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Stanislaus County Final Budget Fiscal Year 2009-2010

Stanislaus County, CA – Stanislaus County Chief Executive Office has released the County's Final Budget Addendum for the 2009-2010 Fiscal Year. The Final Budget Addendum makes adjustments to the interim spending plan for Stanislaus County operations adopted by the Board of Supervisors on June 9, 2009. A Public Hearing on the 2009-2010 Final Budget has been scheduled for 6:35 p.m. on September 15, 2009 to be continued if necessary on September 16 and 17, 2009 at 9:00 a.m.

The Final Budget recommended by the Chief Executive Officer totals \$958,046,525. This is an overall decrease of \$8,492,532 from the Final Budget for 2008-2009, representing a .9 percent decrease compared to last fiscal year. The General Fund, the more discretionary portion of the County's budget, totals \$249,898,038, a \$19,270,051 decrease from the 2008-2009 Final Budget. The General Fund relied on use of \$15,318,896 in one-time funding including an estimated \$12.5 million in General Fund fund balance and \$2.8 million of reserves.

Recognizing the warning signs of a struggling economy and a fast growing State Budget deficit, Stanislaus County began taking corrective actions several years ago to prepare the organization to be able to weather the worsening economy. Those corrective actions in County programs include, but are not limited to, Behavioral Health and Recovery Services, Planning - Building Inspection Services, Library Services, Child Support Services, public safety cuts, and social service reductions to name a few. Many County employees are working a reduced schedule due to furloughs and the County workforce continues to shrink dramatically.

Our community faces an extraordinarily high residential foreclosure rate, a statewide fiscal crisis, and key discretionary revenue sources such as property and sales taxes have experienced unprecedented reductions, down 13.5% and 14.5% respectively from 2007-2008 actuals when compared with Final Budget 2009-2010 estimates.

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Departments continue to “hold the line” in the face of our many challenges, and most of the requests contained in the Final Budget Addendum contain adjustments necessary to address declining revenue or State Budget impacts.

The following is the final budget by fund:

Fund Type	Final Budget 2008-2009	Adopted Proposed Budget 2009-2010	Final Budget 2009-2010	Percent Difference Final Budget 2008- 2009 to Final Budget 2009-2010	Percent Difference Adopted Proposed Budget 2009-2010 to Final Budget 2009-2010
General Fund	\$ 269,168,089	\$ 250,892,614	\$ 249,898,038	-7.2%	-0.4%
Special Revenue Fund	\$ 513,677,838	\$ 533,497,263	\$ 538,068,160	4.7%	0.9%
Capital Projects Fund	\$ 12,923,141	\$ 7,514,489	\$ 7,514,489	-41.9%	0.0%
Enterprise Fund	\$ 83,462,683	\$ 81,575,124	\$ 81,455,466	-2.4%	-0.1%
Internal Service Fund	\$ 87,307,306	\$ 81,634,665	\$ 81,110,372	-7.1%	-0.6%
Total	\$ 966,539,057	\$ 955,114,155	\$ 958,046,525	-0.9%	0.3%

Following is a summary of changes recommended, by Board of Supervisors priority, in the Final Budget Addendum for 2009-2010:

A safe community: No General Fund increases are recommended. Changes are recommended in the budget for the Ray Simon Regional Training Center in number of training programs. Budget adjustments to reflect the recent reduction-in-force of four positions in the Sheriff’s Administrations budget are also included. Other changes include revenue reductions in Animal Services.

A healthy community: Recommendations include many significant changes from the Proposed Budget. A reduction-in-force in the Area Agency on Aging is recommended due to the Governor’s line item veto of several programs that serve seniors in the community, including Linkages, Respite and Brown Bag programs for a funding reduction of \$281,837. In the Community Services Agency several changes are recommended, including an increase of \$2.8 million in CalWORKs due to an increase in TANF Emergency contingency funds and an increase in State and Federal funds to fund all payrolls in the fiscal year. Due to rising costs and shrinking revenues, policy changes are recommended in this Final Budget Addendum to the General Assistance Program, which is the only aid program funded entirely by the County General Fund. Other expected additional reductions have not yet materialized for several reasons, including the fact that the State has not yet issued final allocations for the year as a result of the State Budget, our County’s inability to obtain full allocations due to limitations in what we could afford to match locally, and several significant program changes suggested in the State Budget, including changes in In-Home Supportive Services (IHSS), and the possible

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privatization of certain eligibility services. Additional reductions in Public Health Programs are expected to occur after the adoption of our final spending plan, and adjustments are likely in many programs at the First Quarter or Mid-Year Fiscal Report.

A strong local economy: Recommendations include an increase of over \$3 million in the Alliance Worknet department for three new grants, increased American Recovery and Reinvestment Act (ARRA) funding, increased Workforce Investment Act funding and additional job preparedness funds from StanWORKs.

No changes to the Board of Supervisors priority of **A strong agricultural economy/heritage** are recommended.

A well-planned infrastructure system: Includes a recommended increase of \$5.36 million in revenue for three years of funding for Proposition 1B road improvement funding. A State deferral of Proposition 42 payments is expected this year.

Efficient delivery of public services: Additional reductions are recommended in the General Services Agency due to declining revenue and operating department service reductions. This continues a trend of shrinking staff and reductions-in-force for this support department. A fiscal and operational review will be conducted this fall to determine appropriate and sustainable future financial and service levels in this agency.

The recommended Final Budget Addendum calls for the deletion of seven funded positions (six reductions-in-force), unfunding of 12 additional positions and the funding of one previously unfunded position. These recommended changes will further reduce workforce numbers from the 4,008 approved in the Proposed Budget to 3,990.

The County's no-back fill policy is key to our fiscal stability. As the State of California continues to struggle fiscally, we cannot accept the State's financial and program responsibilities without full funding.

The next several years promise to test this organization unlike any in recent years. Increases in retirement costs, as well as increases in health and unemployment insurance, will come at a time of continued declining revenue. The recent court decision authorizing a change in venue for a capital murder case will result in significant increased costs for the County, with little likelihood of State reimbursement for such extraordinary trial expenses.

The Stanislaus County 2009-2010 Final Budget is available for public review today. It can be viewed at the Board of Supervisors Office of the County of Stanislaus at 1010 10th Street, Suite 6500 in Modesto. It is also available on the County's web site, www.stancounty.com/budget or at any of the thirteen libraries located throughout Stanislaus County.