

2026

First Quarter Financial Report

July - September 2025



Submitted by
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Chief Executive Officer

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Introduction

The First Quarter Financial Report for Fiscal Year 2026 provides a snapshot of Stanislaus County's financial position as of September 30, 2025. Prepared by the Chief Executive Office, the report outlines key updates on revenues, expenditures, and overall budget performance during the first quarter. It also includes updates to the 2026 Adopted Budget, aligned with the Board of Supervisors' priority areas, and outlines recommended changes for the Board's consideration.

In addition, the report features the Annual Report on Results for Fiscal Years 2021–2025, which presents historical data on actual revenues, fund balance usage, expenditures, and General Fund contributions (referred to as Net County Cost) by budget unit. It compares prior-year actuals to the Legal Budget as of June 30, 2025. For non-General Fund departments, the report includes a four-year history of fund balance or retained earnings by budget unit. Both sections are accompanied by brief analyses that highlight key trends, explain variances, and provide context for changes over time.

Background – 2026 Adopted Budget

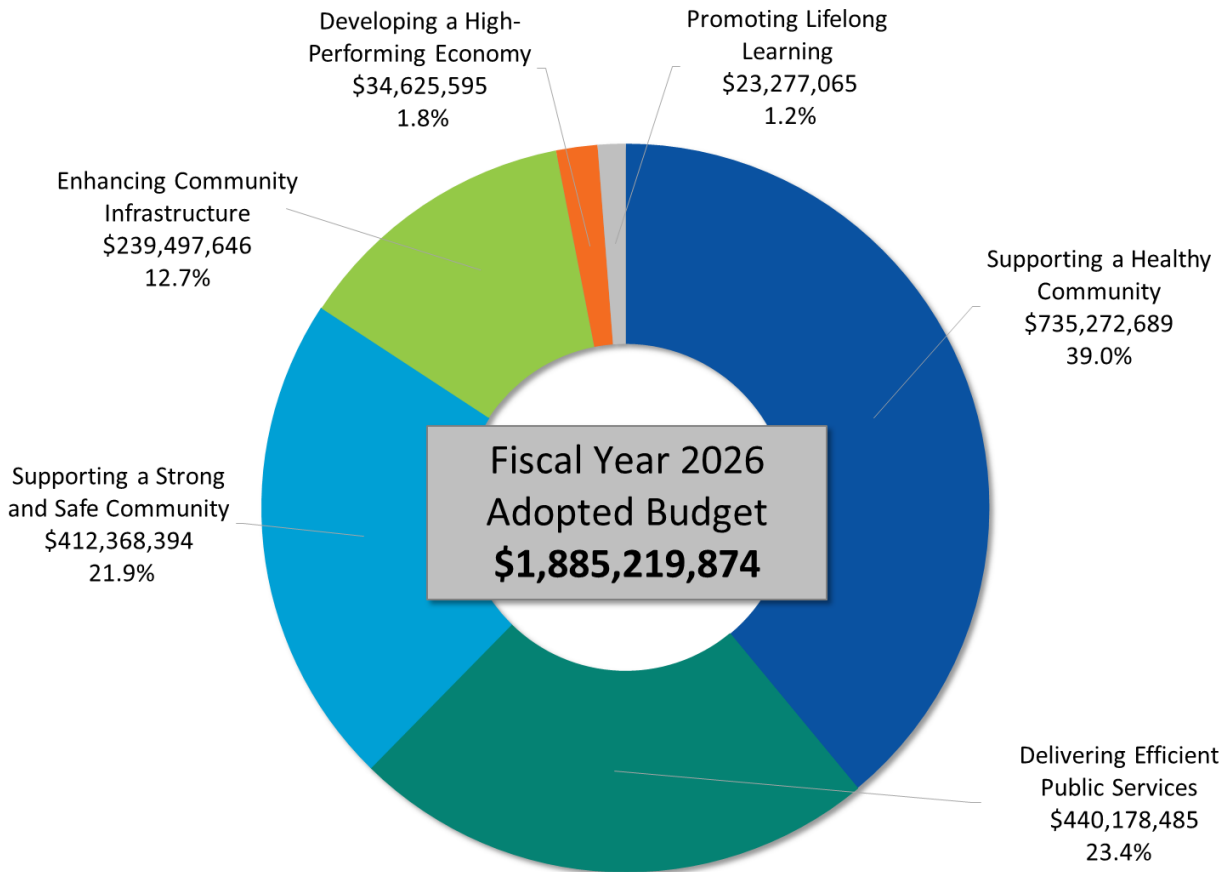
The Board of Supervisors approved the 2026 Adopted Budget on September 30, 2025, establishing a total budget of \$1.89 billion. This represented a \$32.3 million or 1.7% increase over the prior fiscal year. The budget was balanced with \$1.68 billion in estimated revenue and \$208.3 million in fund balance or retained earnings.

Compared to the 2026 Proposed Budget, adjustments included in the Adopted Budget resulted in a net increase of \$15.7 million in appropriations. These adjustments focused on upholding existing Board commitments, including standard vehicle and IT equipment replacements, annual project management, retirement rate increases, and routine operational adjustments. In addition, the budget incorporated targeted changes to address critical needs, such as the one-time purchase and three-year operational costs for two one-person patchers to support road repair efforts across the County.

The 2026 Adopted Budget supported 4,904 full-time allocated positions, reflecting a net decrease of 22 positions compared to the 2025 Adopted Budget.

The County budget is aligned with the Board of Supervisors' priority areas. The following chart reflects total spending authority by priority as approved in the 2026 Adopted Budget.

2026 Adopted Budget by Board Priority



In line with standard accounting practices, Stanislaus County's budget is organized into financial entities called funds, which separate resources and ensure legal compliance. The table below presents the 2026 Adopted Budget spending authority, or budgeted appropriations, by fund type, alongside the 2025 Adopted Budget for comparison.

Comparison of 2026 Adopted Budget by Fund Type

Budget by Fund Type	2025 Adopted Budget	2026 Adopted Budget	\$ Variance 2026 Adopted to 2025 Adopted	% Variance 2026 Adopted to 2025 Adopted
General Fund	\$ 543,525,122	\$ 538,737,944	\$ (4,787,178)	-0.9%
Special Revenue Fund	1,021,630,977	1,062,248,819	40,617,842	4.0%
Capital Projects Fund	33,440,461	28,015,312	(5,425,149)	-16.2%
Enterprise Fund	77,365,143	74,936,811	(2,428,332)	-3.1%
Internal Service Fund	176,931,044	181,280,988	4,349,944	2.5%
Total All Funds	\$ 1,852,892,747	\$ 1,885,219,874	\$ 32,327,127	1.7%

The following table presents the 2026 Adopted Budget alongside the funding sources used to balance, organized by fund type. The budget is balanced through a combination of revenues and contributions from the County General Fund, commonly referred to as Net County Cost.

2026 Adopted Budget Funding by Source Type

Fund Type	2026 Adopted Budget	Funding Sources				
		Department Revenue*	Departmental Fund Balance	General Fund Fund Balance**	Discretionary Revenue*, **	General Fund Contribution to Other Funds*
General Fund	\$ 538,737,944	\$ 163,897,602	\$ -	\$ 46,115,442	\$ 328,724,900	\$ -
Special Revenue	1,062,248,819	907,460,562	122,959,587			31,828,670
Capital Projects	28,015,312	15,137,000	9,548,312			3,330,000
Enterprise	74,936,811	50,003,541	23,433,270			1,500,000
Internal Service	181,280,988	175,028,533	6,252,455			-
Total All Funds	\$1,885,219,874	\$ 1,311,527,238	\$ 162,193,624	\$ 46,115,442	\$ 328,724,900	\$ 36,658,670

*Total Revenue \$1,676,910,808

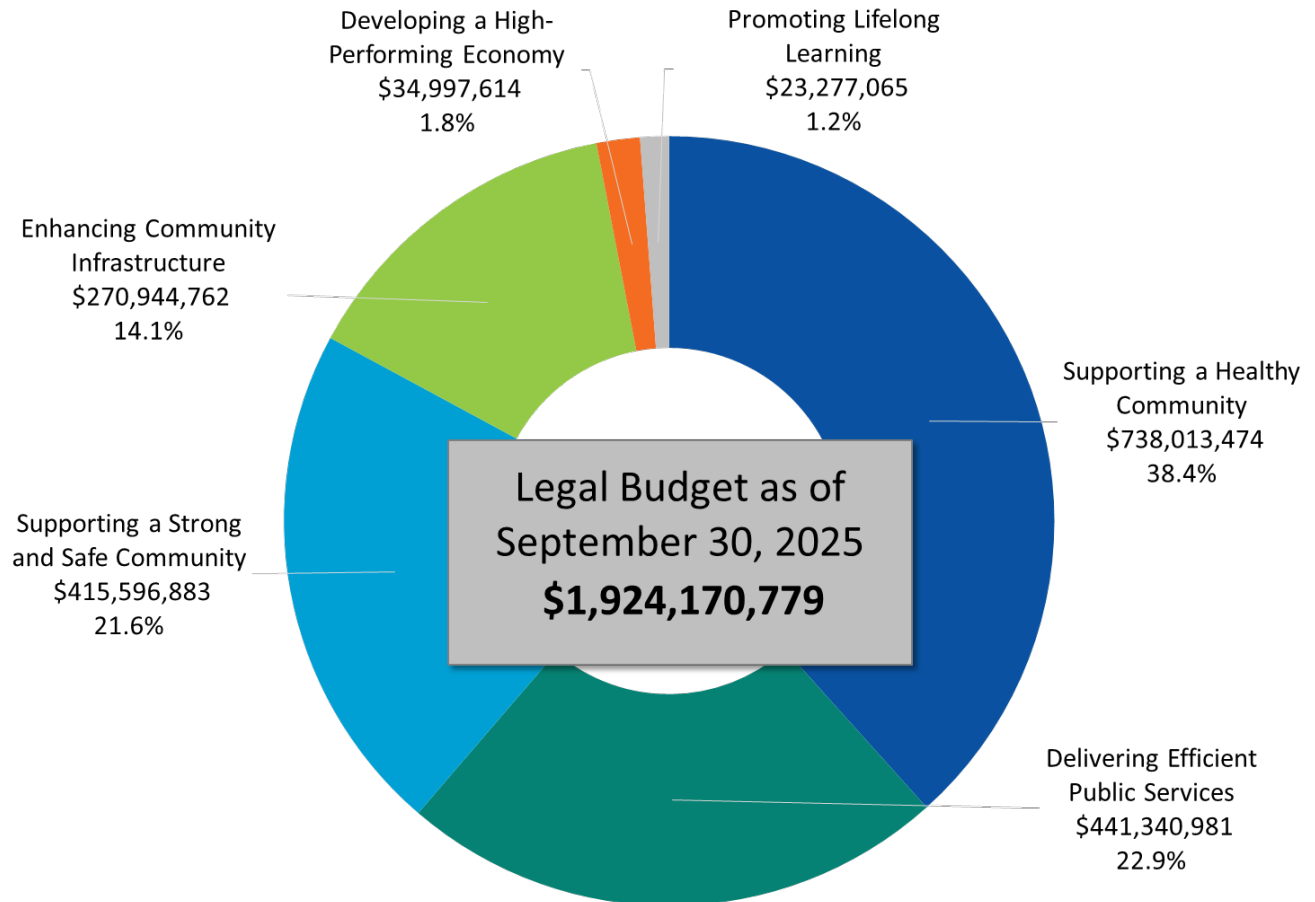
**Total General Fund Contribution is \$374,840,342, net of Accounting Transactions

As shown in the table above, General Fund budgets were supported by \$163.9 million in departmental revenue and \$374.8 million in General Fund Contributions. These contributions included \$328.7 million in estimated Discretionary Revenue and \$46.1 million in combined assigned and unassigned fund balance. General Fund Contributions to other fund types are provided either as mandated County Match or at the discretion of the Board of Supervisors, per standard County practice. These are displayed as Net County Cost allocations to clearly show the impact on the County General Fund. For financial reporting purposes, these contributions were classified as departmental revenue in accordance with Generally Accepted Accounting Principles (GAAP).

Legal Budget as of September 30, 2025

The Adopted Budget is modified throughout the fiscal year to meet the evolving needs and activities of the County and its departments. Adjustments include those approved through agenda items presented to the Board of Supervisors outside the formal budget process. Additionally, the budget may be revised during quarterly financial reporting cycles, based on updated projections and changing requirements. Together, the Adopted Budget and these adjustments create the Legal Budget, which is defined at a specific point in time. As of September 30, 2025, the legal budget totaled \$1.92 billion.

Legal Budget as of September 30, 2025, by Board Priority



2026 First Quarter Financial Report Overview

The primary focus of the First Quarter Financial Report is to provide an update on the status of the County budget, correct any errors or omissions that may have occurred in the Adopted Budget process, and make any necessary adjustments resulting from State Budget actions or shifts in economic conditions. This report also incorporates budget updates related to recently approved labor agreements, aligning the budget with previously approved Board items. In addition, current revenue and expenditure patterns are reviewed to ensure that budgets remain on track to end the year in a positive fiscal position. These patterns are also compared to those of prior fiscal years to identify any changes in trends and provide context for fiscal decision-making.

The recommended adjustments in the 2026 First Quarter Financial Report include an appropriations increase of \$5.4 million offset by the use of \$4.6 million in appropriations for contingencies. This results in a net appropriation increase of \$858,141 and brings the total First Quarter Budget to \$1.93 billion. Adjustments to funding sources include an increase in estimated revenue of \$1.9 million, a decrease in the use of departmental fund balance/retained earnings of \$1.7 million, and increased use of Net County Cost of \$619,783.

The following table shows how the 2026 First Quarter Budget was developed, beginning with the Adopted Budget, and includes the incorporation of prior-year appropriations and separate Board-approved adjustments that

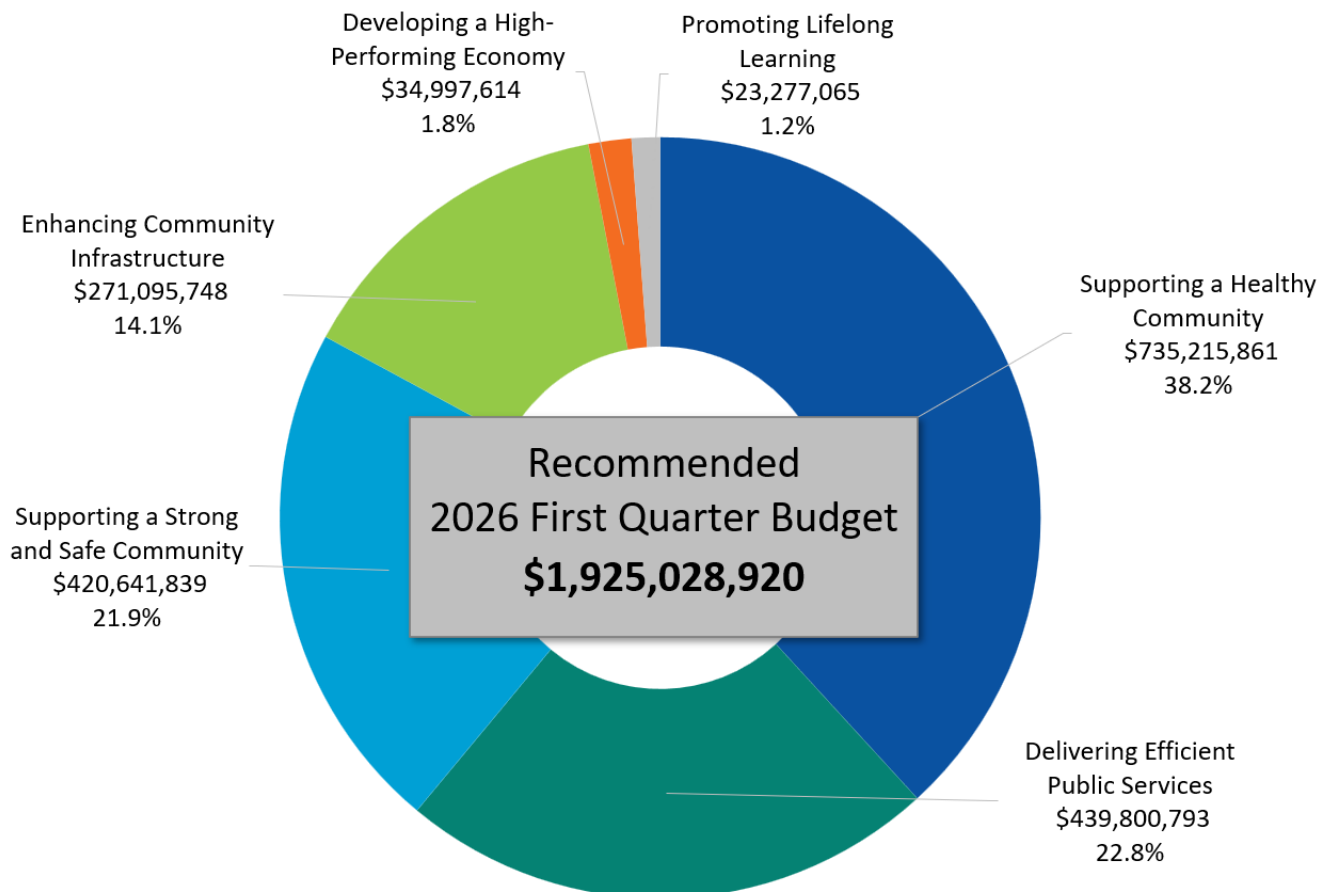
comprise the Legal Budget as of September 30, 2025, along with the recommended adjustments at first quarter, displayed by fund type.

Immediately following is a chart depicting the recommended 2026 First Quarter Budget, displayed by Board priority area.

Development of the First Quarter Budget Recommendations

Fund Type	2026 Adopted Budget	Legal Budget as of 9/30/2025	Recommended 2026 First Quarter Adjustments	Recommended 2026 First Quarter Budget
General Fund	\$ 538,737,944	\$ 542,191,112	\$ 2,878,931	\$ 545,070,043
Special Revenue	1,062,248,819	1,088,676,007	472,661	1,089,148,668
Capital Projects	28,015,312	28,015,312	379,255	28,394,567
Enterprise	74,936,811	83,004,588	(3,029,746)	79,974,842
Internal Service	181,280,988	182,283,760	157,040	182,440,800
Total All Funds	\$ 1,885,219,874	\$ 1,924,170,779	\$ 858,141	\$ 1,925,028,920

2026 Recommended First Quarter Budget by Board Priority



Summary of Fund Balance by Fund Type

The 2025 Adopted Budget document reported a total beginning fund balance of \$809.7 million. Since that time, post-closing adjustments totaling \$9.3 million have been posted, resulting in a revised beginning fund balance of \$819 million. Post-closing adjustments have long been a component of the County's year-end process and continue until the Annual Comprehensive Financial Report is complete.

The following table illustrates the beginning fund balances on July 1, 2025, for the various fund types, as well as the projected year-end balances adjusted for the recommendations contained in this report.

Fund Type	Beginning Fund Balance on 7/1/25*	Legal Budget Revenue on 9/30/2025	Legal Budget Appropriations on 9/30/2025	First Quarter Recommended Use of Fund Balance	Projected Fund Balance on 6/30/2026
General Fund	\$ 214,493,000	\$ 494,233,682	\$ 542,191,112	\$ -	\$ 166,535,570
Special Revenue	425,677,477	947,452,368	1,088,676,007	1,373,126	283,080,712
Capital Projects	18,070,200	18,467,000	28,015,312	-	8,521,888
Enterprise	123,337,510	51,783,541	83,004,588	(3,029,746)	95,146,209
Internal Service	37,451,199	175,028,533	182,283,760	-	30,195,972
Total All Funds	\$ 819,029,386	\$ 1,686,965,124	\$ 1,924,170,779	\$ (1,656,620)	\$ 583,480,351

*The beginning Fund Balance as of September 30, 2025, is an increase of \$9.3 million compared to the \$809.7 million reported in the 2026 Adopted Budget document (page 72). The difference is due to post-closing journal entries made by the Auditor-Controller's office as part of the Fiscal Year 2025 year-end close process.

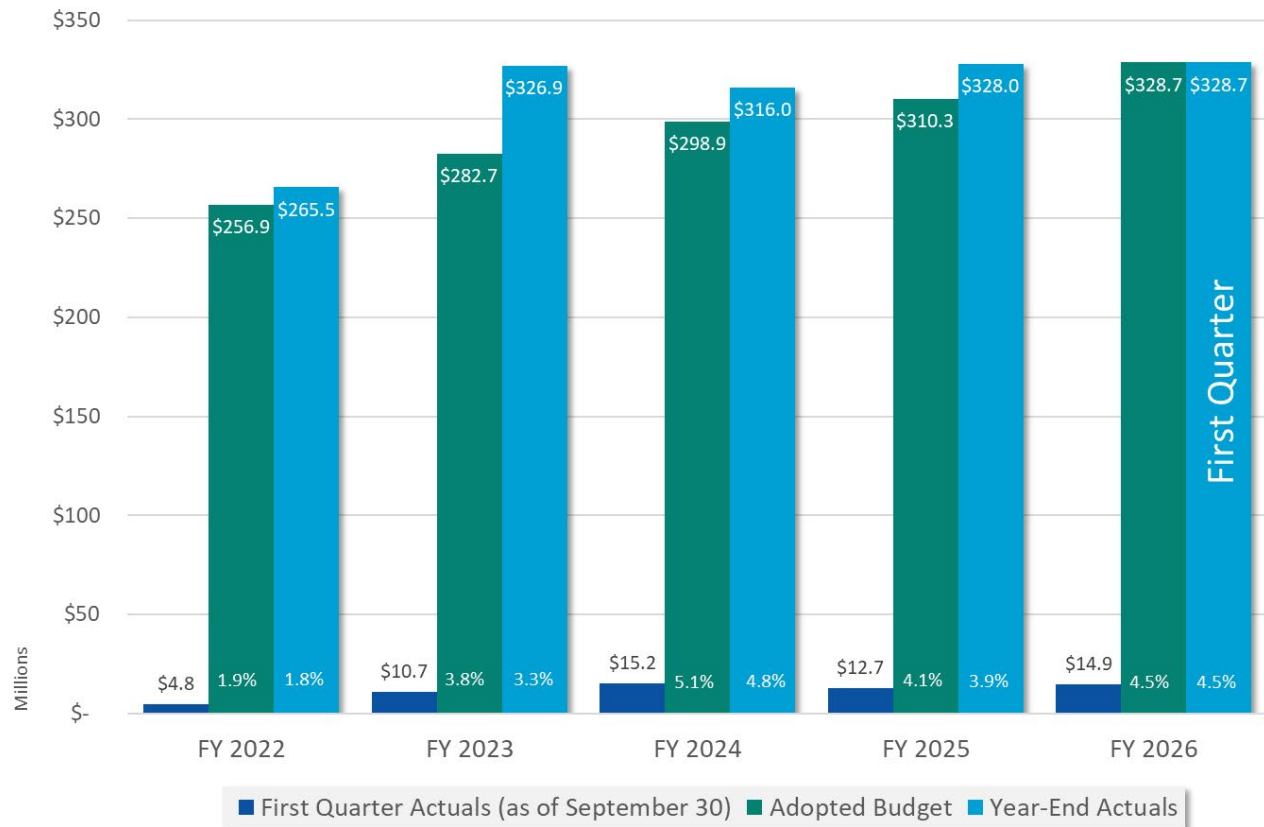
Discretionary Revenue

As of September 30, 2025, approximately \$14.9 million in Discretionary Revenue has been collected, representing 4.5% of the \$328.7 million projected in the 2026 Adopted Budget. Over the past four years, first quarter collections have ranged between 1.9% and 5.1% of the Adopted Budget and 1.8% and 4.8% of actual year-end totals. The Fiscal Year 2026 first quarter Discretionary Revenue falls within these historical trends.

The following chart provides a five-year comparison of first quarter performance, including Fiscal Year 2026. It shows revenue collected during the first three months of each fiscal year alongside the Adopted Budget and prior year-end actuals.

Discretionary Revenue will be monitored closely throughout the fiscal year, with adjustments made as needed in future budget cycles to ensure alignment with actual performance and economic conditions.

Discretionary Revenue Five-Year Historical Chart



SUPPORTING A STRONG AND SAFE COMMUNITY



District Attorney

Grand Jury

Office of Emergency Services

Probation

Public Defender

Sheriff

Supporting a Strong and Safe Community

Priority Overview

Ensuring a safe community and protecting the safety of the residents of Stanislaus County continue to be top priorities of the Board of Supervisors. The departments within this priority area focus on the safety of our neighborhoods and strengthening our communities. The impact of gangs, drugs, and vagrancy directly contributes to the decline of the physical, economic, and social health of the County. Robust partnerships within the organization, local municipalities, and community-based organizations throughout the region help maintain effective public safety programs and the ability to respond to emergencies on behalf of our community.

Departments assigned to the Board of Supervisors' priority area of *Supporting a Strong and Safe Community* include the District Attorney, Grand Jury, Office of Emergency Services, Probation, Public Defender, and Sheriff. The revenue used to pay for these services comes primarily from local taxes such as property and sales taxes, fees, franchises, charges for services, and a variety of other discretionary revenue sources. Public Safety Sales Tax (Proposition 172) revenue 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.

