options for balancing the Fiscal Year 2008-2009 budget, some of which include maintaining the no-backfill policy for State and Federal program reductions to avoid further fiscal shortfalls to the County's General Fund and requiring all departments to develop program specific reduction plans; using retained earnings in various Risk Management Self-Insurance funds on a one-time basis; reducing or eliminating the set-aside for Public Safety Center Expansion/Debt; a one year suspension of funding to the Economic Development Bank, and revising the methodology in calculating the reserves for penalties in the Tax Loss Reserve Fund prior to October 2008. Additionally, a targeted reduction of 3% for all County programs was expected as part of the Fiscal Year 2008-2009 Proposed Budget instructions issued to County Departments that amounted to $5.7 million in the General Fund. Avoiding the use of reserves or designations for operating expenses is also under consideration.

On April 14, 2008, County Departments submitted their 2008-2009 Proposed Budgets to the Chief Executive Office for review and analysis. Although these will be thoroughly evaluated as part of the Proposed Budget process, the following is a preview of some of the challenges and issues that will be facing the County during the upcoming fiscal year based on a preliminary review of departmental budget submittals. In summary, County departments requested a total of $24 million in unmet needs for Fiscal Year 2008-2009, compared to $33 million in Fiscal Year 2007-2008.

The majority of the unmet needs identified were in the Board Priorities of *A safe community and A healthy community*. County Departments impacted by these challenges include the Area Agency on Aging, Behavioral Health and Recovery Services, Community Services Agency, District Attorney, Health Services Agency, Probation, Public Defender and Sheriff. The Proposed Budget process will consider departmental impacts and reductions in the areas of staffing, programs and services (mandated and non-mandated), facilities and equipment (including maintenance), personal services contracts, Cost Allocation Plan (CAP) charges, office hours, and a variety of other operational expenses.

State Budget Impacts

What's New in Budget Reform: In a follow up to his Budget proposal in February, the Governor has been traveling the state promoting his reform ideas. The ideas hinge on the following concepts: 1) the State needs to save money into a "rainy day fund" during good budget times (Revenue Stabilization Fund); 2) current State spending formulas hamstring the ability to cut spending during bad economic times.

The Governor in a spring 2008 visit to Modesto opened the discussion of "increasing revenue" for the State, a topic he previously avoided because it ordinarily refers to increasing taxes.

2008-2009 State Budget: Estimates of the budget deficit continue to hover around the $16 billion mark. It is anticipated this number may get worse as the Governor's May Budget Revision is released. Budget committees have been meeting. The Senate is keeping the bulk of discussion in the Senate Budget and Fiscal Review committee and not formally having budget subcommittees meet. The Assembly is holding meetings in the Committee on Budget and subcommittees. There will probably not be significant movement on the 2008-2009 budget until after the Governors May Revision is released on May 14, 2008.

There are strong rumors that the State will need to make an additional $4 billion in hard cuts for the 2008-2009 budget.

The Legislative Analyst, who will retire at the end of this year, did submit an alternative budget proposal, which she presented to the Senate Budget Committee for discussion. One particularly controversial LAO proposal would shift water district fees from water districts to counties, and those funds would be used to fund parole responsibilities, which the LAO is proposing to shift from the state to counties. This proposal has engendered significant opposition, particularly from water agencies.

PROJECTED YEAR-END CARRYOVER DESIGNATIONS

As part of the Chief Executive Office year-end closing of the County's financial records, it will be necessary to establish year-end carryover designations of current year funding for projects that will occur next fiscal year. A preliminary summary of the proposed designations is included in the following chart,
and reflects an overall estimated recommendation of $12,483,684.

2007-2008 CARRY OVER APPROPRIATIONS

Department	AMOUNT		Description
Chief Executive Office-Crows Landing Air Facility	$	404,257	Crows Landing Air Facility Project
Chief Executive Office-County Facilities	$	280,415	Laird Park Shooting Range Clean-Up
Chief Executive Office-Debt Service	$	2,765,097	Jail Needs Assessment/Jail Expansion Project
Chief Executive Office-Economic Development Bank	$	3,773,524	Economic Development Bank Program
Chief Executive Office-Economic Development Bank	$	1,500,000	Community Development Fund
Chief Executive Office-Plant Acquisition	$	1,169,275	Animal Shelter Facility Improvement
Chief Executive Office-Plant Acquisition	$	563,800	Juvenile Hall Special Needs Unit
Chief Executive Office- Plant Acquisition	$	1,000,087	Parks -Empire Pool Project

2007-2008 CARRY OVER APPROPRIATIONS			
Department	AMOUNT		Description
Chief Executive Office- Plant Acquisition	$	43,963	Juvenile Justice Master Plan
Chief Executive Office- Plant Acquisition	$	361,800	CAD IPSS Project
Chief Executive Office- Plant Acquisition	$	28,086	Back-Up Radio Project
Community Services Agency Services & Support	$	200,000	Audit Contingency Fund
Parks and Recreation-Parks Master Plan	$	393,380	Parks Master Plan
TOTAL GENERAL FUND	$	12,483,684	

BUDGET SCHEDULE

The following schedule is recommended for the 2008-2009 Proposed Budget:

- May 30, 2008 — 2008-2009 Proposed Budget available to Public
- June 10 11, 12, 2008 — Proposed Budget Presentation and Public Hearing to the Board of Supervisors
- September 9, 10, 11, 2008 — 2008-2009 Final Budget Presentation and Public Hearing to the Board