Recommendations contained in this report will increase appropriations by \$5 million, revenue by \$970,924, and Net County Cost by \$4.1 million for departments *Supporting a Strong and Safe Community*.

Overall, the departments within the priority of *Supporting a Strong and Safe Community* are on track to end the year within budget and in a positive fiscal position. Most recommendations are related to increasing appropriations to support negotiated labor increases.

Departmental Revenue

For the departmental budgets *Supporting a Strong and Safe Community*, as of September 30, 2025, actual revenue collected totaled \$13.8 million, which represents 9.8% of the estimated annual revenue. This is in the mid-range when compared to the first quarter point of the prior three years, when collections ranged from 6.3% to 11.3% of the final revenue receipts.

Revenue to date is lower than prior-year actuals primarily due to delays in revenue receipts. The Probation Department experienced a \$1.4 million decrease in the Probation Juvenile Justice Crime Prevention Act (JJCPA), mainly because the growth realignment payment was received in October of the current fiscal year, compared to September of the prior fiscal year. Additionally, approximately \$1 million of Jail-Based Competency Treatment (JBCT) revenue in the Sheriff's Detention budget was delayed while a new agreement with the state was pending, which has since been approved by the Board of Supervisors.

Of note, factors associated with implementing the County's Enterprise Resource Planning (ERP) system affected receipts through the first quarter of Fiscal Year 2023. A consistent source of revenue for this priority, Realignment Revenue, did not post in the first quarter due to the timing of conversion between financial management systems, which contributed to the low figure in that year. Additionally, in preparation for integration, County Operations, Capital Projects, and Integrated Criminal Justice Information System funds traditionally categorized within this Board priority were moved to the *Delivering Efficient Public Services* priority with the 2023 Adopted Budget.

Supporting a Strong and Safe Community Four-Year Revenue Comparison

In Millions



Departmental Expenditures

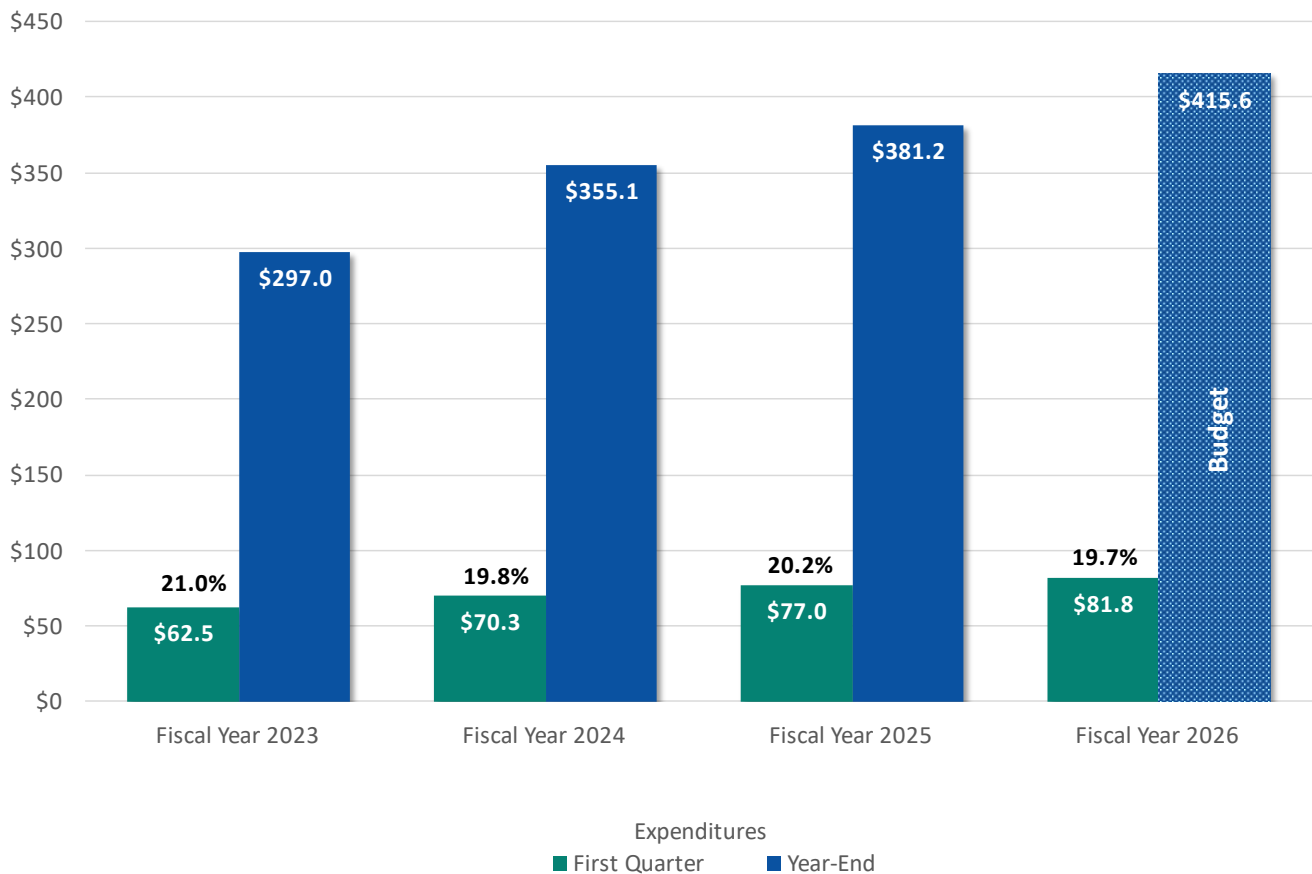
As of September 30, 2025, expenditures totaled \$81.8 million, representing 19.7% of budgeted appropriations. This year-to-date percentage just outside the historical range when compared to the first quarter point of the prior three years when expenditures ranged from 19.8% to 21% of the final actual expenditures.

Several budget units (Criminal Justice Facilities Fund, Courthouse Construction Fund, County Court Funding, Department of Justice Drug and Alcohol, Prop 69 – DNA Identification, and Integrated Criminal Justice Information System) were transferred out of this priority area and into *Delivering Efficient Public Services* in the 2023 Adopted Budget. These budgets accounted for \$2.1 million of the first quarter actuals posted in Fiscal Year 2022 and \$7.8 million of the final year-end actuals for that year. In addition, the Public Defender experienced a \$759,593 increase in expenditures from Fiscal Year 2025 to Fiscal Year 2026, primarily due to staffing costs. The overall growth reflects both an expansion in staffing levels and changes in allocation patterns over the past year.

Significant investments were made in Fiscal Years 2023 and 2024 in the Local Community Corrections budget in Probation, which allocates the 2011 Realignment funds supporting the Community Corrections Partnership (CCP) plan, which are reflected in multiple budgets within this priority, effectively doubling the expenditures and widening the gap in overall expenditures between Fiscal Years 2023 and 2024.

Supporting a Strong and Safe Community Four-Year Expenditures Comparison

In Millions



District Attorney

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
District Attorney (DA) Criminal Division							
0100 DA00001 General Fund							
Total Revenue	\$2,358,037	\$2,179,886	\$2,620,325	\$2,628,156	\$2,804,110	\$2,804,357	99.99%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	20,665,447	22,631,828	24,940,247	28,489,425	30,152,994	31,602,211	95.41%
Net County Cost	\$18,307,410	\$20,451,942	\$22,319,922	\$25,861,269	\$27,348,884	\$28,797,854	94.97%

Costs have increased over the last four years due to the Department successfully reducing its vacancy rate, implementing the County's Employee Recruitment and Retention Strategy, and the cost of doing business. The Department has a slight decrease in revenue in Fiscal Year 2022 due to a reduced amount of revenue transferred from the Consumer Fraud Prosecution Program. A subsequent increase in revenue for Fiscal Years 2023 and 2024 was primarily attributed to reimbursements for State Realignment, witness relocation, and mandated costs. The increase in revenue from Fiscal Years 2024 to 2025 is due to more personnel costs being reimbursed by the Community Corrections Partnership.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DA Arson Task Force							
1761 DA00004 Special Revenue Fund							
Total Revenue	\$44,490	\$33,591	\$49,337	\$30,476	\$44,207	\$64,509	68.53%
Use of Fund Balance	31	(3,808)	0	427	449	0	0.00%
Gross Costs	44,521	29,782	49,337	30,903	44,655	64,509	69.22%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Costs in this budget have remained relatively steady with increased expenses in Fiscal Years 2021, 2023, and 2025 related to one-time software and equipment purchases. Revenue in this budget is based on the reimbursement of actual costs.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DA Auto Insurance Fraud (Discontinued)							
1712 0023212 Special Revenue Fund							
Total Revenue	\$191,498	\$200,920	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	(4,293)	(4,025)	0	0	0	0	0.00%
Gross Costs	187,205	196,895	0	0	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

This budget represents grant activity with costs and revenue dependent on grant resources. The budget was moved to the Special Operations budget with the implementation of the County's Enterprise Resource Planning (ERP) system in October 2022.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DA County Victim Services Program (Discontinued)							
1714 0023215 Special Revenue Fund							
Total Revenue	\$334,624	\$238,629	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	(90,252)	25,249	0	0	0	0	0.00%
Gross Costs	244,372	263,878	0	0	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

This budget represents grant activity with costs and revenue dependent on grant resources. The budget was moved to the Special Operations budget with the implementation of the County's Enterprise Resource Planning (ERP) system In October 2022. The grant ended in December 2024.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DA Criminal Division Asset Forfeiture (Discontinued)							
1771 DA00008 Special Revenue Fund							
Total Revenue	\$166,898	\$105,881	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	(156,679)	(49,491)	0	0	0	0	0.00%
Gross Costs	10,219	56,389	0	0	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The budget was moved to the Special Operations budget with the implementation of the County's Enterprise Resource Planning (ERP) system in October 2022. Fund balance supports costs associated with the prosecution process as revenue is not projected or anticipated each fiscal year in this budget unit.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DA Elder Abuse Advocacy and Outreach							
1706 DA00005 Special Revenue Fund							
Total Revenue	\$158,967	\$136,093	\$228,522	\$155,529	\$138,797	\$198,311	69.99%
Use of Fund Balance	1,745	(163)	(4,376)	6,136	(812)	0	0.00%
Gross Costs	160,712	135,930	224,146	161,665	137,985	198,311	69.58%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

This budget represents grant activity with costs and revenue dependent on grant resources. Costs and revenue in Fiscal Year 2023 were higher than usual due to an increase of the grant award and the timing of expenses and claims compared to other years.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DA Enforce Consumer Protection Laws							
177A DA00003 Special Revenue Fund							
Total Revenue	\$498,265	\$155,365	\$60,345	\$3,528	\$54,475	\$44,419	122.64%
Use of Fund Balance	(112,800)	0	97,300	39,611	(34,167)	(24,111)	141.71%
Gross Costs	385,465	155,365	157,645	43,139	20,308	20,308	100.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Costs in this budget represent the transfer out of revenue and fund balance to the Criminal Division budget and vary eased on need. Revenue in this budget is not anticipated and varies from year to year.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DA Federal Asset Forfeiture							
1707 DA00006 Special Revenue Fund							
Total Revenue	(\$0)	(\$6)	\$9	\$3	\$0	\$0	0.00%
Use of Fund Balance	0	6	(9)	155	(0)	0	0.00%
Gross Costs	0	0	0	158	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Revenue is not anticipated in this budget and results from assets of convicted criminals that have been forfeited. Costs in Fiscal Year 2024 represent the Department's effort to spend down fund balance.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DA Real Estate Fraud Prosecution (Discontinued)							
1776 DA00009 Special Revenue Fund							
Total Revenue	\$324,406	\$242,606	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	(16,754)	37,224	0	0	0	0	0.00%
Gross Costs	378,879	417,811	0	0	0	0	0.00%
Net County Cost	\$71,227	\$137,981	\$0	\$0	\$0	\$0	0.00%

This budget was moved to the Special Operations budget with the implementation of the County's Enterprise Resource Planning (ERP) system in October 2022. The budget was trending up prior to moving into the Special Operations budget. Net County Cost was provided to support the shortfall of revenue received from fees for certain recorded real estate documents.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DA Special Operations							
1712 DA00002 Special Revenue Fund							
Total Revenue	\$184,914	\$207,480	\$2,751,039	\$1,113,236	\$1,230,485	\$4,687,771	26.25%
Use of Fund Balance	13,902	(4,502)	(726,761)	866,856	599,215	183,176	327.13%
Gross Costs	266,331	271,413	2,422,604	2,344,626	2,147,047	5,202,533	41.27%
Net County Cost	\$67,515	\$68,435	\$398,326	\$364,534	\$317,347	\$331,586	95.71%

In Fiscal Years 2021 and 2022, this budget only contained the budgets for the Violence Against Women Program. The Auto Insurance Fraud, County Victim Services Program, Criminal Division Asset Forfeiture, Real Estate Fraud Prosecution, and Violence Against Women Program budgets were moved to the Special Operations budget, which was renamed with the implementation of the County's Enterprise Resource Planning (ERP) system in October 2022, which explains the increase in costs, revenue, and Net County Cost since then.

This budget includes several grants and volatile funding, which account for the variability in revenue and costs. In Fiscal Year 2024, the Organized Retail Theft grant budget was added, and the Auto Insurance Fraud and County Victim Services Program grants ended. The Proposition 47 Cohort 4 grant was added in Fiscal Year 2025. Spending and revenue related to the Victim of Crimes Act (VOCA) grants were reduced in Fiscal Year 2024. The Criminal Division Asset Forfeiture fund balance was spent down in Fiscal Years 2023 and 2024. The timing of costs incurred and revenue received, as it relates to grants in this budget, also adds to the variability. Real Estate Fraud revenue received decreased, creating the need to transfer Net County Cost from the Criminal Division.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DA Stanislaus Family Justice Center							
1699 DA00012 Special Revenue Fund							
Total Revenue	\$0	\$0	\$156,584	\$192,088	\$207,145	\$236,774	87.49%
Use of Fund Balance	0	0	(69,577)	62,717	31,791	0	0.00%
Gross Costs	0	0	87,007	254,805	238,936	236,774	100.91%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

This budget was transferred to the District Attorney from County Operations as part of the 2023 Midyear Financial Report. Revenue in the budget represents claims made against the grant that correlate with the costs incurred. The trend shows timing issues between when costs are incurred and when the revenue is received. In Fiscal Year 2025, the Department exceeded its budget by \$2,162 due to Oracle Cloud failing to prevent entries from exceeding the budget. The Auditor-Controller's Office discovered this during the Fiscal Year 2025 close process and corrected the budget controls in Oracle Cloud to prevent entries from exceeding the budget in the future.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DA Unserved/Underserved Victim Advocacy and Outreach Program							
1686 DA00010 Special Revenue Fund							
Total Revenue	\$120,857	\$168,856	\$153,796	\$151,226	\$124,686	\$193,983	64.28%
Use of Fund Balance	21,247	5,575	1,666	(575)	51,239	0	0.00%
Gross Costs	142,104	174,431	155,462	150,651	175,924	193,983	90.69%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

In Fiscal Year 2022, the grant supported two victim advocates instead of one, causing higher Gross Costs. In Fiscal Year 2024, the grant only supported one victim advocate, and costs decreased accordingly. The vacant advocate position was filled in Fiscal Year 2025. The variability in reimbursement revenue is related to variances in costs, as well as timing differences with the receipt of revenue.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DA Victim Services Program (Discontinued)							
1714 0023214 Special Revenue Fund							
Total Revenue	\$858,579	\$936,539	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	36,370	(0)	0	0	0	0	0.00%
Gross Costs	894,949	936,539	0	0	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

This budget was moved to the Special Operations budget with the implementation of the County's Enterprise Resource Planning (ERP) system in October 2022. The budget represents grant activity with costs and revenue dependent on grant resources.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DA Victim Compensation And Government Claims (Discontinued)							
1710 0023220 Special Revenue Fund							
Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	0	91	0	0	0	0	0.00%
Gross Costs	0	91	0	0	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

This grant ended in June 2019. In Fiscal Year 2022, a fund balance of \$91 was recognized. Reimbursable costs were moved into the budget to offset the fund balance and close out the budget.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
DA Arson Task Force	\$145	\$3,954	\$3,954	\$3,527	\$3,078
DA Elder Abuse Advocacy and Outreach	17,419	17,582	21,958	15,822	16,634
DA Enforce Consumer Protection Laws	112,800	112,800	15,500	(24,111)	10,056
DA Federal Asset Forfeiture	154	148	157	2	2
DA Special Operations	356,071	351,525	1,078,286	211,429	(387,785)
DA Stanislaus Family Justice Center	0	0	69,577	6,860	(24,931)
DA Unserved/Underserved Victim Advocacy and Outreach Program	4,070	(1,505)	(3,171)	(2,596)	(53,834)
Total Fund Balance	\$490,659	\$484,504	\$1,186,260	\$210,933	(\$436,781)

Note: Table only reflects non-general fund units

Arson Task Force fund balance is tied to the receipt of additional reimbursement of claims over actual expenditures. To correct this, the Department will utilize fund balance in lieu of submitting claims for reimbursement.

Elder Abuse Advocacy and Outreach fund balance is tied to the receipt of additional reimbursement of claims over actual expenditures. This budget represents grant activity and should not carry a fund balance. To correct this, the Department will utilize fund balance in lieu of submitting claims for reimbursement.

Enforce Consumer Protection Laws utilizes all fund balance and revenue to support the Criminal Division budget. Balances each year represent that not transferred in the prior year due to timing. The negative fund balance as of July 1, 2024, is due to a year-end entry posting revenue incorrectly. This was corrected in Fiscal Year 2025.

Federal Asset Forfeiture fund balance is the result of unanticipated revenue from assets of convicted criminals that have been forfeited. An effort to spend down the balance was made in Fiscal Year 2024.

Special Operations fund balance fluctuates due to the timing of costs claimed for reimbursement from granting agencies. Accrual issues contributed to the spike in fund balance as of July 1, 2023, which were addressed in Fiscal Year 2024. The negative fund balance as of July 1, 2025, is related to revenue accruals not posting for the Fiscal Year 2024 year end. The Department will make necessary adjustments to correct the fund balance in Fiscal Year 2026.

Stanislaus Family Justice Center negative fund balance of \$24,931 is due to the underestimated year-end revenue accrual compared to actual costs. This budget was transferred to the District Attorney from County Operations with the 2023 Midyear Financial Report. The Department will make necessary adjustments to correct the fund balance in Fiscal Year 2026.

Unserved/Underserved Victim Advocacy and Outreach Program negative fund balance of \$53,834 is due to the underestimated year-end revenue accrual compared to actual costs.

First Quarter Issues and Recommendations

Labor Increases - It is recommended to increase appropriations by \$472,560 in the Criminal Division budget for union-negotiated salary increases. On July 1, 2025, the Board of Supervisors approved the labor agreement between the County of Stanislaus and the Stanislaus County District Attorney Investigators Association (SCDAIA)

for the negotiated term of July 1, 2025, through June 30, 2029, with an increase of \$193,000 in the current fiscal year. On August 5, 2025, the Board approved the labor agreements between the County of Stanislaus and the Stanislaus County Employee's Association, American Federation of State, County, and Municipal Employees (AFSCME) Local #10, for the negotiated term of July 1, 2025, through June 30, 2028, with an increase of \$141,571 in the current fiscal year. As a result of the approved labor agreement with AFSCME, compensation changes for unrepresented confidential assistants, management employees, department heads, and elected officials were approved by the Board of Supervisors on August 5, 2025. The change in compensation is an additional \$137,989 for the current fiscal year. This request will rely on Net County Cost.

Crime Analyst - A request to add one new Crime Analyst position was submitted by the Department and recommended for study in the 2026 Adopted Budget. The study has been completed, concluding with a recommendation to add one time-limited Crime Analyst to support data-driven prosecution efforts. The position is funded by the Board of State Community Corrections grant programs through June 1, 2027. At that time, the position will be deleted unless alternative funding is identified. It is recommended to increase appropriations and estimated revenue by \$122,287 to support this position.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/ General Fund Contribution	Description
District Attorney – Criminal Division	\$0	\$472,560	\$0	\$472,560	Increase appropriations to support labor increases for SCDAIA, AFSCME, and unrepresented staff, funded by Net County Cost.
District Attorney – Criminal Division	\$122,287	\$122,287	\$0	\$0	Increase appropriations and estimated revenue to support adding 1 new Crime Analyst.
Total	\$122,287	\$594,847	\$0	\$472,560	

Recommendation: It is recommended to increase appropriations by \$594,847, funded by \$122,287 in estimated revenue and \$472,560 in Net County Cost.

Staffing Recommendation: A request to add one new Crime Analyst position was submitted by the Department and recommended for study in the 2026 Adopted Budget. The study has been completed, concluding with a recommendation to add one time-limited Crime Analyst to support data-driven prosecution efforts. The position is funded by the Board of State Community Corrections grant programs through June 1, 2027. At that time, the position will be deleted unless alternative funding is identified.

It is also recommended to study one block-budgeted Legal Clerk I/II to determine if the current duties and responsibilities align with the current classification designation.

Grand Jury

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following table identifies five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior year actuals to the prior year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Grand Jury							
0100 GJ00001 General Fund							
Total Revenue	\$0	\$70	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	110,663	142,650	152,140	179,854	152,735	203,599	75.02%
Net County Cost	\$110,663	\$142,580	\$152,140	\$179,854	\$152,735	\$203,599	75.02%

Expenditures for the Grand Jury have generally increased as the cost of doing business has continued to rise. The lower costs in Fiscal Year 2021 reflected reduced mileage reimbursements as a result of limited in-person meetings during the COVID-19 pandemic. Expenditures began to rise in Fiscal Year 2022 as in-person activities resumed and have continued to trend upward with the overall increase in operational costs. Fiscal Year 2024 saw an increase in equipment costs related to the purchase of new laptops for jurors.

Office of Emergency Services

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit, along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

The following budgets were separated from the Sheriff's Office to create an independent Office of Emergency Services, effective with the 2025 Adopted Budget. Analysis for Fiscal Years 2021 through 2024 can be found in the Sheriff's Office section of this report.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Office of Emergency Services (OES) Fire Warden							
0100 OES0001 General Fund							
Total Revenue	\$0	\$0	\$0	\$0	\$354,200	\$404,148	87.64%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	0	0	0	0	3,026,402	3,631,541	83.34%
Net County Cost	\$0	\$0	\$0	\$0	\$2,672,202	\$3,227,393	82.80%

Most of the revenue is derived from Emergency Management Performance Grant (EMPG) funding, which supports the enhancement of emergency management capabilities, as well as from Community Corrections Partnership (CCP) funding for emergency medical technician (EMT) programs. Gross Costs primarily consist of administrative salaries and operating expenses necessary to support the County's emergency management functions and mutual aid responsibilities for fire and rescue services. The budget utilization for Fiscal Year 2025 decreased from the Fiscal Year 2024 utilization of 83.98%, as noted in the Sheriff's Office section of the 2025 First Quarter Financial Report, due to increased vacancy rates.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
OES County Fire Service Fund							
1725-OES0003 Special Revenue Fund							
Total Revenue	\$0	\$0	\$0	\$0	\$2,562,703	\$2,049,272	125.05%
Use of Fund Balance	0	0	0	0	207,864	985,042	21.10%
Gross Costs	0	0	0	0	2,983,555	3,247,302	91.88%
Net County Cost	\$0	\$0	\$0	\$0	\$212,988	\$212,988	100.00%

The Less Than Countywide (LTCW) Fire Tax revenue supports key services such as Fire Prevention, the Fire Investigation Unit (FIU), training, communications, and administrative functions for Countywide fire departments under the Fire Authority Joint Powers Authority. The budget utilization for Fiscal Year 2025 increased from the Fiscal Year 2024 utilization of 85.18%, as noted in the Sheriff's Office section of the 2025 First Quarter Financial Report, due to the completion of prior year projects.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
OES Emergency Medical Services							
4082 OES0006 Enterprise Fund							
Total Revenue	\$0	\$0	\$0	\$0	\$1,511,383	\$1,301,987	116.08%
Use of Fund Balance	0	0	0	0	91,593	450,763	20.32%
Gross Costs	0	0	0	0	1,602,976	1,752,750	91.45%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The budget utilization for Fiscal Year 2025 increased from the Fiscal Year 2024 utilization of 75.43%, as noted in the Sheriff's Office section of the 2025 First Quarter Financial Report. Projects budgeted in Fiscal Year 2024 were not completed, and carried over to Fiscal Year 2025, which contributed to the lower budget utilization in Fiscal Year 2024.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
OES Grants							
1666-OES0002 Special Revenue Fund							
Total Revenue	\$0	\$0	\$0	\$0	\$69,596	\$0	0.00%
Use of Fund Balance	0	0	0	0	(58,985)	1,480,000	-3.99%
Gross Costs	0	0	0	0	10,611	1,480,000	0.72%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

OES Grants is grant revenue received in 2020 for emergency communications equipment and infrastructure from the California Governor's Office of Emergency Services. These funds are expected to be fully expended by the end of Fiscal Year 2026.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
OES Homeland Security Grants							
1670-OES0004 Special Revenue Fund							
Total Revenue	\$0	\$0	\$0	\$0	\$650,678	\$1,065,276	61.08%
Use of Fund Balance	0	0	0	0	(18,187)	0	0.00%
Gross Costs	0	0	0	0	632,491	1,065,276	59.37%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The budget utilization for Fiscal Year 2025 decreased from the Fiscal Year 2024 utilization of 64.26%, as noted in the Sheriff's Office section of the 2025 First Quarter Financial Report, due to the varying nature of the grant work.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
OES Water Resources (Discontinued)							
1660-OES0005 Special Revenue Fund							
Total Revenue	\$0	\$0	\$0	\$0	\$2,209	\$0	0.00%
Use of Fund Balance	0	0	0	0	(2,209)	0	0.00%
Gross Costs	0	0	0	0	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The OES Water Resources Grant Fund was established in 2016 following the award of a State grant to develop the County's Flood Emergency Plan. The grant operated on a reimbursable basis, with the State reimbursing eligible project costs and retaining 10% until project completion. All project activities were completed in Fiscal Year 2021, with the final 10% retention payment received in Fiscal Year 2022.

Since that time, no new grant activity has occurred in the fund. However, because the fund was initially established as an interest-bearing fund, it continued to accrue negative interest due to temporary negative cash balances. This resulted in a remaining negative cash balance of approximately \$2,209. To resolve this, OES initiated the fund's closure in Fiscal Year 2025 using the Department's existing Net County Cost. This budget will no longer be used.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit, along with a Department total for each fiscal year. The budgets were moved from the Sheriff's Office to the Office of Emergency Services, effective with the 2025 Adopted Budget, to implement the Board of Supervisors' direction to create a new department, as approved on July 26, 2024 (Board Resolution 2024-0390). Analysis for Fiscal Years 2021 through 2023 can be found in the Sheriff's Office section of this report.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
OES County Fire Service Fund	\$0	\$0	\$0	\$2,279,783	\$2,071,919
OES Emergency Medical Services	0	0	0	3,692,952	3,617,778
OES Grants	0	0	0	1,903,587	1,962,572
OES Homeland Security Grants	0	0	0	(18,186)	1
OES Water Resources (Discontinued)	0	0	0	(2,209)	0
Total Fund Balance	\$0	\$0	\$0	\$7,855,927	\$7,652,270

Note: Table only reflects non-general fund units

OES County Fire Service has had several one-time expenditures over the past three fiscal years, resulting in a temporary decline in fund balance. These costs were part of the Fire Authority's strategic plan to invest in special operations and training initiatives that benefit fire agencies throughout the County. Moving forward, the Fire Authority intends to limit one-time expenditures to rebuild and stabilize the fund balance.

OES Emergency Medical Services (EMS) was established in Fiscal Year 2022 in the Sheriff's Office and fully funded in Fiscal Year 2023 when the previous Mountain Valley Emergency Medical Services Agency Joint Power Authority (JPA) funds were transferred to the Department from the fiduciary fund held at the Auditor Controller's Office. The fund balance primarily consists of non-compliance penalties paid by 911 system ambulance providers and is used to support enhancements to Stanislaus County's 911 EMS system. The remaining portion of the fund balance is generated through EMS-related fees, including Emergency Medical Technicians (EMT) certifications and ground

and air ambulance applications. The fund balance has decreased due to the filling of previously vacant positions, a one-time \$245,000 equipment purchase, and general increases in operating costs.

OES Grants was established in Fiscal Year 2020 with \$12 million in grant funding received from the State of California, designated for emergency communications equipment and infrastructure. Although spending has slowed since the initial allocation, the remaining funds will be directed toward enhancing radio tower sites. Growth in this fund represents interest earnings.

OES Homeland Security Grants varies over the years due to the timing of cash received, accounts payable, and receivables during the reimbursable three-year grant periods, as well as when the funds are awarded.

OES Water Resources Grant accrued negative interest due to timing issues during the life of the grant. The negative fund balance was addressed and closed out by the Auditor-Controller's Office in Fiscal Year 2025.

Staffing Recommendation: A request to study one Staff Services Coordinator serving as a Fire Training Coordinator was submitted by the Department and recommended for study in the 2026 Adopted Budget. The study has been completed, concluding with a recommendation to create a new classification of Fire Training Officer with a salary range of \$41.00 - \$49.83 per hour. The classification will be assigned to the Stanislaus County Employees Association (SCEA), American Federation of State, County and Municipal Employees (AFSCME Local #10) - Mid-Management/Supervisory Bargaining Unit 5. It is also recommended to reclassify the position to Fire Training Officer. Additionally, it is recommended that StanCERA review the new classification to determine Safety Retirement eligibility.

Probation

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior year actuals to the prior year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Probation Administration							
0100 PROB001 General Fund							
Total Revenue	\$640,939	\$640,819	\$646,075	\$645,234	\$688,058	\$720,431	95.51%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	3,917,561	4,150,795	4,016,774	4,437,355	4,183,440	4,629,617	90.36%
Net County Cost	\$3,276,622	\$3,509,976	\$3,370,698	\$3,792,122	\$3,495,382	\$3,909,186	89.41%

The trend in Administration has been a gradual increase due to the cost of doing business. The slight decreases in Fiscal Years 2023 and 2025 resulted from vacancies. Fiscal Year 2026 should show a slight increase as these vacancies have been filled recently.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Probation Community Corrections Partnership							
0100 PROB003 General Fund							
Total Revenue	\$4,166,113	\$5,174,022	\$6,198,199	\$8,010,233	\$6,652,747	\$7,656,813	86.89%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	4,170,518	5,383,773	6,198,199	8,010,233	6,648,342	7,720,701	86.11%
Net County Cost	\$4,405	\$209,750	\$0	\$0	(\$4,405)	\$63,888	-6.89%

This budget reflects Probation's portion of Local Community Corrections funding. While costs continue to trend lower than projected because of existing vacancies, this budget has seen a gradual increase in actual expenditures due to the rising cost of doing business and increased programming. Fiscal Year 2024 saw an increase of \$1.5 million in expenditures resulting from encumbrances for a remodel project rolling from Fiscal Year 2023. In Fiscal Year 2021, a post-close entry was made to reverse out Federal Emergency Management Agency (FEMA) revenue, generating a Net County Cost for the budget, which was corrected in Fiscal Year 2025. In Fiscal Year 2022, the Department received \$32,050 in Net County Cost for COVID One-Time Recovery Payments for full-time County employees required to report to work between April 2020 and June 2021. Additionally, \$177,700 in Focus on Prevention funds were received in Fiscal Year 2022 as Net County Cost to support Community Assessment, Response, and Engagement (CARE) 2.0 costs incurred in the year.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Probation Corrections Performance Incentive Fund							
1688 PROB007 Special Revenue Fund							
Total Revenue	\$2,045,706	\$1,372,487	\$1,913,782	\$1,916,095	\$1,630,907	\$1,216,101	134.11%
Use of Fund Balance	(777,073)	461,183	(20,471)	295,255	374,776	1,643,728	22.80%
Gross Costs	1,268,633	1,837,300	1,893,311	2,211,350	2,005,682	2,859,829	70.13%
Net County Cost	\$0	\$3,630	\$0	\$0	\$0	\$0	0.00%

The trend has been a gradual increase in costs due to the cost of doing business. Revenue has been somewhat inconsistent due to Proposition 57 revenue being eliminated in Fiscal Year 2024 and some errors in the posting of revenue. Corrections will be reflected in Fiscal Year 2026. In Fiscal Year 2022, the Department received Net County Cost for COVID One-Time Recovery Payments for full-time County employees required to report to work between April 2020 and June 2021.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Probation Criminalistics Lab (Discontinued)							
1737 0026280 Special Revenue Fund							
Total Revenue	(\$175,017)	\$0	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	175,017	0	0	0	0	0	0.00%
Gross Costs	0	0	0	0	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The budget previously contained revenue associated with court fees that should have been distributed to the State. This was identified and corrected in Fiscal Year 2021. The budget has since been closed.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Probation Field Services							
0100 PROB002 General Fund							
Total Revenue	\$1,807,313	\$924,479	\$1,921,884	\$1,619,086	\$1,866,372	\$1,709,262	109.19%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	12,764,398	15,179,599	14,565,908	15,351,394	18,160,588	21,478,185	84.55%
Net County Cost	\$10,957,084	\$14,255,119	\$12,644,024	\$13,732,308	\$16,294,216	\$19,768,923	82.42%

The trend has been a gradual increase in expenditures through Fiscal Year 2024, driven by the cost of doing business and the addition of the Pre-Trial program. Actual expenditures continue to trend lower than projected due to the Department's vacancy rate, resulting in significant salary savings. Revenue for Fiscal Year 2024 decreased slightly due to Pre-Trial activities ramping up more slowly than anticipated and the elimination of Title IV-E revenue. In Fiscal Year 2025, costs rose by approximately \$2.8 million, driven primarily by labor increases due to a decline in the vacancy rate and \$1.2 million in Fixed Asset purchases, which included a mobile outreach vehicle funded with Pre-Trial grant revenue. The increased costs increased the Department's use of budgeted Net County Cost.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Probation Institutional Services							
0100 PROB010 General Fund							
Total Revenue	\$1,603,471	\$1,663,888	\$1,936,458	\$2,062,559	\$3,911,782	\$3,772,691	103.69%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	8,139,595	9,011,794	8,385,250	9,277,350	9,495,996	9,881,480	96.10%
Net County Cost	\$6,536,123	\$7,347,905	\$6,448,792	\$7,214,791	\$5,584,214	\$6,108,789	91.41%

The trend has been a gradual increase in expenditures due to the cost of doing business, specifically in salaries, overtime, jail medical, and maintenance costs. In Fiscal Year 2025, the Department began an annual transfer of \$1.3 million from the Juvenile Justice Realignment Block Grant budget to offset personnel costs, resulting in an increase in revenue.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Probation Juvenile Commitment Facility							
0100 PROB009 General Fund							
Total Revenue	\$1,831,286	\$1,700,442	\$1,522,487	\$1,419,987	\$1,971,296	\$1,769,047	111.43%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	2,492,931	2,479,677	2,740,980	2,854,334	3,879,590	4,069,376	95.34%
Net County Cost	\$661,645	\$779,235	\$1,218,492	\$1,434,347	\$1,908,295	\$2,300,329	82.96%

The trend has generally been a gradual decrease in revenue and expenditure, driven by an increase in the Department's vacancy rate. The Department transfers funds from the Youth Offender Block Grant (YOBG) budget, which is received as revenue in this budget, to support positions. Positions supported by YOBG funds have been vacant, reducing both costs and revenue. Expenditures in Fiscal Years 2024 and 2025 increased due to significant repair costs and a reduced vacancy rate.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Probation Juvenile Justice Crime Prevention Act							
1798 PROB004 Special Revenue Fund							
Total Revenue	\$2,383,907	\$2,216,911	\$2,802,620	\$2,841,527	\$3,413,133	\$2,930,117	116.48%
Use of Fund Balance	(529,287)	(242,966)	(784,003)	(741,699)	(715,404)	378,861	-188.83%
Gross Costs	1,854,621	1,987,558	2,018,617	2,099,828	2,697,729	3,308,978	81.53%
Net County Cost	\$0	\$13,613	\$0	\$0	\$0	\$0	0.00%

The trend has been a gradual increase in revenue resulting from increased Realignment growth revenue. Expenditures have shown a steady increase due to the cost of doing business, the addition of contracts for youth sex offender treatment and Artificial Intelligence (AI) design, along with reduction of vacancies. In Fiscal Year 2022, the Department received Net County Cost for COVID One-Time Recovery Payments for full-time County employees required to report to work between April 2020 and June 2021.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Probation Juvenile Justice Realignment Block Grant							
1601 PROB005 Special Revenue Fund							
Total Revenue	\$0	\$564,129	\$3,721,880	\$4,139,274	\$3,586,298	\$4,938,234	72.62%
Use of Fund Balance	0	(187,472)	(3,125,814)	118,091	(911,774)	(1,716,577)	53.12%
Gross Costs	0	376,657	596,066	4,257,365	2,674,524	3,221,657	83.02%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

This funding was established in Fiscal Year 2022, resulting from the closure of the Division of Juvenile Justice (DJJ) by the State. The trend has been a steady increase in revenue and expenditures as the Department continues to ramp up programming for the Secure Youth Treatment Facilities (SYTF) population. Expenditures in Fiscal Year 2024 showed a significant increase over Fiscal Year 2023 due to the move of \$3.5 million to Capital Projects for the upgrade of the Juvenile Hall security system. In Fiscal Year 2025, the Department began an annual transfer of \$1.3 million to the Institutions Legal Budget Unit (LBU) to offset the cost of General Fund Salaries and Benefits.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Probation Local Community Corrections							
1679 PROB008 Special Revenue Fund							
Total Revenue	\$21,733,062	\$27,936,974	\$34,817,939	\$32,475,270	\$31,705,279	\$32,010,556	99.05%
Use of Fund Balance	(15,573)	(6,559,687)	(5,983,370)	225,238	4,406,650	11,668,241	37.77%
Gross Costs	21,717,489	21,377,287	28,834,569	32,700,508	36,111,929	43,678,797	82.68%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Local Community Corrections fund is funded with 2011 Realignment revenue from Statewide sales tax. Gross Costs are budgeted and documented in the annual five-year plan. Invoicing from departments and contracts has shown an increase since Fiscal Year 2021. Revenue began to decrease in Fiscal Year 2024, due to a slowing in State sales tax revenue, and continued in Fiscal Year 2025. Fiscal Year 2024 also added new funding requests from County departments, increasing the use of fund balance.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Probation Ward Welfare Fund							
1765 PROB011 Special Revenue Fund							
Total Revenue	\$29,784	\$12,358	\$160	\$0	\$0	\$0	0.00%
Use of Fund Balance	12,270	37,668	13,324	8,357	30,244	82,400	36.70%
Gross Costs	42,054	50,027	13,484	8,357	30,244	82,400	36.70%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Senate Bill 1008, enacted in 2022, requires that all youth be provided telephone access at no cost to them or their families. Prior to this legislation, youth were charged per-minute fees, which generated revenue for this fund. With that revenue source eliminated, the Department is now developing a plan to spend down the existing fund balance.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Probation Youthful Offender Block Grant							
1698 PROB006 Special Revenue Fund							
Total Revenue	\$1,944,048	\$3,039,225	\$3,331,507	\$3,112,811	\$3,156,201	\$3,008,188	104.92%
Use of Fund Balance	519,277	(509,345)	(657,290)	1,139,087	(58,151)	919,715	-6.32%
Gross Costs	2,463,325	2,544,402	2,674,217	4,251,898	3,098,051	3,927,903	78.87%
Net County Cost	\$0	\$14,521	\$0	\$0	\$0	\$0	0.00%

The trend has been a gradual increase in revenue through 2023 due to increased realignment revenue, which has since stabilized. Over the past five years, expenditures have shown a steady increase due to the cost of doing business. Fiscal Year 2024 showed an additional increase in costs over Fiscal Year 2023 due to the move of \$1.5 million to Capital Projects to offset costs for the upgrade of the Juvenile Hall security system. In Fiscal Year 2022, the Department did receive Net County Cost for COVID One-Time Recovery Payments for full-time County employees required to report to work between April 2020 and June 2021.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit, along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Probation Corrections Performance Incentive Fund	\$4,119,599	\$3,658,416	\$3,678,887	\$3,383,632	\$3,008,856
Probation Juvenile Justice Crime Prevention Act	4,654,419	4,897,385	5,681,389	6,423,087	7,138,491
Probation Juvenile Justice Realignment Block Grant	0	187,472	3,313,286	3,195,194	4,106,968
Probation Local Community Corrections	19,562,268	26,121,955	32,105,325	31,880,087	27,473,437
Probation Ward Welfare Fund	318,701	281,032	267,709	259,352	229,109
Probation Youthful Offender Block Grant	3,872,419	4,381,764	5,039,054	3,899,967	3,958,118
Total Fund Balance	\$32,527,405	\$39,528,024	\$50,085,649	\$49,041,320	\$45,914,979

Note: Table only reflects non-general fund units

Corrections Performance Incentive Act (CPIA) fund balance has shown a gradual decrease over the last five years due to the increased use of fund balance to cover the increased cost of doing business and filling of vacancies.

Juvenile Justice Crime Prevention Act (JJCPA) fund balance has increased each of the last five years. The Department continues to increase programming available for out-of-custody youth to spend down fund balance; however, this LBU had several vacancies throughout the year resulting in significant salary savings. The Department has submitted a Capital Improvement Plan (CIP) request to build a vocational warehouse for in-custody youth, funded by JJCPA and YOBG fund balances. The current estimated cost is \$10 million.

Juvenile Justice Realignment Block Grant received some grant funding for facility upgrades in Fiscal Year 2022 and began receiving an annual allocation in Fiscal Year 2023. In Fiscal Year 2025 the Department began an annual contribution of \$1.3 million to offset Salaries and Benefits in the General Fund and used \$3.5 million towards the new security upgrade in the Juvenile Hall. The increase in fund balance in Fiscal Year 2025 resulted from \$1 million in grant funding received from the Office of Youth and Community Restoration (OYCR) for the implementation of the Less Restrictive Program. The Department expects to deplete this grant funding in Fiscal Year 2026. The Department continues to implement new programs for this increasing population.

Local Community Corrections saw significant increases in fund balance in Fiscal Years 2021, 2022, and 2023, with a modest increase in Fiscal Year 2024, due to increased revenue and realignment growth. In Fiscal Year 2025 this LBU did not receive any realignment growth for Fiscal Year 23/24, and new funding requests required the use of \$4 million in fund balance. Without an increase in the base allocation, or additional growth revenue, the five-year plan estimates the current fund balance of \$27 million will be depleted by July 1, 2030.

Ward Welfare fund balance has shown a gradual decrease over the last five years. This budget was previously funded by revenue from the Inmate Calling System. In 2023 new legislation (Senate Bill 1008) eliminated the ability to charge youth for use of the phones.

Youthful Offender Block Grant has maintained a relatively consistent fund balance over the last five years. Fiscal Year 2024 saw a slight dip in fund balance resulting from the use of \$1.5 million for the new security upgrade in the Juvenile Hall. New programs and services continue to be implemented but this Legal Budget Unit (LBU) has seen a significant vacancy rate. Continuous recruitment efforts have helped reduce the number of vacant positions which should be reflected in future fund balance levels.

First Quarter Issues and Recommendations

It is recommended to transfer appropriations of \$275,000 within the Field Services budget from Fixed Assets to Services and Supplies. The 2026 Proposed Budget included \$275,000 budgeted in Fixed Assets for the purchase of Mobile Data Terminals (MDTs), which were included in the Department's five-year Information Technology (IT) plan. The Auditor-Controller's Office has determined the purchase is not a Fixed Asset, requiring the transfer of appropriations.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/ General Fund Contribution	Description
Probation – Field Services	\$0	\$275,000	\$0	\$275,000	Transfer appropriations from Fixed Assets to Services and Supplies.
Probation – Field Services	\$0	(\$275,000)	\$0	(\$275,000)	Transfer appropriations from Fixed Assets to Services and Supplies.
Total	\$0	\$0	\$0	\$0	

Recommendation: It is recommended to transfer \$275,000 in appropriations from Fixed Assets to services and supplies.

Public Defender

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit, along with a comparison of prior-year actuals to the prior year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Public Defender							
0100 PD00001 General Fund							
Total Revenue	\$1,063,567	\$1,388,242	\$2,759,182	\$3,014,123	\$5,481,475	\$6,574,197	83.38%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	8,848,285	8,739,757	9,842,105	11,866,971	15,190,416	17,194,568	88.34%
Net County Cost	\$7,784,718	\$7,351,515	\$7,082,923	\$8,852,848	\$9,708,942	\$10,620,371	91.42%

The Department experienced an increase in vacancies in Fiscal Year 2022, followed by a decrease in Fiscal Years 2023 and 2024, alongside a rise in grant expenditures in Fiscal Years 2024 and 2025. Revenues have also increased due to growing grant funding. The Fiscal Year 2025 budget included anticipated grant expenditures and revenues that did not materialize, which is reflected in the percentage of the budget used. The increase in revenues from Fiscal Year 2024 to Fiscal Year 2025 is primarily due to an increase in grant-funded positions. The increase in actuals from Fiscal Year 2023 to Fiscal Year 2024 is primarily due to the decrease in the Department's vacancy rate. The increase in actuals from Fiscal Year 2024 to Fiscal Year 2025 is also due to the decrease in the Department's vacancy rate and the increase in allocated positions.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Public Defender Indigent Defense							
0100 PD00002 General Fund							
Total Revenue	\$90,000	\$90,000	\$90,000	\$117,118	\$125,959	\$131,296	95.93%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	3,164,597	4,393,711	2,874,061	2,909,538	3,763,880	3,971,853	94.76%
Net County Cost	\$3,074,597	\$4,303,711	\$2,784,061	\$2,792,420	\$3,637,921	\$3,840,557	94.72%

Before Fiscal Year 2023, the Public Defender contracted out for services where an ethical conflict existed for the Department to represent a client. The increase from Fiscal Year 2021 to Fiscal Year 2022 demonstrates the significant increase experienced under this model. In Fiscal Year 2023, the Public Defender established the Alternate Defender's Office and experienced substantial savings compared to the previous model. Revenue reflects a shift in new Community Corrections Partnership revenue associated with the rehabilitation program manager approved by the Board of Supervisors on October 3, 2023 (Board Resolution 2023-0504). The Community Corrections Partnership (CCP) Plan supported 25% of the salary of the Conflict Attorney Panel Manager in the Fiscal Year 2024 plan and included escalators to the base of \$90,000 in the Fiscal Year 2025 plan. These additions account for the increase in revenue after Fiscal Year 2023. Likewise, the increase in actuals is driven by increased expenditures for the Conflict Attorney Panel attorneys utilized based on declared conflicts and staffing limitations.

First Quarter Issues and Recommendations

It is recommended to increase appropriations by \$119,012 to support labor increases that the Board of Supervisors has approved for American Federation of State, County, and Municipal Employees (AFSCME) on August 5, 2025 (Board Resolution 2025-0409), and unrepresented staff on August 5, 2025 (Board Resolution 2025-0410). This increase is funded by \$119,012 in Net County Cost.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/ General Fund Contribution	Description
Public Defender	\$0	\$95,230	\$0	\$95,230	Increase appropriations to support labor increases for AFSCME and unrepresented staff, funded by Net County Cost.
Public Defender – Indigent Defense	\$0	\$23,782	\$0	\$23,782	Increase appropriations to support labor increases for AFSCME and unrepresented staff, funded by Net County Cost.
Total	\$0	\$119,012	\$0	\$119,012	

Recommendation: It is recommended to increase appropriations by \$119,012, funded by \$119,012 in Net County Cost.

Staffing Recommendation: It is recommended to study one Manager II and one block-budgeted Manager I/II to determine if the current duties and responsibilities align with their current classification designation.

Sheriff

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit, along with a comparison of prior year actuals to the prior year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff Administration							
0100 SO00008 General Fund							
Total Revenue	\$1,147,312	\$3,593,912	\$859,349	\$1,044,458	\$796,785	\$943,348	84.46%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	12,873,955	14,518,607	16,577,094	17,952,637	19,218,529	19,368,394	99.23%
Net County Cost	\$11,726,643	\$10,924,695	\$15,717,745	\$16,908,180	\$18,421,744	\$18,425,046	99.98%

The Sheriff Administration budget has had a steady increase in costs due to rising expenses in Salaries and Benefits, Services and Supplies, and overhead. Revenue spiked in Fiscal Year 2022 due to relief funding received for the COVID-19 emergency. Additionally, increases in Miscellaneous Revenue in Fiscal Years 2021 and 2024 can be attributed to Operating Transfers In for closing out General Services Agency (GSA) Capital Project Funds and returning any remaining balances to the General Fund.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff Adult Detention Expansion (Discontinued)							
0100 SO00015 General Fund							
Total Revenue	\$7,668,703	\$6,864,407	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	20,365,151	19,618,472	(25,472,017)	0	0	0	0.00%
Net County Cost	\$12,696,449	\$12,754,065	(\$25,472,017)	\$0	\$0	\$0	0.00%

For Fiscal Years 2021 and 2022, Gross Costs and Total Revenue remained relatively level. In Fiscal Year 2023, the Adult Detention Expansion (ADE) and Detention budgets were combined. To properly end-date the ADE budget, a technical adjustment was needed to bring the cash balance in the cost center to zero.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff CAL ID Program							
1703 SO00017 Special Revenue Fund							
Total Revenue	\$514,632	\$464,060	\$575,697	\$538,695	\$553,856	\$559,368	99.01%
Use of Fund Balance	(60,088)	(239,510)	(127,331)	(55,316)	(55,616)	737,736	-7.54%
Gross Costs	454,544	225,800	448,366	483,379	498,240	1,297,104	38.41%
Net County Cost	\$0	\$1,250	\$0	\$0	\$0	\$0	0.00%

The Sheriff Cal ID fund has carried a consistent fund balance that has increased over time. The fund balance is being used for a major project that began in Fiscal Year 2017 to update Live Scan machines and BlueCheck devices used by law enforcement agencies throughout the County. The project has experienced multiple delays due to vendor changes and lengthy contract negotiations. In Fiscal Year 2024, the Department entered a contract with a new vendor and hopes to complete the upgrade project in Fiscal Year 2026. In Fiscal Year 2022, the Department received Net County Cost for COVID One-Time Recovery Payments for full-time County employees required to report to work between April 2020 and June 2021.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff CAL-MMET							
1780 SO00022 Special Revenue Fund							
Total Revenue	\$732,716	\$734,569	\$780,087	\$773,267	\$717,226	\$726,655	98.70%
Use of Fund Balance	55,174	(256,301)	(243,304)	(188,078)	58,657	289,741	20.24%
Gross Costs	787,890	480,144	536,783	585,189	775,883	1,016,396	76.34%
Net County Cost	\$0	\$1,875	\$0	\$0	\$0	\$0	0.00%

For Fiscal Year 2021, the Sheriff Cal-MMET fund was fully staffed. In Fiscal Years 2022 through 2024, staffing vacancies contributed to actual costs materializing lower than projected. Most vacancies were filled by the end of Fiscal Year 2025, contributing to an increase in costs during the year. 2011 Realignment revenue has remained consistent through the periods reflected in the table. The total fund balance has increased year after year because of the consistent revenue stream and lower-than-projected costs. If staffing remains full, the fund balance will gradually be spent down. In Fiscal Year 2022, the Department received Net County Cost for COVID One-Time Recovery Payments for full-time County employees required to report to work between April 2020 and June 2021.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff Civil Process Fee							
1768 SO00020 Special Revenue Fund							
Total Revenue	\$122,810	\$132,223	\$166,205	\$159,998	\$184,001	\$195,539	94.10%
Use of Fund Balance	160,341	(41,369)	(24,582)	887,200	55,369	203,733	27.18%
Gross Costs	283,151	90,854	141,623	1,047,198	239,370	399,272	59.95%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Revenue for the Sheriff Civil Process Fee fund is slowly returning to pre-pandemic levels. Civil services were significantly affected during the COVID-19 pandemic. Gross Costs for the fund have varied over the years based on needs; for Fiscal Year 2021 replacement vehicles were purchased to support Civil's fleet, there were no special departmental expenses in Fiscal Year 2022, and in Fiscal Years 2023 and 2024 Gross Costs include operating transfers out to General Services Agency (GSA)-managed capital projects to support the relocation of the Civil Unit from its current location at 801 11th Street in Modesto to the Sheriff's Office Coroner's Facility located at 917 Oakdale Road in Modesto. GSA contributed \$1.1 million toward the project.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff Contract Cities							
0100 SO00010 General Fund							
Total Revenue	\$12,524,871	\$13,862,267	\$15,247,579	\$16,484,611	\$17,559,773	\$18,236,253	96.29%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	12,524,871	13,934,883	15,247,713	16,484,611	17,559,638	18,236,253	96.29%
Net County Cost	\$0	\$72,616	\$135	\$0	(\$135)	\$0	0.00%

The Sheriff Contract Cities budget has had a steady increase in costs due to rising expenses in Salaries and Benefits, Services and Supplies, and overhead. There is usually no General Fund Contribution for this budget due as the Cities of Riverbank, Patterson, Waterford, and Hughson contract for law enforcement services with the Sheriff's Office. In Fiscal Year 2022, the Department received Net County Cost for COVID One-Time Recovery Payments for full-time County employees required to report to work between April 2020 and June 2021. The use of Net County Cost in Fiscal Year 2023 was corrected in Fiscal Year 2025.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff County Fire Service Fund (Discontinued)							
1725 SO00003 Special Revenue Fund							
Total Revenue	\$2,185,686	\$2,160,937	\$2,305,849	\$2,422,418	\$1,676	\$0	0.00%
Use of Fund Balance	(326,218)	(143,173)	150,883	823,102	(1,676)	0	0.00%
Gross Costs	2,072,456	2,239,865	2,669,720	3,458,508	0	0	0.00%
Net County Cost	\$212,988	\$222,101	\$212,988	\$212,988	\$0	\$0	0.00%

The Less than County Wide Tax (LTCW) exceeded expectations in Fiscal Years 2021 through 2024, growing with property value, and funding services that include Fire Prevention, Fire Investigation Unit (FIU), training, communication, and administration functions for County-wide Fire Departments governed by the Fire Authority Joint Power Authority (JPA). For Fiscal Year 2024, Gross Costs included several one-time expenses, including \$800,000 for training and equipment. In Fiscal Year 2025, revenue was incorrectly posted to this budget. Through a post-close adjustment, it was moved to the Office of Emergency Services County Fire Service Fund budget.

The budget was transferred from the Sheriff's Office to the Office of Emergency Services, effective with the 2025 Adopted Budget, to implement the Board of Supervisors' direction to create a new department, as approved on July 26, 2024 (Board Resolution 2024-0390).

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff Court Security							
176C SO00012 Special Revenue Fund							
Total Revenue	\$7,208,340	\$6,035,015	\$5,985,695	\$6,379,408	\$6,291,033	\$6,295,240	99.93%
Use of Fund Balance	(1,332,019)	136,731	842,865	809,420	185,552	410,632	45.19%
Gross Costs	6,155,448	6,586,595	7,288,637	7,646,239	8,136,661	8,447,850	96.32%
Net County Cost	\$279,127	\$414,849	\$460,077	\$457,412	\$1,660,076	\$1,741,978	95.30%

The Sheriff Court Security budget has had a steady increase in costs due to rising expenses in Salaries and Benefits, Services and Supplies, and overhead. Total revenue has remained relatively level, except for Fiscal Year 2021, when additional revenue was received from the State of California due to Realignment Backfill of \$1.8 million. Overall, the revenue received from the State is insufficient to support the existing service level defined in the agreement with the Court. The fund balance was exhausted in Fiscal Year 2025, which increased the Net County Cost to ensure continued operations.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff Detention							
0100 SO00011 General Fund							
Total Revenue	\$20,500,072	\$12,827,472	\$23,660,285	\$24,475,149	\$25,888,958	\$25,630,905	101.01%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	61,766,219	66,180,199	97,303,713	102,166,969	113,311,637	114,524,329	98.94%
Net County Cost	\$41,266,147	\$53,352,727	\$73,643,427	\$77,691,819	\$87,422,679	\$88,893,424	98.35%

The Sheriff Detention budget has had a steady increase in costs due to rising expenses in Salaries and Benefits, Services and Supplies, and overhead. Revenue spiked in Fiscal Year 2021 due to COVID-19 CARES Act Coronavirus Relief Funds (CRF) Presumptive Eligibility revenue, making Fiscal Year 2022 revenue appear low. In Fiscal Year 2023, the Adult Detention Expansion (ADE) budget was combined with the Detention budget, which accounts for the increases in revenue and costs.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff Driver Training Program							
1769 SO00021 Special Revenue Fund							
Total Revenue	\$275,373	\$231,480	\$271,502	\$303,560	\$320,939	\$304,478	105.41%
Use of Fund Balance	(50,331)	(22,450)	(25,418)	(64,330)	(9,796)	158,649	-6.17%
Gross Costs	225,042	209,030	246,084	239,230	311,143	463,127	67.18%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Sheriff Driver Training Program's Total Revenue and Gross Costs have stayed consistent over the past several years. For Fiscal Year 2025, the fund budgeted to complete various projects, including adding fencing, collision avoidance lights, and training signs for use during Emergency Vehicle Operations Courses (EVOC); however, they were unable to complete all the projects during the fiscal year, which resulted in actual costs coming in significantly less than what was budgeted.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff Federal Asset Forfeiture							
176A SO00014 Special Revenue Fund							
Total Revenue	(\$1,275)	(\$9,895)	\$12,266	\$88	\$92	\$0	0.00%
Use of Fund Balance	9,902	9,895	(12,266)	(88)	(92)	0	0.00%
Gross Costs	8,626	0	0	0	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Sheriff Federal Asset Forfeiture fund was established due to changes in the asset forfeiture guidelines that transferred these funds from Trust Funds to Special Revenue Funds. This fund is used on an as-needed basis for revenue received and allowable expenditures per the Equitable Sharing guidelines issued by the U.S. Departments of Justice and Treasury.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff Jail Commissary/Inmate Welfare							
4081 SO00016 Enterprise Fund							
Total Revenue	\$2,438,721	\$2,068,696	\$2,111,224	\$2,183,549	\$2,230,503	\$2,302,262	96.88%
Use of Fund Balance	270,384	91,038	307,326	322,847	343,934	513,700	66.95%
Gross Costs	2,709,105	2,164,610	2,418,551	2,506,396	2,574,437	2,815,962	91.42%
Net County Cost	\$0	\$4,875	\$0	\$0	\$0	\$0	0.00%

In August 2021, the California Public Utilities Commission (CPUC) imposed a per-minute cap of seven cents (\$0.07) for intrastate debit, prepaid calls, and collect calls for all incarcerated persons calling services (IPCS) operating within California. The actions taken by the Commission significantly reduced revenues deposited in the Sheriff's Inmate Welfare fund. Gross Costs have increased over the years due to the normal costs of doing business. The budget for the Inmate Welfare fund will continue to be evaluated by the Department to ensure it aligns with actuals supported by the revenue earned and any available fund balance. In Fiscal Year 2022, the Department received Net County Cost for COVID One-Time Recovery Payments for full-time County employees required to report to work between April 2020 and June 2021.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff Justice Assistance Grant							
1799 SO00018 Special Revenue Fund							
Total Revenue	\$323,788	\$176,833	\$132,470	\$230,924	\$129,823	\$314,196	41.32%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	323,789	176,833	132,470	230,924	129,823	314,196	41.32%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Sheriff Justice Assistance Grant (JAG) fund includes two different Byrne JAG grants that the Department has received. The Department continues to spend the prior year's grants. Multiple grant years are awarded and spent at various times as needed, so there is no consistency in the Gross Costs and Total Revenue.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff Office of Emergency Services (OES) Fire Warden (Discontinued)							
0100 SO00001 General Fund							
Total Revenue	\$2,333,458	\$736,675	\$454,775	\$401,608	\$0	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	4,624,308	2,543,819	3,137,418	2,912,249	0	0	0.00%
Net County Cost	\$2,290,850	\$1,807,145	\$2,682,643	\$2,510,641	\$0	\$0	0.00%

The Sheriff OES/Fire Warden Gross Costs and Total Revenue increased due to the activation of the Emergency Operations Center (EOC) for the COVID-19 pandemic. Costs and revenue leveled off in subsequent years and have since returned to pre-pandemic levels.

The budget was transferred from the Sheriff's Office to the Office of Emergency Services, effective with the 2025 Adopted Budget, to implement the Board of Supervisors' direction to create a new department, as approved on July 26, 2024 (Board Resolution 2024-0390).

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff OES Emergency Medical Services (Discontinued)							
4082 SO00006 Enterprise Fund							
Total Revenue	\$0	\$563,707	\$5,049,588	\$1,681,172	\$0	\$0	0.00%
Use of Fund Balance	0	(213,789)	(3,810,354)	(326,217)	0	0	0.00%
Gross Costs	0	349,918	1,239,234	1,354,954	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

In Fiscal Year 2022, the County began the process of transitioning from a five-member Joint Powers Authority (JPA) to a single-county Emergency Medical Services (EMS) agency. In Fiscal Year 2023, the Department received funds from the previous JPA, which were being held in trust by the Auditor-Controller's Office as revenue. Gross Costs have remained relatively consistent since the fund's inception in 2023.

The budget was transferred from the Sheriff's Office to the Office of Emergency Services, effective with the 2025 Adopted Budget, to implement the Board of Supervisors' direction to create a new department, as approved on July 26, 2024 (Board Resolution 2024-0390).

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff OES Grants (Discontinued)							
1666 SO00002 Special Revenue Fund							
Total Revenue	\$207,772	\$10,766	\$219,326	\$52,791	\$0	\$0	0.00%
Use of Fund Balance	2,769,601	1,432,587	(1,367)	118,650	0	0	0.00%
Gross Costs	2,977,373	1,443,353	217,959	171,441	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Sheriff's Office of Emergency Services (OES) Grants fund accounted for two different funding sources. In 2020, the Office of Emergency Services received funding from the State for Fire Communications and Public Safety Power Shutoff Resiliency.

The budget was transferred from the Sheriff's Office to the Office of Emergency Services, effective with the 2025 Adopted Budget, to implement the Board of Supervisors' direction to create a new department, as approved on July 26, 2024 (Board Resolution 2024-0390).

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff OES Homeland Security Grants (Discontinued)							
1670 SO00004 Special Revenue Fund							
Total Revenue	\$566,246	\$686,807	\$445,855	\$787,317	\$0	\$0	0.00%
Use of Fund Balance	191,825	(229,361)	1	18,185	0	0	0.00%
Gross Costs	758,070	457,446	445,855	805,503	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Sheriff OES Homeland Security Grants fund represents individual multi-year grants that provide the Standardized Emergency Management System (SEMS), National Incident Management System (NIMS), Incident Command System (ICS), HazMat and Fire training; emergency operations planning assistance to our Operational Area partners; as well as communications equipment to enhance clear communication and interoperability. All unspent funds are rolled forward until spent or until the end of the grant period.

The budget was transferred from the Sheriff's Office to the Office of Emergency Services, effective with the 2025 Adopted Budget, to implement the Board of Supervisors' direction to create a new department, as approved on July 26, 2024 (Board Resolution 2024-0390).

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff OES Water Resources Grants (Discontinued)							
1660 SO00005 Special Revenue Fund							
Total Revenue	\$41,504	\$15,567	(\$791)	(\$58)	\$0	\$0	0.00%
Use of Fund Balance	1,599	(15,567)	791	58	0	0	0.00%
Gross Costs	43,102	0	0	0	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Sheriff OES Water Resources Grant was awarded in 2016 for the development of a County flood emergency plan. Funds were fully expended in Fiscal Year 2021, and the final 10% retention revenue was received in Fiscal Year 2022.

The budget was transferred from the Sheriff's Office to the Office of Emergency Services, effective with the 2025 Adopted Budget, to implement the Board of Supervisors' direction to create a new department, as approved on July 26, 2024 (Board Resolution 2024-0390).

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff Operations							
0100 SO00009 General Fund							
Total Revenue	\$14,257,775	\$25,120,120	\$6,636,726	\$6,951,412	\$7,819,555	\$6,778,793	115.35%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	47,584,357	54,311,410	60,953,991	64,651,444	69,073,761	69,618,705	99.22%
Net County Cost	\$33,326,582	\$29,191,290	\$54,317,265	\$57,700,033	\$61,254,206	\$62,839,912	97.48%

The Sheriff Operations budget has had a steady increase in costs due to rising expenses in Salaries and Benefits, Services and Supplies, and overhead. Revenue spiked in Fiscal Years 2021 and 2022 due to relief funding received for the COVID-19 emergency. Revenue in Fiscal Year 2025 included the implementation and close-out of several State-funded grant programs, including an equipment grant from the Department of Boating and Waterways (DBW) and a wellness grant from the Board of State and Community Corrections (BSCC). Additionally, in 2025, one-time back-billing was processed for academy classes for the Training Center from the prior fiscal year.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff Special Investigation Unit							
176A SO00013 Special Revenue Fund							
Total Revenue	\$84,737	\$2,679	\$1,653	\$2,332	\$1,263	\$0	0.00%
Use of Fund Balance	21,995	144,387	137,916	92,961	(1,627)	0	0.00%
Gross Costs	106,731	147,066	139,568	95,294	(364)	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Sheriff Special Investigations Unit Federal Asset Forfeiture fund was established due to changes in the asset forfeiture guidelines that shifted these funds from Trust Funds to Special Revenue Funds. This fund is used, on an as-needed basis, for revenue received and allowable expenditures per the Equitable Sharing guidelines issued by the U.S. Departments of Justice and Treasury.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Sheriff Vehicle Theft Unit							
1715 SO00019 Special Revenue Fund							
Total Revenue	\$515,145	\$517,608	\$507,494	\$504,453	\$505,429	\$534,538	94.55%
Use of Fund Balance	75,506	74,480	(13,216)	(70,455)	(6,834)	122,796	-5.57%
Gross Costs	590,652	593,213	494,278	433,998	498,595	657,334	75.85%
Net County Cost	\$0	\$1,125	\$0	\$0	\$0	\$0	0.00%

The Sheriff Vehicle Theft Unit fund revenue has remained consistent over the last several years. Beginning in Fiscal Year 2023, staffing vacancies contributed to actual costs materializing less than projected; however, in Fiscal Year 2025, vacancies were filled. If staffing remains full, the fund balance will gradually be spent down. In Fiscal Year 2022, the Department received Net County Cost for COVID One-Time Recovery Payments for full-time County employees required to report to work between April 2020 and June 2021.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Sheriff CAL ID Program	\$883,606	\$1,123,116	\$1,250,446	\$1,305,762	\$1,361,378
Sheriff CAL-MMET	208,758	465,059	708,363	896,441	837,785
Sheriff Civil Process Fee	1,025,730	1,067,100	1,091,681	204,482	149,113
Sheriff County Fire Service Fund (Discontinued)	3,110,595	3,253,768	3,102,885	0	1,676
Sheriff Court Security	1,974,569	1,837,837	994,972	185,552	0
Sheriff Driver Training Program	165,028	187,478	212,896	277,227	287,023
Sheriff Jail Commissary/Inmate Welfare	1,632,732	1,541,693	791,907	436,273	63,006
Sheriff Justice Assistance Grant	0	0	0	0	0
Sheriff OES Emergency Medical Services (Discontinued)	0	270,154	3,999,501	0	0
Sheriff OES Grants (Discontinued)	3,453,457	2,020,871	2,022,238	0	0
Sheriff OES Homeland Security Grants (Discontinued)	(229,361)	0	(1)	0	0
Sheriff OES Water Resources Grants (Discontinued)	(16,928)	(1,360)	(2,151)	0	0
Sheriff Special Investigation Unit	409,472	255,190	129,540	36,667	38,385
Sheriff Vehicle Theft Unit	252,872	178,392	191,608	262,063	268,897
Total Fund Balance	\$12,870,532	\$12,199,297	\$14,493,886	\$3,604,467	\$3,007,263

Note: Table only reflects non-general fund units

Cal ID Program has carried a consistent fund balance that has increased over time. Beginning in Fiscal Year 2017, a major phased project of updating Livescan and BlueCheck devices began. The project experienced extensive

delays due to issues with the vendor and extended contract negotiations. In 2024, the Department entered into an agreement with a new vendor and anticipates that most of the fund balance will be exhausted by the end of Fiscal Year 2026.

Cal-MMET's fund balance had a steady increase due to staffing shortages in Fiscal Years 2022 through 2024. All vacancies were filled by the end of Fiscal Year 2025. The total fund balance has increased year after year because of consistent 2011 Realignment revenue and lower costs than projected. If staffing remains full, the fund balance will gradually be spent down.

Civil Process Fee fund balance steadily grew through Fiscal Year 2023. In March 2023, the Department initiated a project to relocate the Civil Unit from its previous location at 801 11th Street in Modesto to the Sheriff's Office Coroner's Facility located at 921 Oakdale Road in Modesto. The decline in fund balance through Fiscal Year 2025 is due to relocation-related work.

Court Security revenue received from the State is insufficient to support the existing service level defined in the agreement with the Court and fund balance was exhausted in Fiscal Year 2025.

Drivers Training Program has maintained a consistent fund balance throughout the past several years. The Department intends to utilize the fund balance for ongoing safety and deferred maintenance projects for the Emergency Vehicle Operations Course.

Jail Commissary/Inmate Welfare has had a decrease in fund balance over the past several years. Legislative changes related to calling services implemented in Fiscal Year 2022 significantly reduced revenues for the Sheriff's Inmate Welfare Fund. As Gross Costs continue to increase and revenues decrease, the Department will monitor the budget and service levels to ensure they align with available funding.

Justice Assistance Grant's fund does not retain a balance because expenses are reimbursed as they are incurred; therefore, no fund balance is accumulated.

OES County Fire Service fund has had a consistent fund balance throughout the past several years. The Fire Authority will continue to spend down the fund balance to help fund special operations and training for use by fire agencies within the County. OES County Fire Service fund balance was transferred from the Sheriff's Office with the 2025 Adopted Budget due to the creation of the Office of Emergency Services as a standalone department.

OES Emergency Medical Services (EMS) fund was established in Fiscal Year 2022 and fully funded in Fiscal Year 2023 when the previous Mountain Valley Emergency Medical Services Agency JPA's funds were transferred to the Department from the fiduciary fund held at the Auditor Controller's Office. Most of the fund balance is funded with non-compliance penalties paid by 911 system ambulances and is used to fund enhancements to Stanislaus County's 911 EMS System. OES Emergency Services fund balance was transferred from the Sheriff's Office with the 2025 Adopted Budget due to the creation of the Office of Emergency Services as a standalone department.

OES Grants fund balance was established with funding received from the State of California in Fiscal Year 2020. OES Grants fund balance was transferred from the Sheriff's Office with the 2025 Adopted Budget due to the creation of the Office of Emergency Services as a standalone department.

OES Homeland Security Grants fund balance varies over the years due to the timing of cash received, accounts payable, and receivables during the reimbursable grant periods and when the funds are awarded. OES Homeland Security Grants fund balance was transferred from the Sheriff's Office with the 2025 Adopted Budget due to the creation of the Office of Emergency Services as a standalone department.

OES Water Resources Grant fund balance varies over the years due to the timing of cash received, accounts payable, and receivables during the reimbursable grant period. OES Water Resources Grant fund balance was transferred from the Sheriff's Office with the 2025 Adopted Budget due to the creation of the Office of Emergency Services as a standalone department.

Special Investigation Unit contains the Sheriff's Federal Asset Forfeiture fund, which was established in Fiscal Year 2019 due to changes in Federal asset forfeiture guidelines. This fund holds the United States Department of Justice and Treasury equitable sharing funds received by the Department, which are used for special projects and allowable expenditures at the Sheriff's Office and Stanislaus Special Investigations Unit (SIU).

Vehicle Theft Unit fund balance has gradually increased since Fiscal Year 2022 due to increases in staffing vacancies, which contributed to actual costs materializing lower than projected. Existing vacancies were filled in Fiscal Year 2025 and, if staffing remains full, the Department anticipates that the fund balance will gradually be spent down.

First Quarter Issues and Recommendations

It is recommended to increase appropriations by \$4.3 million to support labor increases that the Board of Supervisors has approved for Stanislaus Sworn Deputies Association (SSDA) on April 1, 2025 (Board Resolution 2025-0145), Stanislaus County Sheriff's Supervisors Association (SCSSA) on July 1, 2025 (Board Resolution 2025-0358), American Federation of State, County, and Municipal Employees (AFSCME) on August 5, 2025 (Board Resolution 2025-0409), and unrepresented on August 5, 2025 (Board Resolution 2025-0410). This increase is funded by \$848,637 in estimated revenue and \$3.5 million in Net County Cost.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/ General Fund Contribution	Description
Sheriff - Administration	\$0	\$417,168	\$0	\$417,168	Increase appropriations to support labor increases for SSDA, SCSSA, AFSCME, and unrepresented staff, funded by Net County Cost.
Sheriff - Contract Cities	\$848,637	\$848,637	\$0	\$0	Increase appropriations and estimated revenue to support labor increases for SSDA, SCSSA, and AFSCME staff.
Sheriff - Court Security	\$0	\$240,528	\$0	\$240,528	Increase appropriations to support labor increases for SSDA and SCSSA staff, funded by Net County Cost.
Sheriff - Detention	\$0	\$343,667	\$0	\$343,667	Increase appropriations to support labor increases for AFSCME and unrepresented staff, funded by Net County Cost.
Sheriff - Operations	\$0	\$2,481,097	\$0	\$2,481,097	Increase appropriations to support labor increases for SSDA, SCSSA, AFSCME, and unrepresented staff, funded by Net County Cost.
Total	\$848,637	\$4,331,097	\$0	\$3,482,460	

Recommendation: It is recommended to increase appropriations \$4.3 million, funded by \$848,637 in estimated revenue and \$3.5 million in Net County Cost.

Staffing Recommendation: It is recommended to study four block-budgeted Legal Clerk I/II/III positions, one Legal Clerk IV, one Community Services Officer, and one Staff Services Analyst to determine if the current duties and responsibilities align with their designated classifications.

SUPPORTING A HEALTHY COMMUNITY



Aging and Veterans Services

Behavioral Health and Recovery Services

Child Support Services

Community Services Agency

Health Services Agency

Supporting a Healthy Community

Priority Overview

Supporting a Healthy Community is vital to the quality of life for our residents. Protecting and promoting the physical health and safety of our residents includes the prevention of disease, disability, and death. Protecting emotional safety focuses on social problems like homelessness, incarceration, and fragmented families with financial and emotional needs. Resources dedicated to prevention allow services to reach a broader population.

The departments assigned to this priority area include Aging and Veterans Services, Behavioral Health and Recovery Services (BHRS), Child Support Services, Community Services Agency (CSA), and Health Services Agency (HSA). The major funding sources for the programs and services provided by these departments include Federal and State funding, along with County local discretionary funds, where required, to match other governmental funding in support of these programs.

As reported in the 2026 Adopted Budget, fund balances for the three largest “Healthy Community” departments, BHRS, CSA, and HSA combined reserves had increased from approximately \$184.5 million in July 2024 to \$203.2 million in July 2025. As of First Quarter, these combined reserves have been slightly adjusted to \$182.8 million in July 2024 to \$203.3 million in July 2025. Because of the size of these reserves and the departments’ recent and planned reliance on them to support operations, a detailed multi-year reconciliation is underway, involving departmental staff, the Chief Executive Office, and the Auditor-Controller. This complex review includes correcting accounts receivable, addressing accounting changes from the shift to Oracle Cloud, and meeting recommendations from prior audits. The process is strengthening institutional knowledge of mandated program funding and Realignment revenues, with results to date noted in the respective department fund balance trends section. Ongoing analysis and work continue with planned updates to be reported in subsequent budget cycles. Any confirmed surplus County Match will be returned to the County General Fund.

Overall, departments within the priority *Supporting a Healthy Community* are on track to end the year within budget and in a positive fiscal position.

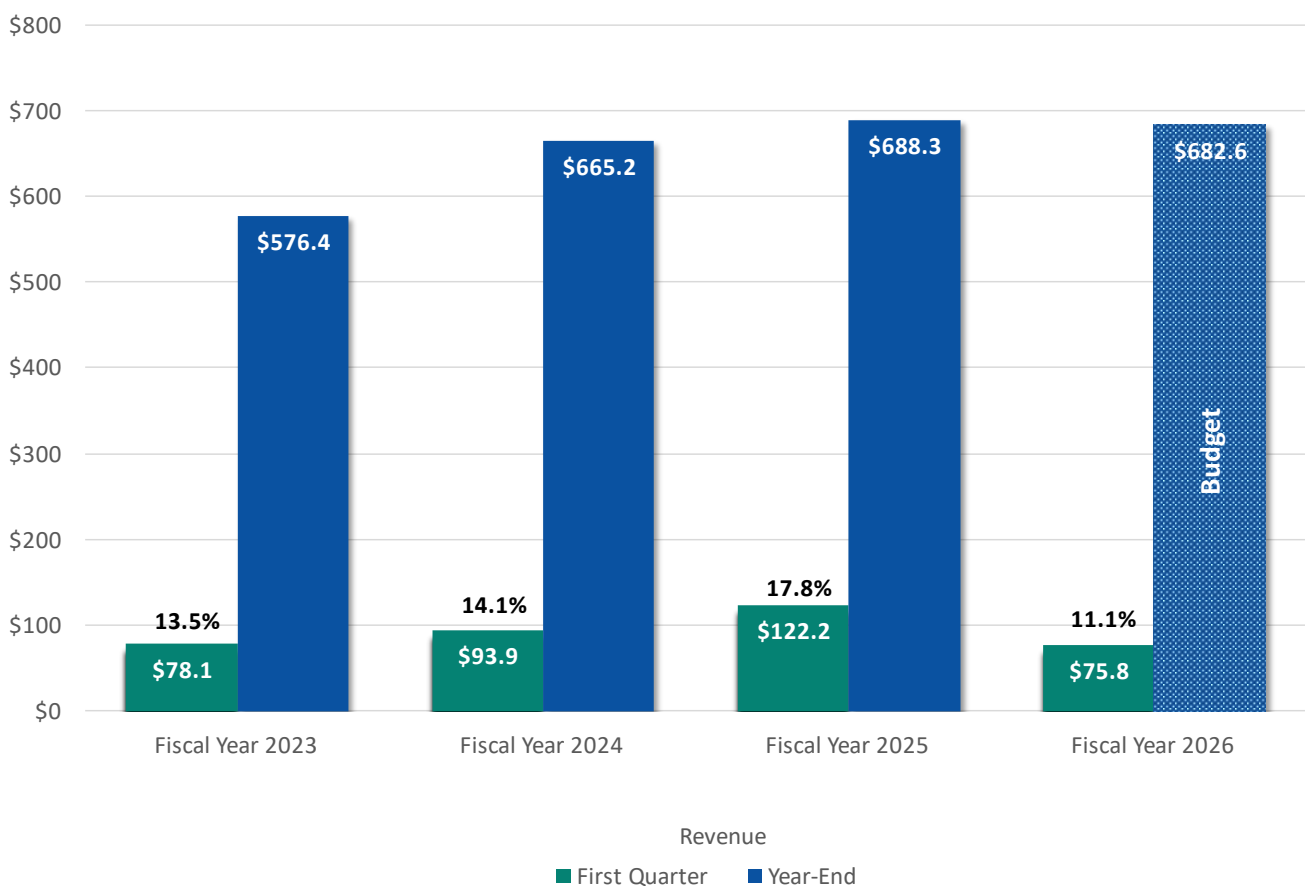
Departmental Revenue

For department budgets representing the priority *Supporting a Healthy Community*, actual revenue received as of September 30, 2025, totaled \$75.8 million, which is 11.1% of the estimated annual revenue. This ratio is below historical trends when comparing to revenue received in the first quarter of the previous three years, which ranged from 13.5% to 17.8% of year-end actual totals.

From Fiscal Year 2023 to Fiscal Year 2025, revenue for the priority increased by \$44.1 million, but declined by \$46.4 million in Fiscal Year 2026. The Behavioral Health and Recovery Services saw a \$36 million drop due to a shift in Medi-Cal Federal Financial Participation (FFP) revenue recognition, shifting from recognizing anticipated receivables to actual receipts. The Community Services Agency experienced a \$3.9 million decrease, largely due to prior-year overpayments, adjustments to sales tax accruals, and reduced assistance revenue and CalWORKs claims. However, CalFresh revenue and timing adjustments partially offset losses. The Health Services Agency reported a \$6.3 million decline due to expiring grants, billing delays, reduced funding sources, and lower patient volumes. Additionally, Vehicle License Fee revenue was adjusted by the Auditor's Office.

Supporting a Healthy Community Four-Year Revenue Comparison

In Millions



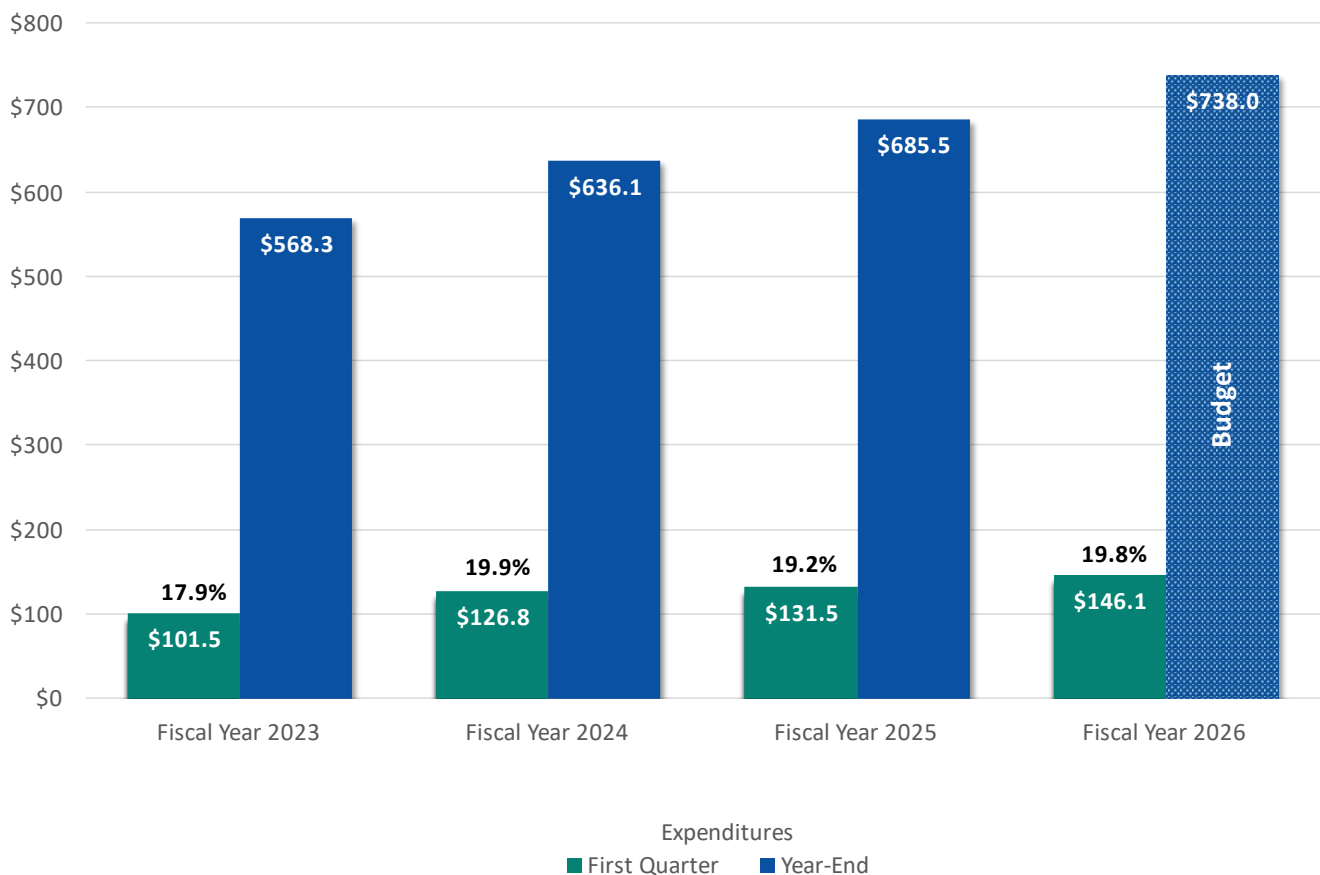
Departmental Expenditures

As of September 30, 2025, expenditures in this priority area totaled \$146.1 million, representing 19.8% of budgeted appropriations. This ratio is within the range when comparing to expenditures in the first quarter of the previous three years, which ranged from 17.9% to 19.9% of year-end actual totals.

Expenditures have increased 43.9% in this time frame, or an average of 14.6% annually for this priority area. Behavioral Health and Recovery Services (BHRS) grew by \$18.7 million, driven by the \$4 million Incompetent to Stand Trial penalty payment processed in August 2025 and the lower vacancy rate the Department is experiencing this fiscal year. In addition, the Managed Care Fund is trending higher than in prior years due to processing the Doctors Behavioral Health Center (DBHC) contract gap payments. DBHC is now sending weekly invoices, so payments are processed more quickly than in prior years, when DBHC completed a full reconciliation and BHRS processed the payments late in Fiscal Year 2025. Community Services Agency expenditures are also down \$3.4 million from the prior year. This decrease is primarily attributed to reduced staffing levels, lower caseload expenditures in major assistance programs, and timing differences in accounting accruals.

Supporting a Healthy Community Four-Year Expenditures Comparison

In Millions



Aging and Veterans Services

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit, along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Aging and Veterans Services (AVS) Area Agency on Aging							
1051 AVS0001 Special Revenue Fund							
Total Revenue	\$4,886,222	\$4,553,563	\$6,251,344	\$7,130,889	\$7,259,712	\$8,052,296	90.16%
Use of Fund Balance	(309,571)	(200,909)	(396,707)	226,129	95,188	696,853	13.66%
Gross Costs	4,988,938	4,902,086	6,397,698	7,900,079	7,897,961	9,292,210	85.00%
Net County Cost	\$412,287	\$549,433	\$543,061	\$543,061	\$543,061	\$543,061	100.00%

Revenue has continued to increase from Fiscal Year 2023 through Fiscal Year 2025 due to funding that can be used across multiple fiscal years. This includes one-time American Rescue Plan Act funding in the amount of \$1.5 million. This funding ended on September 30, 2025. The department also received approximately \$1 million of one-time Older Adults' Recovery and Resilience (OARR) - Home and Community Based Services funding and approximately \$800,000 of one-time Senior Nutrition Infrastructure funding that ended on September 30, 2024. The Department also received the Program to Encourage Active, Rewarding Lives for Seniors (PEARLS) grant, which is approximately \$1.9 million over three years (from Fiscal Year 2024 through Fiscal Year 2026).

Expenses in Services and Supplies have continued to increase due to the increased program and contract expenses related to the increased one-time funding. Salaries have also increased due to new positions that were added and cost-of-living adjustments. Cost Allocation Plan (CAP) charges have also continued to increase.

In Fiscal Year 2021 through Fiscal Year 2024, the Department did receive advances on one-time funding that rolled forward into fund balance to the next fiscal year when expenses did not exceed the advance. The Department did use existing fund balance to support administrative salaries and increased CAP charges in Fiscal Years 2024 and 2025.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
AVS Stanislaus Veterans Center							
0100 AVS0004 General Fund							
Total Revenue	\$0	\$0	\$1,216,504	\$434,872	\$454,054	\$437,387	103.81%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	0	0	1,062,968	1,079,147	1,089,858	1,151,044	94.68%
Net County Cost	\$0	\$0	(\$153,535)	\$644,275	\$635,804	\$713,657	89.09%

In Fiscal Year 2023, the fund type for the Stanislaus Veterans Center was changed from a Special Revenue budget to a General Fund budget and was moved from the General Services Agency to the Aging and Veterans Services Department. This resulted in the discontinuance of the Special Revenue Stanislaus Veterans Center budget. The remaining restricted fund balance from the prior budget in the amount of \$773,658 was transferred by the Auditor's Office to revenue in this budget in Fiscal Year 2023. This one-time technical adjustment to move the remaining fund balance increased the revenue in the financial statements in the Stanislaus Veterans Center

General Fund budget. The \$773,658 that was prior fund balance was assigned in the General Fund and is held by the Chief Executive Office. The actual Net County Cost that was provided in Fiscal Year 2023 was \$620,122.

Total Revenue and Gross Costs have remained consistent during this timeframe.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
AVS Stanislaus Veterans Center (Discontinued)							
1665 AVS0003 Special Revenue Fund							
Total Revenue	\$430,101	\$452,025	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	102,644	141,752	773,658	0	0	0	0.00%
Gross Costs	828,438	919,140	773,658	0	0	0	0.00%
Net County Cost	\$295,693	\$325,363	\$0	\$0	\$0	\$0	0.00%

This budget was discontinued in Fiscal Year 2023. The remaining restricted fund balance in this budget of \$773,658 was transferred by the Auditor's Office to revenue in the General Fund Stanislaus Veterans Center budget in Fiscal Year 2023.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
AVS Veterans Services							
0100 AVS0002 General Fund							
Total Revenue	\$43,001	\$266,444	\$356,680	\$344,160	\$331,968	\$340,694	97.44%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	823,479	890,126	1,109,802	1,235,872	1,354,354	1,421,158	95.30%
Net County Cost	\$780,478	\$623,682	\$753,122	\$891,712	\$1,022,386	\$1,080,464	94.62%

There was a year-end technical adjustment in Fiscal Year 2021 that reduced revenue by \$154,856 and increased the General Fund Contribution. Staff from Aging and Veterans Services, Auditor-Controller, and Chief Executive Office evaluated the circumstances leading to the issue that required this adjustment and the Department has since resumed its previous process of recognizing revenue when received and has eliminated the creation of a receivable for subvention revenue due to the extensive time delay in receiving the funding which is outside the standard practice for setting up a receivable.

The expenses from Fiscal Year 2022 to Fiscal Year 2023 increased approximately 24.7% primarily due to one new Social Worker III position that was added. This was also due to the transfer of the mental health services contract out of the General Fund Stanislaus Veterans Center budget and into the Veterans Services budget in Fiscal Year 2023. One new Veterans Services Representative position was also added in Fiscal Year 2024, with the employee starting in January 2024. The increase in costs each year has been primarily due to salary cost-of-living adjustments, the employee choice bonus plan, and higher CAP charges.

The expenses for Fiscal Year 2024 increased by 10% largely due to salaries and cost of doing business while revenue decreased by 4%. The decrease in revenue was due to the reduction in State Subvention funding. The subvention funding is a shared pool of funds across the State, dispersed by the number of closed Veterans Affairs (VA) applications, while one County's increases can affect the rest of the Counties in the shared pool. Though workload and applications increased among our Veterans Representatives each quarter through the present time, the volume and complexity, plus changes in VA requirements, slowed the closure of those applications. For Fiscal Year 2025, the expenses continued to increase by 9.6% while once again the revenue fell by another 3.5% due to the same issue as in Fiscal Year 2024. The decrease in revenue was mitigated by cost savings through delayed trainings/conferences by the Veterans Representatives and other cost-saving measures, while no decrease in services was incurred.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Aging and Veterans Services (AVS) Area Agency on Aging	\$1,886,868	\$2,087,848	\$2,484,555	\$2,258,426	\$2,163,238
AVS Stanislaus Veterans Center (Discontinued)	915,409	773,658	0	0	0
Total Fund Balance	\$2,802,278	\$2,861,506	\$2,484,555	\$2,258,426	\$2,163,238

Note: Table only reflects non-general fund units

Area Agency on Aging fund balance has grown through Fiscal Year 2023 primarily due to advances of one-time funding that have rolled forward and can be used over multiple fiscal years. There is a decrease in the beginning fund balance in Fiscal Year 2025 and Fiscal Year 2026. The department has had to rely on the use of fund balance to support administrative salaries, equipment, and overhead costs. The rising cost of CAP charges has also required the use of fund balance.

Due to the loss of the one-time funding for the American Rescue Plan Act, Older Adults' Recovery and Resilience (OARR) - Home and Community Based Services, and Senior Nutrition Infrastructure that helped to support administrative costs, the use of fund balance for administrative salaries and overhead expenses will continue to increase in future fiscal years.

Stanislaus Veterans Center fund balance has decreased significantly. In Fiscal Year 2023, the fund type for the Stanislaus Veterans Center was changed from a Special Revenue budget to a General Fund budget and was moved from the General Services Agency to the Aging and Veterans Services Department. This resulted in the discontinuance of the previous Special Revenue budget.

The remaining restricted fund balance from the discontinued Special Revenue budget in the amount of \$773,658 was transferred by the Auditor's Office to revenue in the General Fund Stanislaus Veterans Center budget in Fiscal Year 2023, and is assigned in fund balance in the General Fund and held by the Chief Executive Office (CEO). These funds are applied each year back to the Stanislaus Veterans Center budget in General Fund appropriations by the CEO.

First Quarter Issues and Recommendations

It is recommended to decrease appropriations and revenue by \$265,649 to align with the Fiscal Year 2026 Supplemental Nutrition Associate Program-Education (SNAP-Ed) contract amount. The Department was notified by the California Department of Aging that the SNAP-Ed program, which funds exclusively nutrition education outreach and programming, will end as of March 31, 2026. No 2026 Federal fiscal year funding was allocated for this program. The Department is receiving \$77,444 of carry-in funding from the 2025 Federal fiscal year that must be used by March 31, 2026. This is a reduction of \$265,649.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/ General Fund Contribution	Description
AVS – Area Agency on Aging	(\$265,649)	(\$265,649)	\$0	\$0	Decrease appropriations and estimated revenue to align budget with the California Department of Aging Snap-Ed Grant Program allocation.
Total	(\$265,649)	(\$265,649)	\$0	\$0	

Recommendation: It is recommended to decrease appropriations and estimated revenue by \$265,649.

Behavioral Health and Recovery Services

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit, along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Behavioral Health and Recovery Services (BHRS)							
1501 BHRS001 Special Revenue Fund							
Total Revenue	\$50,845,706	\$56,026,314	\$62,917,469	\$65,435,941	\$89,210,977	\$92,116,336	96.85%
Use of Fund Balance	(1,041,478)	(15,992,074)	(19,219,642)	(1,830,357)	(8,455,208)	6,071,478	-139.26%
Gross Costs	54,135,622	42,405,128	44,345,009	64,252,766	81,402,951	98,834,996	82.36%
Net County Cost	\$4,331,394	\$2,370,888	\$647,182	\$647,182	\$647,182	\$647,182	100.00%

From Fiscal Year 2021 through Fiscal Year 2024, Behavioral Health and Recovery Services (BHRS) revenues gradually increased with higher Realignment and Medi-Cal reimbursements, while expenditures fluctuated due to pandemic-related vacancies and reduced contracted services. Costs rose notably in Fiscal Year 2024 with California Advancing and Innovating Medi-Cal (CalAIM) payment reform, new program requirements such as Community Assistance, Recovery and Empowerment (CARE) Court, and 24/7 Mobile Crisis, and increased staffing and overhead.

In Fiscal Year 2025, revenues increased significantly as the first full year of CalAIM implementation allowed billing to stabilize and align with new claiming requirements. In addition, a State Controller's Office adjustment for prior-period 1991 Realignment revenue was recognized, further boosting receipts. On the expenditure side, BHRS engaged in the construction of the Dignity Village homes as part of the Behavioral Health Bridge Housing (BHBH) grant, though continued staffing vacancies and underspending in contracted services tempered overall costs. These factors resulted in higher revenues and controlled expenditures, positioning the Department to contribute positively to reserves despite ongoing program expansions.

Net County Cost in Fiscal Years 2021 and 2022 includes Realignment Backfill funds authorized by the State of California to compensate for the lost sales tax revenue in those years.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
BHRS Managed Care							
1504 BHRS002 Special Revenue Fund							
Total Revenue	\$14,935,214	\$14,159,732	\$14,209,408	\$14,968,701	\$20,056,699	\$17,283,949	116.04%
Use of Fund Balance	0	20,719	(21,211)	721,540	(3,736,926)	0	0.00%
Gross Costs	14,935,214	14,180,451	14,188,197	15,690,241	16,319,773	17,283,949	94.42%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

In-patient hospital utilization costs for this budget unit remained relatively stable between Fiscal Years 2021 and 2024, with only modest year-over-year fluctuations. This consistency reflects effective management of hospital placements and the use of alternative levels of care when available. In Fiscal Year 2025, costs increased as utilization levels rose, though expenditures still came in below the legal budget due to underspending in contracted services. Looking ahead, costs are expected to rise in future fiscal years as the Department addresses State audit findings that require repayment to the Centers for Medicare and Medicaid Services (CMS). Specifically, the Department identified ineligible claiming for certain covered benefits, including services for qualified non-citizens subject to the five-year bar, individuals who are Permanent Residents or Permanently Residing Under Color of Law, and Medicaid Children's Health Insurance Program (MCHIP) members where emergency services were claimed at an enhanced rate instead of the standard 50% Federal Medical Assistance Percentage (FMAP). These recoupment obligations will extend through Fiscal Year 2026 and possibly Fiscal Year 2027, driving higher projected costs in this budget unit. In Fiscal Year 2025, the Department increased the Realignment Revenue recognized in this budget to cover the increased contracted services costs, primarily to Doctors Behavioral Health Center (DBHC).

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
BHRS Mental Health Services Act							
1507 BHRS006 Special Revenue Fund							
Total Revenue	\$48,539,177	\$53,453,077	\$44,641,635	\$76,125,216	\$79,449,690	\$82,990,580	95.73%
Use of Fund Balance	(7,419,467)	(4,467,509)	19,494,425	(4,610,751)	(4,037,392)	15,532,563	-25.99%
Gross Costs	41,119,710	49,029,858	64,136,061	71,514,465	75,412,298	98,523,143	76.54%
Net County Cost	\$0	\$44,289	\$0	\$0	\$0	\$0	0.00%

Mental Health Services Act (MHSA) Gross Costs have increased by 83.4% between Fiscal Years 2021 and 2025, reflecting the Department's commitment to expanding community-based programs, contracted services, and outreach efforts supported by Proposition 63 funding. In Fiscal Year 2023, revenues decreased due to extended State tax filing deadlines caused by widespread flooding and natural disasters, which delayed MHSA receipts and required a substantial draw from fund balance to sustain operations. In contrast, Fiscal Year 2024 saw revenues rebound as the State implemented its largest annual adjustment for MHSA revenues to compensate for the prior-year delays. This upward trend continued in Fiscal Year 2025, further strengthening program sustainability. While expenditures grew each year, they remained below the Adopted Budget level. The Department is preparing to implement the voter-approved change to the Behavioral Health Services Act (BHSA) and is exercising caution, as the new program includes a higher State administrative percentage (increased from 5% to 10%), which reduces net revenue available, and introduces new funding components. While these components expand services focused on Housing, they may also impact funding for other service areas. Full implementation is required by July 1, 2026.

In Fiscal Year 2022, the Department received Net County Cost for COVID One-Time Recovery Payments for full-time County employees required to report to work between April 2020 and June 2021.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
BHRS Public Guardian							
1503 BHRS004 Special Revenue Fund							
Total Revenue	\$263,154	\$169,106	\$435,022	\$411,293	\$235,105	\$340,000	69.15%
Use of Fund Balance	111,408	(472,296)	(347,449)	7,414	1,213,690	869,895	139.52%
Gross Costs	2,344,287	3,334,280	3,705,717	3,859,125	4,377,164	4,828,040	90.66%
Net County Cost	\$1,969,725	\$3,637,470	\$3,618,144	\$3,440,418	\$2,928,369	\$3,618,145	80.94%

Public Guardian Gross Costs have increased 86.7% from Fiscal Year 2021 to 2025. This increase is due to the addition of seven full-time positions approved by the Board of Supervisors. Over the same period, Net County Cost increased 48.7%. Net County Cost in Fiscal Year 2025 decreased by 14.9% due to an increased use of Department fund balance, which was made up of accumulated General Fund County Match contributions. Revenues in Fiscal Years 2023 and 2024 were higher due to the delayed processing of estates from prior years, which brought balances current. However, this was a one-time adjustment, and revenues decreased again in Fiscal Year 2025 and are expected to remain limited going forward.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
BHRS Stanislaus Recovery Center							
1505 BHRS005 Special Revenue Fund							
Total Revenue	\$3,915,684	\$5,555,328	\$6,445,874	\$9,306,641	\$7,563,981	\$10,989,132	68.83%
Use of Fund Balance	0	(876,288)	742,938	(2,918,101)	(153,133)	(13,500)	1134.32%
Gross Costs	3,915,684	4,686,089	7,188,812	6,388,540	7,410,848	10,975,632	67.52%
Net County Cost	\$0	\$7,050	\$0	\$0	\$0	\$0	0.00%

Over the past five years, Stanislaus Recovery Center has experienced steady growth in both costs and revenues, reflecting the continued expansion of Substance Use Disorder (SUD) services under the Drug Medi-Cal Organized Delivery System (DMC-ODS). Gross Costs increased 89.3% during this period, while revenues grew 93.2%. Between Fiscal Years 2021 and 2023, both costs and revenues rose sharply as DMC-ODS expanded treatment availability and aligned County-operated services with higher-intensity levels of care, while assigning lower levels of care to contracted providers under the SUD budget.

In Fiscal Year 2024, revenues peaked as the Department transitioned from the Medi-Cal Federal Financial Participation (FFP) Cost Reimbursement model to a Fee-for-Service payment approach under CalAIM. While this reform is still in its early stages, it is expected to enhance revenue stability over time. Costs in Fiscal Year 2024, however, declined as program utilization shifted and more clients were served through contracted providers. In Fiscal Year 2025, costs increased again as service demand rebounded, though revenues decreased compared to the prior year, reflecting timing differences in reimbursements and adjustments to service delivery.

In Fiscal Year 2022, the Department received Net County Cost for COVID One-Time Recovery Payments for full-time County employees required to report to work between April 2020 and June 2021.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
BHRS Substance Use Disorder							
1502 BHRS003 Special Revenue Fund							
Total Revenue	\$14,463,029	\$18,786,594	\$16,158,326	\$44,836,805	\$38,495,408	\$33,891,403	113.58%
Use of Fund Balance	2,529,647	(149,334)	6,515,884	(18,319,069)	(8,290,825)	(50,800)	16320.52%
Gross Costs	16,992,676	18,651,630	22,674,210	26,517,736	30,204,582	33,840,603	89.26%
Net County Cost	\$0	\$14,370	\$0	\$0	\$0	\$0	0.00%

Over the past five years, the Substance Use Disorder (SUD) Gross Costs have increased by 77.8% and Total Revenue increased by 166.2%. This growth reflects the expansion of services under the Drug Medi-Cal Organized Delivery System (DMC-ODS), rising operational costs, and the implementation of new service requirements. The Department also began implementing Medi-Cal Federal Financial Participation (FFP) payment reform in Fiscal Year 2024, transitioning from a Cost Reimbursement model to a Fee-for-Service framework under CalAIM, which is expected to stabilize and enhance revenues over time. In Fiscal Year 2024, Total Revenue included receivables that were reviewed in Fiscal Year 2025, with \$13 million written off in Fiscal Year 2025 to reflect actual revenues received.

In Fiscal Year 2025, revenues moderated, while expenditures increased as service utilization expanded, positioning the budget unit for continued growth but with sensitivity to ongoing State reconciliations and funding adjustments.

In Fiscal Year 2022, the Department received Net County Cost for COVID One-Time Recovery Payments for full-time County employees required to report to work between April 2020 and June 2021.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit, along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Behavioral Health and Recovery Services (BHRS)	\$5,143,860	\$21,135,933	\$40,355,575	\$42,185,932	\$50,641,140
BHRS Managed Care	0	(20,719)	492	(721,048)	3,015,878
BHRS Mental Health Services Act	32,010,017	36,477,526	16,983,101	21,593,852	25,631,244
BHRS Public Guardian	401,934	874,231	1,221,680	1,214,266	576
BHRS Stanislaus Recovery Center	628,090	1,504,378	761,440	3,679,541	3,832,673
BHRS Substance Use Disorder	896,851	1,046,184	(11,338,839)	6,980,230	15,271,055
Total Fund Balance	\$39,080,752	\$61,017,534	\$47,983,448	\$74,932,773	\$98,392,566

Note: Table only reflects non-general fund units

Behavioral Health and Recovery Services (BHRS) has continued to increase significantly over the last four years, rising from \$5.1 million on July 1, 2021, to \$50.6 million on July 1, 2025. The ongoing effects of the Strategic Plan (Board Resolution 2021-0136), which reduced costs and improved fiscal efficiency, increased fund balance to \$21.1 million in Fiscal Year 2022. Part of the Strategic Plan was to shift costs for Adult Residential Facilities (ARF) to the Mental Health Services Act (MHSA) budget, lowering BHRS budget expenses and further contributing to the increase in fund balance.

In Fiscal Year 2023, BHRS realized additional gains through higher Realignment collections, \$2 million in new grant awards, and an additional \$1.8 million in Mental Health Block Grant funding compared to the prior year. Salary savings from ongoing position vacancies further contributed to the \$40.4 million balance reported as of July 1, 2023. As revenues are forecasted to stay flat, BHRS will be cautious with its spending strategies to maintain fiscal health while ensuring the effective delivery of services.

Managed Care is balanced each fiscal year through a post-close journal entry. Any surplus or deficit is offset with the Behavioral Health and Recovery Services (BHRS) budget, and as such, Managed Care does not traditionally carry a fund balance. The Department will process a post-close entry for Fiscal Year 2025 that will reduce fund balance by \$3 million.

Mental Health Services Act (Prop 63) increased from July 1, 2021, to July 1, 2022, as the COVID-19 pandemic delayed the Department's ability to fully implement strategic initiatives and programs fully. Between July 1, 2022, and July 1, 2023, fund balance declined due to reduced revenues tied to Statewide flooding and natural disasters that year, which delayed tax collections and impacted revenue receipts.

In Fiscal Years 2024 and 2025, the fund balance increased due to one-time State disbursements and salary savings from vacancies. While the balance remains stable, reduced funding is anticipated as the voter-approved Behavioral Health Services Act (BHSA) program is implemented on July 1, 2026, expanding services and requirements for broader populations.

Public Guardian increased from July 1, 2021, to July 1, 2023, due to salary savings that were used to offset operating cost overages. Retention of staff in Fiscal Year 2023 had a positive impact on program operations, leading to lower salary savings and keeping the fund balance relatively stable between Fiscal Years 2023 and 2024. Although unspent County contributions had been retained as fund balance in prior years, in Fiscal Year 2025, the Department adhered to County policy and returned them, resulting in a significant reduction in fund balance.

Stanislaus Recovery Center has demonstrated growth in its fund balance from Fiscal Year 2021 to Fiscal Year 2025, primarily due to salary savings and underspending on contracted services. In Fiscal Year 2024, the Drug Medi-Cal Organized Delivery System (DMC-ODS) strategically shifted clients who required lower levels of care to contracted providers, allowing the County-operated Recovery Center to focus its resources on higher-acuity clients. In Fiscal Year 2025, the Department continued implementation of the Medi-Cal Federal Financial Participation (FFP) payment reform, shifting from a Cost Reimbursement model to a Fee-for-Service approach. While still in its early stages, this transition has contributed to a modest increase in fund balance from Fiscal Year 2024 to Fiscal Year 2025.

Substance Use Disorder experienced an increase in fund balance between Fiscal Years 2021 and 2022. However, a significant deficit of \$11.3 million emerged in Fiscal Year 2023 due to multiple prior-year audits, reconciliations, and cost report settlements that resulted in a large prior-year revenue adjustment. In Fiscal Year 2024, the Department implemented a post-close entry to recognize the final Realignment revenue allocation and facilitate a transfer of available fund balance from the Behavioral Health and Recovery Services budget to the Substance Use Disorder budget, which restored the fund balance to \$7.0 million. In Fiscal Year 2025, fund balance increased further due to an accounting technical adjustment that reclassified Deferred Revenues from Opioid Settlement Funds (OSF) to revenue. The nearly \$15 million in OSF collected to date will be classified as Restricted Fund Balance, reserved for eligible OSF activities once the Expenditure Plan is approved by the Board of Supervisors.

Child Support Services

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following table identifies five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit, along with a comparison of prior-year actuals to the prior year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Child Support Services							
1071 DCSS001 Special Revenue Fund							
Total Revenue	\$14,857,382	\$14,311,139	\$15,018,057	\$16,398,729	\$16,433,215	\$17,011,502	96.60%
Use of Fund Balance	186,539	178,223	471,803	(358,128)	(48,425)	1,322	-3662.15%
Gross Costs	15,043,920	14,661,851	15,489,860	16,040,601	16,384,790	17,012,824	96.31%
Net County Cost	\$0	\$172,490	\$0	\$0	\$0	\$0	0.00%

The Department is 100% Federally and State-funded. The Department's funding allocation has increased by a total of 11% between Fiscal Years 2021 and 2025. In Fiscal Year 2021, the Department's budget decreased when

compared to the prior fiscal year due to the State's allocation reduction; therefore, the Department increased the number of positions held vacant to balance the budget. In Fiscal Year 2022, the Department did receive Net County Cost for COVID One-Time Recovery Payments for full-time County employees required to report to work between April 2020 and June 2021. In Fiscal Year 2023, the Department received a funding increase from the State, which was used to restore funding for vacant positions, the Employee Choice Bonus Plan, an employee retention and recruitment strategy deployed Countywide, increased costs to Cost Allocation Plan charges, and the addition of three new positions. The Fiscal Year 2025 funding allocation decreased by \$424,581 compared to what was received in Fiscal Year 2024. The Department receives an advance of 1/12th of the total annual Federal and State allocation monthly. On a quarterly basis, the total expenditures are compared to the total advances for that quarter and are adjusted for any prior quarter true-up savings or deficits.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit, along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Child Support Services	\$510,068	\$331,845	(\$139,958)	\$218,170	\$266,595
Total Fund Balance	\$510,068	\$331,845	(\$139,958)	\$218,170	\$266,595

Note: Table only reflects non-general fund units

Child Support Services typically operates a balanced budget where Gross Costs are funded by revenue without the need to use fund balance. Due to underclaiming of personnel expenses, the Department has been utilizing fund balance to balance the budget up to 2024. The underclaiming of personnel expenses was due to changes resulting from the financial management system upgrade and staff turnover. The negative fund balance, starting July 1, 2023, is due in part to the underclaiming issue described above and due to a timing issue related to expenditure claims for reimbursement of program costs. The underclaiming issue has been corrected and all allowable expenditures are being reimbursed. The Department receives an advance of 1/12th of the total annual Federal and State allocation monthly. On a quarterly basis, the total expenditures are compared to the total advances for that quarter and are adjusted for any prior quarter true-up savings or deficits. The Department anticipates a full reimbursement every September, which will increase the fund balance.

Community Services Agency

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Community Services Agency (CSA) Program Services and Support							
1631 CSA0001 Special Revenue Fund							
Total Revenue	\$155,290,674	\$146,222,291	\$162,487,464	\$165,187,742	\$167,677,016	\$184,967,325	90.65%
Use of Fund Balance	(5,703,124)	(5,417,265)	(8,342,523)	(338,603)	7,497,104	11,222,170	66.81%
Gross Costs	152,250,969	144,591,268	156,586,413	167,512,557	176,637,540	198,852,914	88.83%
Net County Cost	\$2,663,419	\$3,786,242	\$2,441,472	\$2,663,419	\$1,463,419	\$2,663,419	54.95%

In Fiscal Year 2022, expenditures and revenues decreased as a result of recommendations from external auditors in the treatment of Consortium-IV (C-IV) project expenses and funding. C-IV was a joint powers association formed by member counties to implement and maintain a mandated Statewide automated welfare system. Before the recommendation from external auditors, Community Services Agency (CSA) was recognizing associated Federal and State expenditures and corresponding revenue for the C-IV project, not just Stanislaus County's share of the project. For Fiscal Years 2024 and 2025, Gross Costs significantly increased compared to the respective previous fiscal years, mainly due to higher Salaries and Benefits, efforts by the Department to decrease the vacancy rate, and increases to the County's Cost Allocation Plan (CAP). Net County Cost has remained stable as Federal, State, and Realignment revenues have been sufficient to limit County exposure until Fiscal Year 2025, when it was redirected to another legal budget unit.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
CSA County Children Fund							
1637 CSA0005 Special Revenue Fund							
Total Revenue	\$180,263	\$162,796	\$129,080	\$121,964	\$117,580	\$193,736	60.69%
Use of Fund Balance	(22,239)	(8,980)	24,736	31,516	(19,778)	0	0.00%
Gross Costs	158,023	153,816	153,816	153,480	97,802	193,736	50.48%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Over the past five years, the County Children Fund has seen a consistent decline in total birth certificate revenue. While Fiscal Years 2021 and 2022 saw a temporary boost in revenue due to the COVID-19 pandemic, this trend has since reversed. During this period, the Child Abuse Prevention Council (CAPC) opted to utilize fund balance to cover expenses exceeding birth certificate revenues. In Fiscal Year 2025, the CAPC took proactive steps by reallocating approximately \$65,000 in costs to the Child Welfare Services Outcome Improvement Plan(CWS/OIP). This strategic move eased the financial burden on CSA County Children Fund, resulting in a \$19,778 increase in the fund balance for Fiscal Year 2025.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
CSA General Assistance							
1633 CSA0004 Special Revenue Fund							
Total Revenue	\$104,151	\$190,555	\$308,074	\$211,065	\$293,207	\$175,049	167.50%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	1,128,233	1,307,723	1,431,080	1,856,647	2,763,307	3,056,751	90.40%
Net County Cost	\$1,024,081	\$1,117,167	\$1,123,006	\$1,645,581	\$2,470,100	\$2,881,702	85.72%

Expenditures grew 145% from Fiscal Year 2021 through Fiscal Year 2025, primarily due to increases in both caseload and average grant amounts disbursed for the General Assistance (GA) Adult program and GA Foster Care. The grant amounts increased over this period due to Cost-of-Living Adjustments (COLA) that aligned with legislated changes in the CalWORKs program, one fiscal year in arrears. On September 30, 2025 (Board Resolution 2025-0508), the Board of Supervisors approved recommendations to stop this practice. As revenue is historically insufficient to cover costs, Net County Cost has grown 141% over the same period.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
CSA Housing and Homeless							
1639 CSA0002 Special Revenue Fund							
Total Revenue	\$4,250,622	\$6,642,394	\$8,245,238	\$9,683,238	\$9,739,540	\$14,992,407	64.96%
Use of Fund Balance	3,831,408	(2,434,044)	(422,445)	607,852	(805,097)	4,231,426	-19.03%
Gross Costs	8,082,030	4,208,350	7,822,793	10,414,396	8,934,443	19,223,833	46.48%
Net County Cost	\$0	\$0	\$0	\$123,307	\$0	\$0	0.00%

Expenditures vary year to year based on the timing of funds received and how spending plans are developed and implemented by the Department and the Stanislaus Community System of Care (CSOC). In Fiscal Year 2021, COVID-related expenditures were funded with several Federal and State funds; however, the expenditures that were claimed to the Federal Emergency Management Agency (FEMA) depleted the fund balance as reimbursement for some of those costs is still in process. During Fiscal Year 2022, costs decreased as COVID-funded programs were phased out. Expenditures in Fiscal Years 2023 and 2024 increased significantly due to the spend down of early rounds of Housing, Homeless Assistance and Prevention (HHAP) funding, unprecedented allocation increases for the Housing Support Program (HSP) and the Housing Disability Advocacy Program (HDAP), and additional Emergency Solutions Grant (ESG) one-time funding to support the Homeless Management Information System (HMIS). Revenue in Fiscal Year 2024 increased due to the receipt of Housing and Homelessness Incentive Program (HHIP) revenue to be spent down over the next year. In Fiscal Year 2025, HHAP expenditures decreased, Housing and Urban Development (HUD) grant roll-overs decreased, and one-time funding sources, such as California Emergency Solutions for Housing (CESH) and ESG funds, were fully depleted. In Fiscal Year 2023, a General Fund assignment of \$123,307 was provided to support shelter operations per Board Resolution 2024-0342; the General Fund assignment was a result of Adam Gray Homelessness funding from Fiscal Year 2018 (Assembly Bill 97).

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
CSA In-Home Supportive Services (IHSS) Provider Wages							
1642 CSA0008 Special Revenue Fund							
Total Revenue	\$12,095,106	\$11,750,554	\$11,599,675	\$13,244,616	\$13,986,386	\$14,005,336	99.86%
Use of Fund Balance	0	(23,475)	0	(0)	23,475	0	0.00%
Gross Costs	15,570,279	16,220,891	17,070,183	18,715,124	19,480,370	19,475,844	100.02%
Net County Cost	\$3,475,173	\$4,493,813	\$5,470,508	\$5,470,508	\$5,470,508	\$5,470,508	100.00%

Provider Wages increased annually by the 4% IHSS maintenance-of-effort (MOE) inflation factor, plus any negotiated wage supplements. Over the five-year period depicted in the table above, costs have increased by 25%. Over the same period, revenues have only increased by 15.6%, placing a larger burden on Net County Cost. The overage in Fiscal Year 2025 is due to the clearing of \$23,475 in fund balance that had rolled over in error from prior years, with the adjustment occurring in the transfer accounts, which are not subject to budget authority.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
CSA IHSS Public Authority Administration							
1640 CSA0006 Special Revenue Fund							
Total Revenue	\$813,333	\$823,090	\$906,787	\$892,969	\$1,060,988	\$1,026,326	103.38%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	813,333	823,090	906,787	892,969	1,060,988	1,026,326	103.38%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Public Authority Administration has experienced a 30.4% year-over-year increase in Gross Costs and corresponding Total Revenue, primarily due to slight increases in the administrative allocation of funding to support salaries and overhead costs as In-Home Supportive Services (IHSS) caseloads increase. The overage in Fiscal Year 2025 is due to an unbudgeted allocation increase. Funds were transferred to Program Services and Supports using transfer accounts, which are not subject to budget authority. The Department will work to ensure the budget aligns with allocations, ensuring budget authority exists to support State allocations.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
CSA IHSS Public Authority Benefits							
1641 CSA0007 Special Revenue Fund							
Total Revenue	\$778,147	\$769,479	\$840,958	\$1,479,805	\$2,297,363	\$2,589,681	88.71%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	876,075	867,802	939,281	1,578,128	2,395,686	2,688,004	89.13%
Net County Cost	\$97,928	\$98,323	\$98,323	\$98,323	\$98,323	\$98,323	100.00%

Provider benefit premiums increased sharply in Fiscal Years 2024 and 2025, from an average of approximately \$67,000 during the first half of Fiscal Year 2024 to approximately \$172,000 for Fiscal Year 2025. The State picks up the majority of the benefit premiums, which accounts for the corresponding increase in Total Revenue. Net County Cost has remained flat over the last four years, with 1991 Realignment Revenue funding the remaining balance.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
CSA Public Economic Assistance							
1632 CSA0003 Special Revenue Fund							
Total Revenue	\$99,685,995	\$102,393,432	\$122,025,816	\$132,849,880	\$135,222,366	\$137,209,611	98.55%
Use of Fund Balance	2,509,330	193,415	(1,612,540)	1,106,740	(1,015,113)	0	0.00%
Gross Costs	105,923,220	103,979,743	122,128,860	136,875,821	138,046,750	140,637,507	98.16%
Net County Cost	\$3,727,896	\$1,392,896	\$1,715,585	\$2,919,202	\$3,839,498	\$3,427,896	112.01%

Increases in actual expenditures from Fiscal Year 2021 to Fiscal Year 2025 are attributable to increases in both caseload and average grants disbursed for the two major programs, Foster Care and CalWORKs. Public Economic Assistance continues to be an increasing need in the community, with overall costs increasing 30.3% over the past five fiscal years.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
CSA Homeless Emergency Aid Program (Discontinued)							
1638 CSA0010 Special Revenue Fund							
Total Revenue	(\$15,788)	\$0	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	1,447,020	0	0	0	0	0	0.00%
Gross Costs	1,431,232	0	0	0	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

This fund was used to administer the Statewide Homeless Emergency Aid Program (HEAP). The program ended, and this fund closed as of June 30, 2021.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
CSA Program Services and Support	\$18,814,467	\$24,231,431	\$32,573,954	\$32,912,558	\$25,415,453
CSA County Children Fund	253,297	262,277	237,541	206,025	225,802
CSA General Assistance	0	0	0	0	0
CSA Housing and Homeless	1,244,742	3,679,087	4,101,532	3,493,680	4,298,777
CSA IHSS Public Authority Administration	0	0	0	0	(0)
CSA IHSS Public Authority Benefits	0	0	0	0	0
CSA In-Home Supportive Services (IHSS) Provider Wages	0	23,475	23,475	23,475	0
CSA Public Economic Assistance	2,544,432	2,351,017	3,963,557	2,856,818	3,871,931
Total Fund Balance	\$22,856,938	\$30,547,287	\$40,900,060	\$39,492,556	\$33,811,964

Note: Table only reflects non-general fund units

CSA Program Services and Support – In Fiscal Year 2019, after consultation with the Auditor-Controller and Clifton Larsen Allen, the County’s external auditors, the Department made an accounting practice change, consistent with Governmental Accounting Standards Board (GASB) Statement No. 33. Certain revenue began to be recognized as earned and included in fund balance, rather than held in a deferred revenue account resulting in a significant increase in fund balance starting with Fiscal Year 2019 and moving forward. The Department is currently working through a fund balance analysis for Program Services and Support and Public Economic Assistance to better understand the makeup and history of the fund balance in these budgets. The Department will report back to the Board of Supervisors once this work has been completed. In a September 30, 2025, report to the Board of Supervisors, the Department identified \$18.2 million in post-close adjustments that reduced the Department’s fund balance to \$7.2 million (Board Resolution 2025-0509).

CSA County Children Fund – Fund balance fluctuates slightly from year to year based on spending decisions made by the Child Abuse Prevention Council that controls the use of these funds.

CSA General Assistance – This fund has consistently maintained a zero-fund balance over the past five years because revenue allocated to this fund is based on actual expenses incurred.

CSA Housing and Homeless Services – The fund balance represents various funding streams that have expiration dates across multiple years, but can be spent at any time during that period. Fund balance for Fiscal years 2021 and 2022 represents unspent State Homeless Housing, Assistance and Prevention (HHAP) Rounds 1 and 2 funding. However, in Fiscal Year 2021, fund balance was used to cover COVID-related costs pending reimbursement from the Federal Emergency Management Agency (FEMA). The balance grew in Fiscal Year 2023, as HHAP Round 2 funds remained, and CSA received HHAP Round 3 funds. Fund balance decreased in Fiscal Year 2024 as contracts utilizing HHAP funding were awarded and Rounds 2 and 3 were expended. In Fiscal Year 2025, the Department received FEMA reimbursement from Fiscal Year 2020, increasing the overall fund balance.

CSA IHSS Public Authority Administration – This fund has consistently maintained a zero-fund balance over the past five years because revenue allocated to this fund is based on actual expenses incurred.

CSA IHSS Public Authority Benefits – This fund has consistently maintained a zero-fund balance over the past five years because revenue allocated to this fund is based on actual expenses incurred.

CSA In-Home Supportive Services (IHSS) Provider Wages – CSA IHSS Provider Wages fund balance of \$23,475 for Fiscal Year 2024 represents a Vehicle License Fee payment that was supposed to be posted to CSA Program Services and Support back in Fiscal Year 2022; however, the payment was posted to CSA IHSS Provider Wages. This created a surplus that was corrected in Fiscal Year 2025 to balance out the fund.

CSA Public Economic Assistance - In Fiscal Year 2019, after consultation with the Auditor-Controller and Clifton Larsen Allen, the County’s external auditors, the Department made an accounting practice change, consistent with Governmental Accounting Standards Board (GASB) Statement No. 33. Certain revenue began to be recognized as

earned and included in fund balance, rather than held in a deferred revenue account, resulting in a significant increase in fund balance starting with Fiscal Year 2019 and moving forward. The Department is currently working through a fund balance analysis for Program Services and Support and Public Economic Assistance to better understand the makeup and history of the fund balance in these budgets. The Department will report back to the Board of Supervisors once this work has been completed.

First Quarter Issues and Recommendations

On September 30, 2025 (Board Resolution 2025-0509), the Department identified a \$5.2 million funding gap and provided recommendations to resolve \$2.9 million, leaving a funding gap of \$2.3 million. The Department's operating budget covers administrative and overhead costs that support the entire Department's operations and cannot be directly charged to a program. Operating costs are reimbursed with a combination of Federal, State, grant, and local funds. The Department identified \$1.7 million in operating expenses in the 2026 Adopted Budget to be reduced as part of the recommendations included in the September staff report. The Department has performed additional analysis and identified an additional \$3.3 million in costs, resulting in \$2.3 million in fund balance savings to address the remaining fund balance gap. This adjustment will also result in a decrease in estimated revenue of \$966,620. To achieve the savings, the Department will reduce Child Welfare Services (CWS) contracts, shift some CWS costs to Families First Prevention Services Act (FFPSA) funding, reduce CWS overtime, reduce CWS staff development, as well as overall Department organizational and staff development, and reduce electronic data processing (EDP) equipment and software costs.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/ General Fund Contribution	Description
Community Services Agency - Program Services and Support	(\$966,620)	(\$3,306,516)	(\$2,339,896)	\$0	Decrease appropriations, estimated revenue, and the use of department fund balance to address the fund balance deficit identified in the Adopted Budget.
Total	(\$966,620)	(\$3,306,516)	(\$2,339,896)	\$0	

Recommendation: It is recommended to decrease appropriations by \$3.3 million, decrease estimated revenue by \$966,620, and decrease the use of department fund balance by \$2.3 million.

Staffing Recommendation: It is recommended to reclassify down one Accountant III to block-budgeted Accountant I/II to right-size the position.

It is also recommended to study one Family Services Specialist IV and one Family Services Supervisor to determine if the current duties and responsibilities align with their designated classifications.

Health Services Agency

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Health Services Agency (HSA) Administration							
1401 HSA0003 Special Revenue Fund							
Total Revenue	\$6,221,832	\$16,308,845	\$6,670,428	\$6,997,055	\$7,255,052	\$9,259,575	78.35%
Use of Fund Balance	(1,198,212)	(7,855,707)	5,616,031	2,584,710	7,757	1,036,164	0.75%
Gross Costs	5,023,621	8,524,701	12,286,458	9,581,765	7,262,809	10,295,739	70.54%
Net County Cost	\$0	\$71,563	\$0	\$0	\$0	\$0	0.00%

The Health Services Agency (HSA) Administration Fund provides centralized support to all divisions within the HSA. The net costs incurred by this fund are primarily funded through monthly interfund allocations to the Clinic and Ancillary Services (C&A) and Public Health (PH) funds.

The Net County Cost in Fiscal Year 2022 reflects COVID Recovery One-Time Payments for full-time County employees required to report to work between April 2020 and June 2021. The increases in Total Revenue and fund balance in Fiscal Year 2022 are largely attributable to the receipt of State-donated inventory to support the COVID-19 response. These inventory items are recorded as expenditures when issued or used, which led to higher Gross Costs and increased use of fund balance in Fiscal Years 2023 and 2024.

Additionally, the receipt of California Advancing and Innovating Medi-Cal (CalAIM) Providing Access and Transforming Health-Capacity and Infrastructure Transition, Expansion and Development (PATH-CITED) funding contributed to higher revenues and expenditures during Fiscal Years 2023 and 2024. Due to a reduction in the issuance of donated inventory, Gross Costs declined in Fiscal Years 2024 and 2025.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
HSA Clinics and Ancillary Services							
4051 HSA0008 Enterprise Fund							
Total Revenue	\$39,982,451	\$29,549,343	\$39,374,621	\$39,883,903	\$33,600,702	\$34,816,545	96.51%
Use of Fund Balance	(8,025,026)	(2,720,284)	(5,854,703)	(3,533,439)	(900,133)	4,215,432	-21.35%
Gross Costs	33,744,029	29,324,753	35,437,783	37,850,464	34,200,569	40,531,977	84.38%
Net County Cost	\$1,786,603	\$2,495,694	\$1,917,865	\$1,500,000	\$1,500,000	\$1,500,000	100.00%

Revenues received under the HSA Clinics and Ancillary Services fund have decreased over the observed period. In Fiscal Year 2022, the Intergovernmental Transfer (IGT) Voluntary Rate Range Program (VRRP) transitioned from a fiscal year to a calendar year basis, resulting in only six months of IGT revenue being recorded during this transitional (bridge) period. In Fiscal Year 2025, the closure of the Paradise Medical Office, Specialty, and Rehabilitation clinics led to a significant decrease in overall clinic visits, resulting in fewer patient-related revenues. Additionally, while primary revenues declined during this timeframe, other one-time revenue sources, such as the American Rescue Plan Act (ARPA) funding for Look-Alikes, contributed to additional revenues received under this fund from Fiscal Years 2021 through 2024.

Gross Costs have fluctuated over this period due to significant adjustments related to Governmental Accounting Standards Board (GASB) 68 (Pension) and GASB 87 (Leases), as recorded by the Auditor-Controller Department. Outside of these adjustments, operational costs continue to rise, driven primarily by increasing personnel expenses and higher costs for goods and services required to maintain primary clinic care delivery.

To address these pressures of declining revenue and increasing costs, and to support long-term financial sustainability, the agency has implemented several staffing adjustments in response to the evolving structure of

the clinic system. These efforts are ongoing as the Department continues to align available resources with service delivery needs.

The Department received Net County Cost in Fiscal Years 2021 through 2025, even with sufficient revenues or retained earnings to support the costs. The Department is working with the Chief Executive Office to return Net County Cost to the General Fund.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
HSA Emergency Medical Services (EMS) Discretionary Fund (Discontinued)							
1429 HSA0001 Special Revenue Fund							
Total Revenue	\$70,243	\$57,001	\$71,276	\$74,628	\$100,360	\$71,041	141.27%
Use of Fund Balance	(3,926)	17,474	(15,546)	514	(26,835)	3,464	-774.68%
Gross Costs	101,609	95,475	55,730	75,143	73,525	74,505	98.68%
Net County Cost	\$35,293	\$21,000	\$0	\$0	\$0	\$0	0.00%

Revenues received under the Emergency Medical Services (EMS) Discretionary Fund are primarily used to support the newly created Stanislaus County Local Emergency Medical Services Agency (LEMESA), per Board Resolution 2022-0056. In Fiscal Years 2021 and 2022, this fund required Net County Cost to issue contractual payments to Mountain Valley Emergency Medical Services, which previously operated as the local EMS agency, due to insufficient fund balance and collections. Gross Costs decreased after Fiscal Year 2022 due to the elimination of the contract with Mountain Valley EMS and new arrangements to support the Stanislaus County LEMSA. Total Revenue derived from court fines/fees per Health and Safety Code (HSC) Section 1797.98a has remained consistent between Fiscal Years 2021 and 2024. The increase in revenue in Fiscal Year 2025 indicates that County collections received more than anticipated.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
HSA Indigent Health Care Program (IHCP)							
1404 HSA0007 Special Revenue Fund							
Total Revenue	\$318,009	\$194,009	\$260,907	\$36,787	\$62,120	\$86,541	71.78%
Use of Fund Balance	(223,816)	(111,044)	(144,086)	29,244	(40,891)	115,287	-35.47%
Gross Costs	94,192	82,966	116,821	66,031	21,230	201,828	10.52%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Revenues under the Indigent Health Care Program (IHCP) fund consist of collections posted by the Stanislaus County Revenue Recovery division of the Treasurer-Tax Collector's Office related to collections from liens and patient share of cost under the Indigent Health Care Program. Similarly, costs consist of Cost Allocation Plan (CAP) charges related to the cost of collections from Revenue Recovery. Revenues collected have exceeded allocated costs for all years except for Fiscal Year 2024, in which there was a significant decline due to fewer collections from Revenue Recovery and a correction of prior period revenues posted by the Auditor-Controller. Allocated costs from Revenue Recovery also declined in Fiscal Year 2024 due to fewer collections.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
HSA IHCP EMS Hospitals (Discontinued)							
1434 HSA0005 Special Revenue Fund							
Total Revenue	\$153,124	\$134,600	\$201,839	\$194,922	\$231,673	\$202,822	114.22%
Use of Fund Balance	(137,187)	(7,651)	(73,015)	(194,712)	(10,365)	610,422	-1.70%
Gross Costs	15,937	126,949	128,824	210	221,307	813,244	27.21%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The IHCP EMS Hospital fund has experienced overall revenue growth from the collection of court fines and fees through Revenue Recovery per Health and Safety Code (HSC) Section 1797.98a. Costs are primarily related to hospital payments for uncompensated emergency medical care, which continue to fluctuate due to timing issues in obtaining agreements and invoices with local hospitals. The Department strives to keep the fund balance at allowable levels per HSC Section 1797.98a.

The increase in Gross Costs for Fiscal Year 2025 is primarily attributed to the Stanislaus County Court Revenues audit covering July 1, 2018, through June 30, 2022. As a result of the audit, \$166,119 was discovered to be erroneously deposited into this fund and was transferred out by the Auditor-Controller Department in Fiscal Year 2025.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
HSA IHCP EMS Physicians (Discontinued)							
1435 HSA0006 Special Revenue Fund							
Total Revenue	\$290,719	\$256,836	\$314,143	\$323,410	\$403,769	\$272,063	148.41%
Use of Fund Balance	(113,661)	119,666	(45,054)	(121,005)	19,969	156,441	12.76%
Gross Costs	177,058	376,502	269,089	202,405	423,738	428,504	98.89%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The HSA IHCP EMS Physicians fund has experienced overall revenue growth from the collection of court fines and fees through Revenue Recovery per HSC Section 1797.98a. Costs are primarily due to payments for uncompensated emergency physician services, which continue to fluctuate due to timing issues in receiving invoices for payment. The Department strives to keep the fund balance at allowable levels per HSC Section 1797.98a.

The increase in Gross Costs for Fiscal Year 2025 is primarily attributed to the Stanislaus County Court Revenues audit covering July 1, 2018, through June 30, 2022. As a result of the audit, approximately \$166,112 was discovered to be erroneously deposited into this fund and was transferred out by the Auditor-Controller Department in Fiscal Year 2025.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
HSA Public Health							
1402 HSA0004 Special Revenue Fund							
Total Revenue	\$37,869,331	\$33,732,112	\$34,091,321	\$35,992,556	\$36,782,826	\$37,062,027	99.25%
Use of Fund Balance	(1,964,410)	1,680,588	(4,706,798)	(3,650,436)	(1,912,701)	1,997,695	-95.75%
Gross Costs	39,415,724	39,124,677	32,895,326	35,852,923	38,380,928	42,570,525	90.16%
Net County Cost	\$3,510,803	\$3,711,976	\$3,510,803	\$3,510,803	\$3,510,803	\$3,510,803	100.00%

The HSA Public Health Fund has experienced an overall decrease in revenue due to the expiration and decreased utilization of various COVID-19 funding sources. Gross Costs are noticeably higher in Fiscal Years 2021 and 2022 due to increases in personnel, services, and supplies necessary to support the COVID-19 response efforts. In addition, approximately \$1.8 million was transferred to the General Services Agency to support the HSA/Public Health facility capital project in Fiscal Year 2022.

The fund experienced an overall increase in both revenues and expenditures over the past two fiscal years, primarily driven by the implementation of the new Future of Public Health (FoPH) funding. Unspent FoPH funds from Fiscal Year 2023 were carried over and utilized in Fiscal Year 2024, further contributing to the upward trend. The filling of vacant positions within Public Health also contributed to the increased expenditures. On the revenue side, greater inflows from 1991 Realignment and grant revenues are attributed to increased funding. Additionally,

increases in personnel expenses and internal indirect cost allocations from the HSA Administration budget unit contributed to the rise in gross expenditures during Fiscal Years 2024 and 2025.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
HSA Public Health Vital and Health Statistics							
1428 HSA0002 Special Revenue Fund							
Total Revenue	\$79,323	\$88,755	\$90,931	\$84,591	\$83,875	\$86,666	96.78%
Use of Fund Balance	(70,315)	(69,522)	(73,384)	(48,105)	63,831	82,582	77.29%
Gross Costs	9,008	19,232	17,547	36,486	147,706	169,248	87.27%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The HSA Public Health Vital and Health Statistics fund has experienced a slight increase in revenue from operations for the issuance of birth/death certifications, burial permits, and other filings. Total costs have risen over the past two fiscal years, primarily due to interdepartmental transfers to the Public Health Vital Records Department. These transfers have funded qualifying expenditures aimed at supporting and strengthening departmental operations. More recently, the Department has also begun allocating funds toward personnel costs for a newly established position within Vital Records. This represents a strategic and intentional use of resources to strengthen operational capacity and support long-term program objectives.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Health Services Agency (HSA) Administration	\$1,291,159	\$9,146,866	\$3,530,836	\$946,126	\$938,369
HSA Clinics and Ancillary Services	32,275,795	34,996,079	31,854,684	37,862,385	38,612,991
HSA Emergency Medical Services (EMS) Discretionary Fund	11,423	(6,051)	9,496	8,981	35,816
HSA IHCP EMS Hospitals	272,559	280,210	353,225	547,937	558,302
HSA IHCP EMS Physicians	115,995	(3,671)	41,383	162,387	142,418
HSA Indigent Health Care Program (IHCP)	2,328,500	2,439,544	2,583,630	2,554,386	2,595,277
HSA Public Health	18,542,198	16,861,610	21,568,408	25,218,844	27,131,545
HSA Public Health Vital and Health Statistics	936,236	1,005,758	1,079,142	1,127,247	1,063,415
Total Fund Balance	\$55,773,866	\$64,720,346	\$61,020,804	\$68,428,294	\$71,078,134

Note: Table only reflects non-general fund units

HSA Administration has experienced an initial increase and subsequent decrease in fund balance due to the recognition and use of State-donated inventory provided for the COVID-19 response. Under normal circumstances, net costs for HSA Administration are funded by interfund allocations to the Clinic and Ancillary Services and Public Health funds, resulting in no net use or addition to fund balance each year. Transactions related to donated inventory are not allocated out to other funds, as it was initially recorded as donation revenue, and any costs incurred to recognize inventory issued will offset the revenue that previously closed to fund balance. Fund balance will continue to decrease over time until all State-donated inventory has been issued.

HSA Clinics and Ancillary Services experienced growth during this range, primarily driven by Intergovernmental Transfer (IGT) revenues derived from the Voluntary Rate Range Program (VRRP). Under this program, the budget receives Federal funds from the Department of Health Care Services, which are passed through Managed Care Health Plans, to help offset the historical unreimbursed costs of providing care for plan members.

In Fiscal Year 2023, the fund balance declined due to a significant Governmental Accounting Standards Board (GASB) 68-related adjustment recorded by the Auditor-Controller's Office; however, the fund balance continued

to rise in Fiscal Year 2024 due to the receipt of additional IGT funding and the use of the American Rescue Plan Act (ARPA) funding for Look-Alikes.

The Department anticipates a decline in fund balance over the next few years, as it engages in new strategies to increase overall Medi-Cal reimbursement through greater Federally Qualified Health Center (FQHC) prospective payment system (PPS) rates and as it returns Net County Cost to the General Fund.

Emergency Medical Services (EMS) Discretionary maintains a minor fund balance due to the timing of revenues collected from court fines and fees and transfers to the local Emergency Medical Services Agency. In Fiscal Year 2022, the fund entered a negative fund balance due to a shortfall in revenues needed to cover payments to Mountain Valley Emergency Medical Services. The fund has since maintained a positive fund balance by ensuring transfers do not exceed funding that is currently available each year.

Indigent Health Care Program (IHCP) Emergency Medical Services (EMS) Hospital has experienced growth in fund balance due to ongoing contract negotiations with local hospitals to provide reimbursement for uncompensated medical care per Health and Safety Code (HSC) Section 1797.98a. Due to contract delays, HSA has been unable to issue payments from the fund balance, which continues to accumulate revenues from court fines and fees. The growth in fund balance slowed in Fiscal Year 2025 due to a Stanislaus County Court Revenues audit covering July 1, 2018, through June 30, 2022. As a result of the audit, \$166,119 was discovered to be erroneously deposited into this fund and was transferred out by the Auditor-Controller Department in Fiscal Year 2025.

IHCP Emergency Medical Services (EMS) Physicians has experienced a growth in fund balance due to the timing of revenue collections and payments for uncompensated emergency physician services. In Fiscal Year 2022, the fund entered a negative fund balance due to a shortfall in revenues needed to cover these payments. The fund has maintained a positive balance by ensuring payments do not exceed the available funding each year. In Fiscal Year 2024, increased revenue and the late receipt of invoices contributed to an overall increase in fund balance. The Fiscal Year 2025 decrease in fund balance is due to a Stanislaus County Court Revenues audit covering July 1, 2018, through June 30, 2022. As a result of the audit, \$166,112 was discovered to be erroneously deposited into this fund and was transferred out by the Auditor-Controller Department in Fiscal Year 2025.

Indigent Health Care Program (IHCP) has experienced a growth in fund balance due to the reduced reliance on County-funded health care for Medically Indigent Adults because of the Affordable Care Act (ACA) offering subsidized medical insurance to the uninsured population. Minimal activity occurs within this fund, and impacts to fund balance are largely determined by Revenue Recovery collections and Cost Allocation Plan (CAP) charges.

HSA Public Health has experienced a growth in Fund Balance due to the receipt and utilization of various COVID-19 grants, the Future of Public Health (FoPH) grant, increases in 1991 Realignment, and intergovernmental transfer revenues. Additional costs incurred in prior years to respond to COVID-19 have also decreased over time, resulting in additional County-Mandated Match and Realignment dollars being closed to fund balance. The Department anticipates a gradual decline in fund balance over the coming years, due to the expiration/termination of funding sources and rising operational costs. The estimated use of fund balance is detailed in the Department's 2026 Adopted Budget.

Public Health Vital and Health Statistics has experienced growth in fund balance due to revenues derived from Vital Records operations exceeding eligible qualifying expenditures incurred. Qualifying expenditures must support or enhance the Department's operations and are recognized as an interfund transfer to Public Health when incurred. More recently, the Department has also begun allocating funds toward personnel costs for a newly established position within Vital Records. This represents a strategic and intentional use of resources to strengthen operational capacity and support long-term program objectives.

First Quarter Issues and Recommendations

Labor Increase – It is recommended to increase appropriations by \$774,552, funded with \$91,276 in estimated revenue and \$683,276 in the use of Department fund balance, to support negotiated labor increases for the American Federation of State, County, and Municipal Employees (AFSCME) (Board Resolution 2025-0409).

Northpoint Office Towers – On September 30, 2025 (Board Resolution 2025-0497), the Board of Supervisors approved the purchase of a building at 5330 Pirrone Road in Salida. In part, it was approved to use \$3.4 million in Clinics and Ancillary Services fund balance to support the purchase. Due to the work the Department is doing with the Chief Executive Office regarding the General Fund in the fund balance previously identified in the 2026 Adopted Budget, it is now recommended that the appropriations be transferred to Public Health, using the Public Health fund balance to support the purchase. A decrease in appropriations and use of Department fund balance of \$3.4 million in Clinics and Ancillary Services, and a corresponding increase in appropriations and use of Department fund balance of \$3.4 million in Public Health, is recommended.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/ General Fund Contribution	Description
Health Services Agency - Administration	\$0	\$194,003	\$194,003	\$0	Increase appropriations to support AFSCME labor increases, funded with fund balance.
Health Services Agency - Administration	\$91,276	(\$102,727)	(\$194,003)	\$0	Decrease appropriations and use of fund balance, increasing estimated revenue, to charge out the AFSCME labor increases per the Department's CAP.
Health Services Agency - Clinics and Ancillary Services	\$0	\$255,143	\$255,143	\$0	Increase appropriations to support AFSCME labor increases, funded with fund balance.
Health Services Agency - Clinics and Ancillary Services	\$0	\$91,276	\$91,276	\$0	Increase appropriations and use of fund balance due to charged out costs from Administration related the AFSCME labor increase.
Health Services Agency - Clinics and Ancillary Services	\$0	(\$3,376,165)	(\$3,376,165)	\$0	Transfer appropriations to Public Health to support the purchase of the Northpoint Tower building, benefiting Department fund balance.
Health Services Agency - Public Health	\$0	\$3,376,165	\$3,376,165	\$0	Transfer appropriations from Clinics and Ancillary Services to support the purchase of the Northpoint Tower building, using Department fund balance.
Health Services Agency - Public Health	\$0	\$234,130	\$234,130	\$0	Increase appropriations to support AFSCME labor increases, funded with fund balance.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/ General Fund Contribution	Description
Health Services Agency - Public Health	\$0	\$102,727	\$102,727	\$0	Increase appropriations and use of fund balance due to charged out costs from Administration related the AFSCME labor increase.
Total	\$91,276	\$774,552	\$683,276	\$0	

Recommendation: It is recommended to increase appropriations by \$774,552, funded with \$91,276 in estimated revenue and \$683,276 in the use of Department fund balance.

Staffing Recommendation: It is recommended to reclassify two Health Education Coordinator positions to Staff Services Coordinator. It is also recommended to delete the Health Education Coordinator classification.

DEVELOPING A HIGH-PERFORMING ECONOMY



Agricultural Commissioner
UC Cooperative Extension
Workforce Development

Developing a High-Performing Economy

Priority Overview

The Board of Supervisors' priority area of *Developing a High-Performing Economy* recognizes the critical role that County government can play in promoting, protecting, and sustaining our agricultural economy while providing for more diversified economic opportunities, all to strengthen our local economy and provide for a better, more stable, quality of life for our residents. Supporting job creation and providing a wide range of employment, training services, and educational resources are key aspects of *Developing a High-Performing Economy*. Departments and programs assigned to this priority area include the Agricultural Commissioner, the University of California (UC) Cooperative Extension, and Workforce Development.

Stanislaus County is an international agri-business powerhouse. Farmland conversion, air pollution mitigation, soil salinity and drainage, agricultural water supply and water quality, and preservation of the County's unique agriculture heritage are key aspects of *Developing a High-Performing Economy*. Departments in this priority recognize the vital role of the County's number-one industry, agriculture, which generated \$3.2 billion in total gross value of ag production, per the 2024 Stanislaus County Agricultural Report. This is a slight decrease of 6% from the 2023 value.

There are various funding sources supporting departments in this priority area. The Agricultural Commissioner receives State funding for several programs and charges fees for specific services, with additional support from the General Fund. Cooperative Extension's UC advisors are funded through the UC system; however, the County provides General Fund support for administrative staffing and operational expenses. Workforce Development receives Federal and State funds for work focused on meeting its mission of developing a skilled workforce.

While the agricultural industry is a significant economic driver in the County, regional economic development strategies are in place to increase economic diversity. Initiatives include job creation, business assistance and retention, and demand-driven workforce readiness and innovation.

Recommendations contained in this report do not result in any budget adjustments for departments *Developing a High-Performing Economy*.

The departments within the priority *Developing a High-Performing Economy* are on track to end the year within budget and in a positive fiscal position.

Departmental Revenue

For the departments contained in the Board of Supervisors' priority area *Developing a High-Performing Economy*, as of September 30, 2025, actual revenue collected was \$1.2 million, which represents 3.9% of the estimated annual revenue.

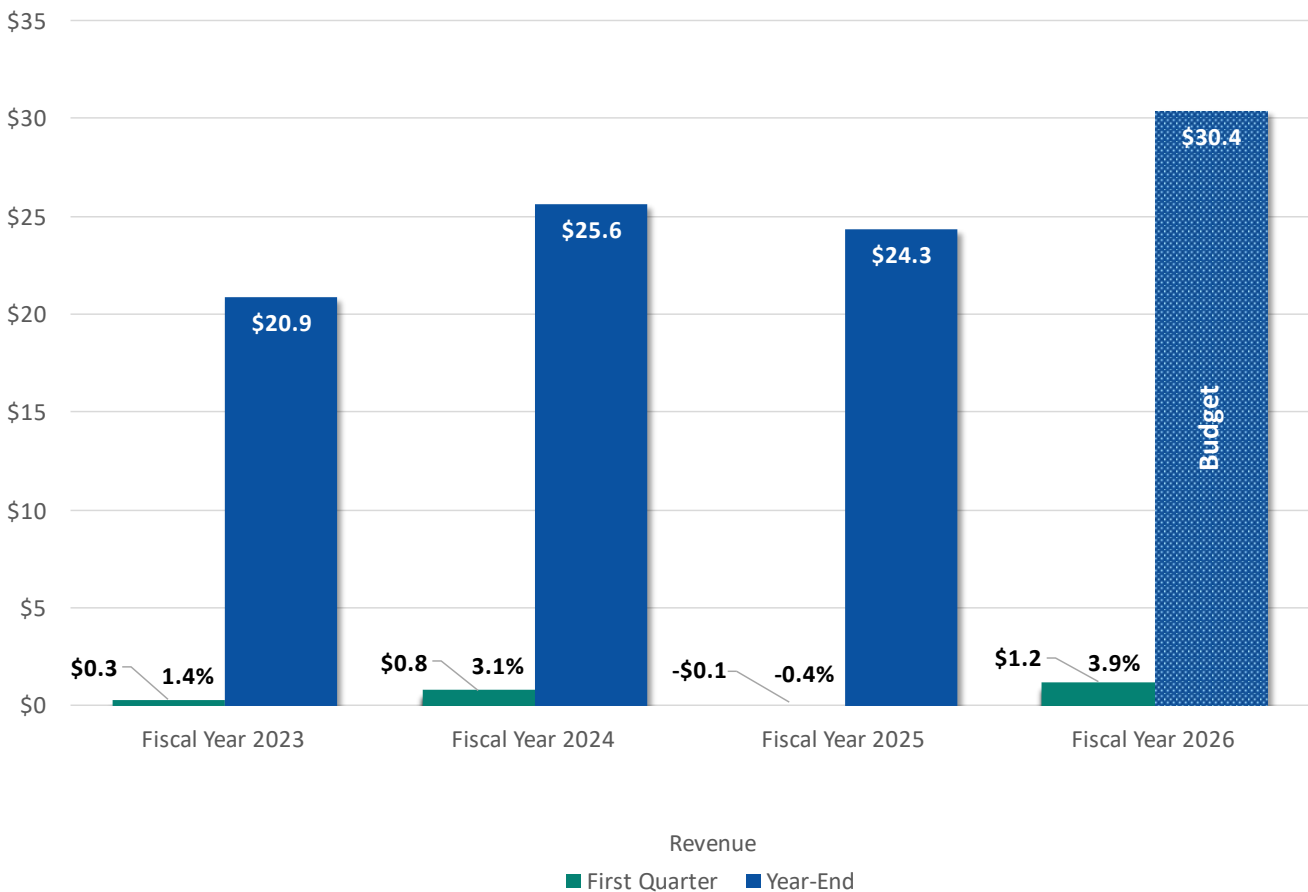
This is above the historical range when compared to the first quarter of the prior three years when collections were -0.4% to 3.1% of the final actual revenue.

While working to ensure revenue was accounted for in the correct fiscal period, accounting entries inadvertently moved funds from Fiscal Year 2025, assuming they were accrued for Fiscal Year 2024. This resulted in an overall negative revenue-to-date figure for this priority in Fiscal Year 2025. Correcting entries were made to align revenue with the appropriate fiscal year and midyear comparisons were more closely tied to trends.

Of note, various County Operations budgets that were housed in this priority area were moved to the *Delivering Efficient Public Services* priority in Fiscal Year 2023; Fiscal Years 2024 through 2026 reflect the remaining three department budgets and their respective historical data.

Developing a High-Performing Economy Four-Year Revenue Comparison

In Millions



Departmental Expenditures

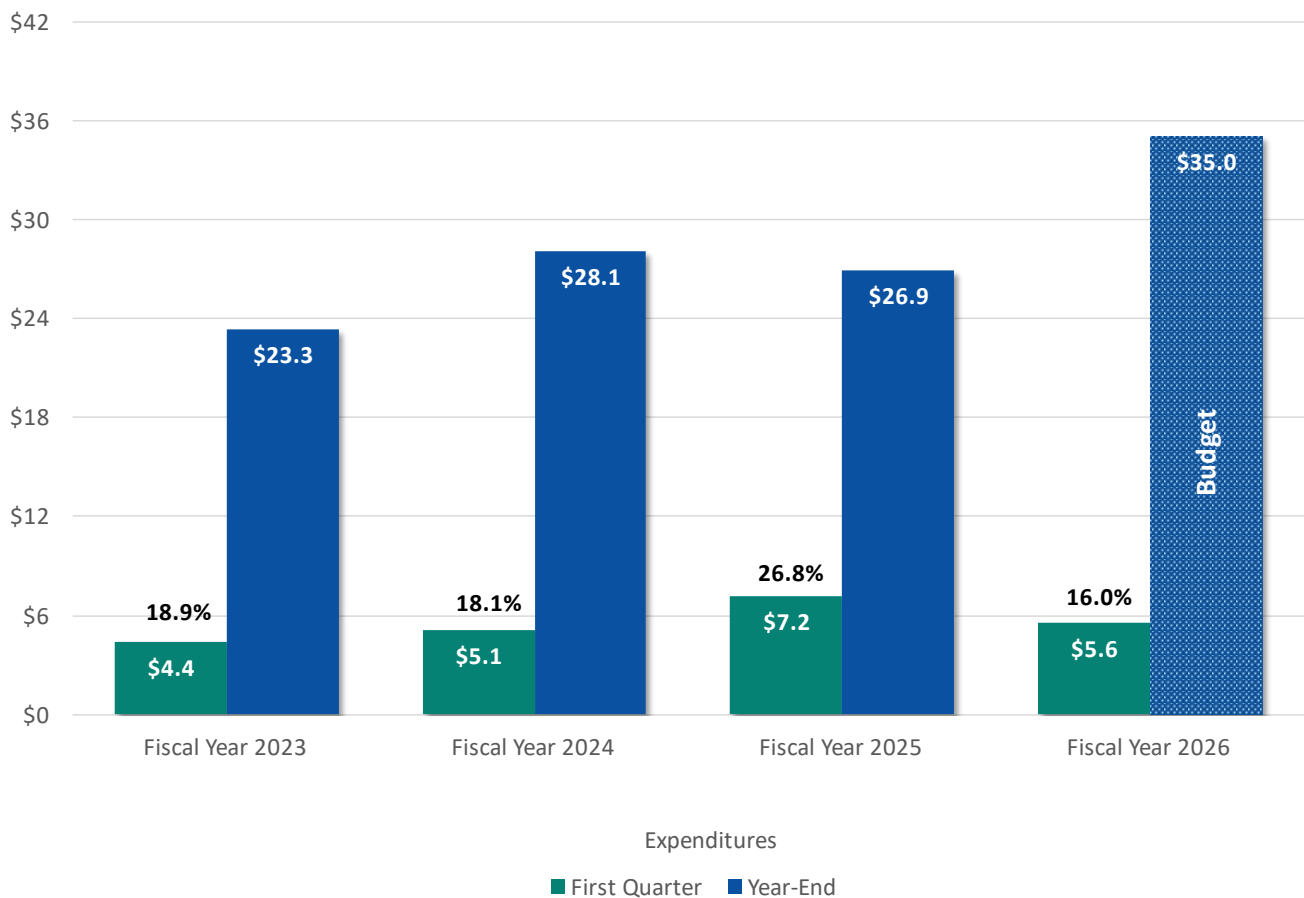
As of September 30, 2025, expenditures for this priority totaled \$5.6 million, representing 16% of the budgeted appropriations. Expenditures at the first quarter point of the prior three years ranged from 18.1% to 26.8% of the final actual expenditures, placing this year's ratio below the historical three-year range.

Workforce Development has budgeted additional funded activities for Fiscal Year 2026, increasing overall appropriations for this priority area.

As noted in the revenue section, various County Operations budgets that were housed in this priority area were moved to the *Delivering Efficient Public Services* priority in Fiscal Year 2023; Fiscal Years 2024 through 2026 reflect the remaining three department budgets and their respective historical data.

Developing a High-Performing Four-Year Expenditures Comparison

In Millions



Agricultural Commissioner

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following table identifies five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Agricultural Commissioner							
0100 AG00001 General Fund							
Total Revenue	\$4,421,759	\$4,542,989	\$4,486,140	\$4,785,937	\$5,330,290	\$5,122,409	104.06%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	5,755,419	5,968,464	6,550,273	7,205,670	7,807,642	8,672,680	90.03%
Net County Cost	\$1,333,660	\$1,425,475	\$2,064,133	\$2,419,733	\$2,477,352	\$3,550,271	69.78%

The Agricultural Commissioner's Total Revenue experienced an increase of 20.5% from Fiscal Year 2021 to Fiscal Year 2025. Total Revenue in Fiscal Years 2021 through 2023 averaged \$4.5 million. The increase in Fiscal Year 2024 is primarily due to funding received from the California Department of Pesticide Regulation for a one-time pesticide takeback disposal event. The increase in Fiscal Year 2025 is due to additional funding received from the California Department of Food and Agriculture for an emergency Glassy-Winged Sharpshooter eradication project.

The Agricultural Commissioner's Gross Costs increased by 35.7% from Fiscal Year 2021 to Fiscal Year 2025, resulting in an 85.8% increase in the use of Net County Cost. This growth is primarily driven by increased Salaries and Benefits expenditures from Fiscal Year 2022 to Fiscal Year 2024, due to the addition of two full-time staff and expenses associated with a pesticide takeback disposal event. Expenditure increases in Fiscal Year 2025 were attributed to the emergency Glassy-Winged Sharpshooter eradication project.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Agricultural Commissioner Development Fees	\$878	\$878	\$878	\$878	\$878
Total Fund Balance	\$878	\$878	\$878	\$878	\$878

Note: Table only reflects non-general fund units

Agricultural Commissioner Development Fees funds were collected for development projects in the Salida area in the 1990's, which were built out, with the last deposit to this account taking place in 2002. These per dwelling fees were to be specifically utilized to purchase Weights and Measures equipment. The Agricultural Commissioner is exploring options to transfer the remaining fund balance and close out this account.

UC Cooperative Extension

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
University of California Cooperative Extension							
0100 UC00001 General Fund							
Total Revenue	\$1,373	\$4,756	\$4,144	\$0	\$2	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	678,147	852,049	852,193	844,815	911,266	997,129	91.39%
Net County Cost	\$676,773	\$847,293	\$848,049	\$844,815	\$911,264	\$997,129	91.39%

Fiscal Years 2021 through 2023 revenues are mostly attributed to various reimbursements from the University of California (UC) for program expenses, such as mileage and copy charges. As of Fiscal Year 2024, copy charges are no longer entered as revenue, and there were no mileage reimbursements in Fiscal Years 2024 and 2025. Currently, these reimbursements are invoiced, and any deposits are placed directly into the Services and Supplies account. Gross Costs increased from Fiscal Year 2021 to Fiscal Year 2022, largely due to a full-time employee returning from leave and the conversion of one contract employee to a full-time allocated County position. Fiscal Years 2022 through 2024 remained relatively steady and included the restructuring of a full-time employee into a County co-funded UC position. Fiscal Year 2025 Gross Costs increased due to additional support from Information Technology Central (ITC), requiring the Department to reimburse ITC for services provided after assuming full responsibility for the Department's technology support services.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
UC Cooperative Extension - Farm and Home Advisors Research Trust							
1766 UC00002 Special Revenue Fund							
Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	1,805	2,387	0	0	(350)	5,000	-7.00%
Gross Costs	1,805	2,387	0	0	(350)	5,000	-7.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The University of California (UC) Cooperative Extension's Farm and Home Advisors' Research Trust is funded through donations to advisors for use in research and extension programs that promote the mission of the UC Cooperative Extension. Typically, \$5,000 is allocated per fiscal year for small purchases outside of the UC funding criteria, to support research and educational programs tailored to the needs of Stanislaus County. Some years show partial use of the allocated funding, while it is not utilized in other years. This use is often dependent on the relationship between advisor-generated funding streams (mostly grants) and work being conducted in the County. It is common to see years without any use of funds or change in balance. In Fiscal Year 2025, a \$350 donation was added to the Trust.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
UC Coop Farm and Home Advisors Research Trust	\$42,463	\$40,076	\$40,076	\$40,076	\$40,426
Total Fund Balance	\$42,463	\$40,076	\$40,076	\$40,076	\$40,426

Note: Table only reflects non-general fund units

UC Coop Farm and Home Advisors Research Trust is funded through donations to advisors for use in research and extension programs that promote the mission of the University of California (UC) Cooperative Extension. Typically, \$5,000 is allocated per fiscal year for small purchases outside of the UC funding criteria, to support research and educational programs tailored to the needs of Stanislaus County. Fund balance decreases in some years but is not utilized in other years. This use is often dependent on the relationship between advisor-generated funding streams (mostly grants) and work being conducted in the County. It is common to see years without any change in fund balance. In Fiscal Year 2025, a \$350 donation was added to the Trust's fund balance.

Workforce Development

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior year actuals to the prior year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Workforce Development							
1320 WD00001 Special Revenue Fund							
Total Revenue	\$9,247,486	\$8,643,833	\$10,856,976	\$14,306,248	\$12,083,535	\$21,964,127	55.01%
Use of Fund Balance	(405,175)	(319,015)	(795,868)	(380,556)	(604,350)	2,084,822	-28.99%
Gross Costs	8,842,311	8,397,625	10,061,108	13,925,692	11,479,186	24,048,949	47.73%
Net County Cost	\$0	\$72,807	\$0	\$0	\$0	\$0	0.00%

Workforce Development's budget is based on Federal and State reimbursement funding. The steady increase in Total Revenue and Gross Costs is due to multiple new grants awarded in Fiscal Years 2023 through 2024. The decrease in Total Revenue and Gross Costs for Fiscal Year 2025 are due to decreases to grant funding and rollover of program funding being fully implemented in Fiscal Year 2026. Actual Total Revenue increased 30.7% from Fiscal Year 2021 to Fiscal Year 2025, while Gross Costs increased 29.8% over the same period. In Fiscal Year 2022, Workforce Development received Net County Cost for COVID One-Time Recovery Payments for full-time County employees required to work between April 2020 and June 2021.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Workforce Development Welfare to Work							
1317 WD00002 Special Revenue Fund							
Total Revenue	\$5,768,942	\$5,737,723	\$5,575,625	\$6,517,348	\$6,930,418	\$7,814,573	88.69%
Use of Fund Balance	0	(3,349)	306,491	(344,784)	(234,519)	227,938	-102.89%
Gross Costs	5,768,942	5,753,516	5,882,116	6,172,564	6,695,899	8,042,511	83.26%
Net County Cost	\$0	\$19,143	\$0	\$0	\$0	\$0	0.00%

Workforce Development's Welfare to Work budget is based on Federal and State reimbursement funding. In Fiscal Years 2021 to 2024, a Good Cause Waiver was in effect, decreasing the number of clients being referred for services, leading to reduced Total Revenue and Gross Costs. In Fiscal Year 2022, the Department did receive Net County Cost for COVID One-Time Recovery Payments for full-time County employees required to report to work between April 2020 and June 2021. The use of fund balance in Fiscal Year 2023 was due to the identification of costs after year-end close that were subsequently changed in Fiscal Year 2024. In Fiscal Year 2025, Total Revenue and Gross Costs increased due to increased referrals for services. The use of and contribution to fund balance are due to timing of year-end costs.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Workforce Development	\$5,623,402	\$5,942,417	\$6,738,285	\$7,118,841	\$7,723,191
Workforce Development Welfare to Work	7,045	10,395	(296,097)	48,687	283,206
Total Fund Balance	\$5,630,447	\$5,952,812	\$6,442,188	\$7,167,528	\$8,006,397

Note: Table only reflects non-general fund units

Workforce Development fund balance has steadily increased due to the availability of funds for services provided to Temporary Assistance for Needy Families (TANF) participants. The Department intends to use these funds for anticipated costs for new facility projects or to offset any potential decreases in grant funding.

Workforce Development Welfare to Work fund balance increased in Fiscal Year 2022, due to proceeds received from a lawsuit settlement. Some costs for Fiscal Year 2023 were identified after year-end close, and reimbursements were completed in Fiscal Year 2024, requiring the use of Fund Balance in Fiscal Year 2023.

PROMOTING LIFELONG LEARNING



Library

Promoting Lifelong Learning

Priority Overview

The Department that makes up the Board of Supervisors' priority *Promoting Lifelong Learning* is the Library. The Department serves members of the community and provides valuable services to local agencies and other County departments.

The Library is responsible for implementing *Promoting Lifelong Learning* opportunities for all residents to advance community and individual prosperity. The Stanislaus County Library builds community by creating opportunities and providing resources for connection, learning, exploration and innovation. The Library offers early literacy programs for children, basic literary services to adults, and outreach services beyond the physical walls of libraries, including online e-resources and community outreach activities such as home delivery service for customers who are unable to come to the Library due to advanced age, injury, or illness. The Library also offers unique services such as passport application processing.

The Library is primarily funded by a voter-approved 1/8-cent sales tax to support Library operations. The voter-approved 1/8-cent sales tax was extended for 12 years when Measure S passed in the November 7, 2017, election. In Fiscal Years 2023 and 2024, the Library budget was significantly increased each year by \$3.5 million, with the implementation of Building Community Services Investment (BCSI) General Fund support to address various needs in the library system as part of an organization-wide three-year strategic initiative totaling \$10 million for libraries. In Fiscal Year 2025, the Library received the final \$3 million distribution of BCSI funds. The investment supports targeted projects which will directly contribute to the local quality of life, community wellness, and strategic facility planning.

Recommendations contained in this report do not result in any budget adjustments for the Department *Promoting Lifelong Learning*.

The Library is on track to end the year within budget and in a positive fiscal position.

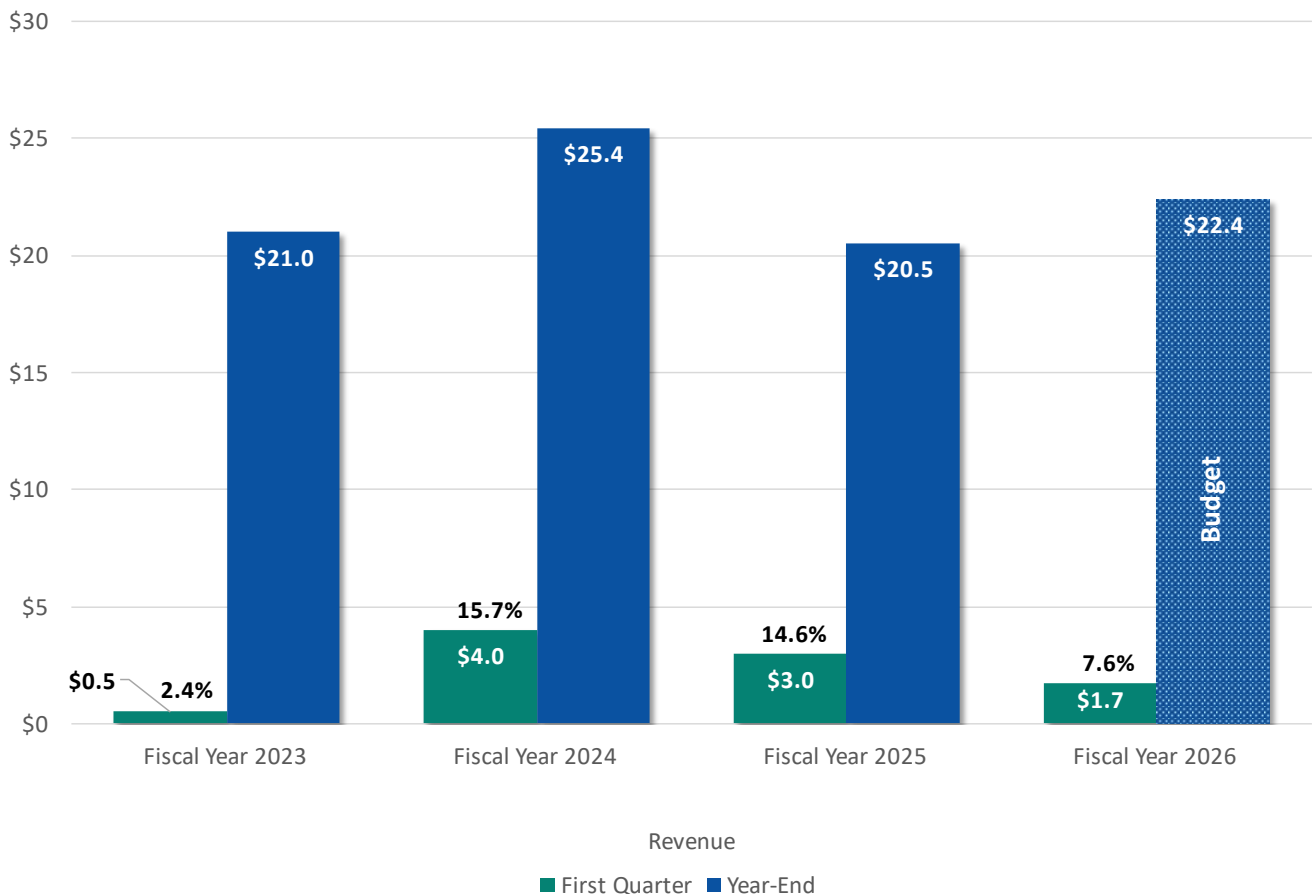
Departmental Revenue

As of September 30, 2025, actual revenue collected for the Department supporting the Board of Supervisors' priority area of *Promoting Lifelong Learning* totaled \$1.7 million, representing 7.6% of the estimated annual revenue. This performance is consistent with historical first-quarter trends, which have ranged from 2.4% to 15.7% of final actual revenue over the past three fiscal years. Notably, Fiscal Year 2023 experienced unusually low first-quarter revenue due to delays in tax revenue postings associated with the implementation of Oracle Cloud. These delays were resolved by year-end, and revenue collections normalized.

In Fiscal Year 2025, State funding through the Library Services and Technology Act (LSTA) was reduced by 50%, with reductions expected to stay in place for Fiscal Year 2026, potentially becoming permanent. LSTA funding is used by the regional library consortium to provide interlibrary loan funds through the Link+ system. Fiscal Year 2025 also saw Federal funding cuts, as the Institute of Museum and Library Services (IMLS) cancelled all grants moving forward. While some grants have since been partially reinstated, the initial cancellation led to the elimination or reduction of several key services, including professional development opportunities, e-books, and audiobooks.

Promoting Lifelong Learning Four-Year Revenue Comparison

In Millions



Departmental Expenditures

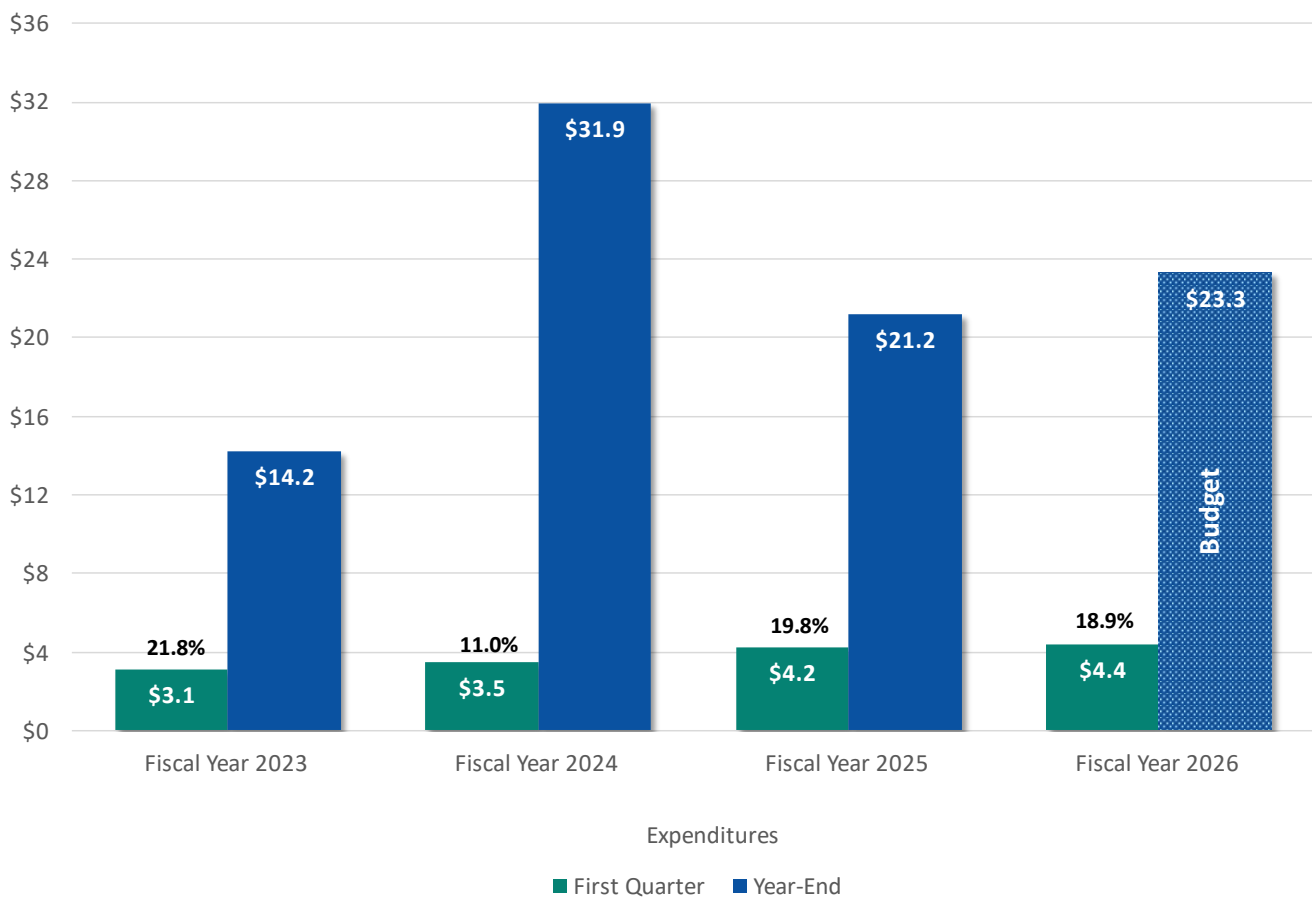
As of September 30, 2025, total expenditures for the Department budget supporting the Board of Supervisors' priority area of *Promoting Lifelong Learning* total \$4.4 million, representing 18.9% of budgeted appropriations. This is consistent with historical first-quarter trends, which have ranged from 11% to 21.8% of final actual expenditures over the past three fiscal years.

The Library's budget experienced a significant increase of \$17.7 million in Fiscal Year 2024, reflecting strategic investments in infrastructure and services, including \$7 million to support years one and two of the Building Community Services Investment (BCSI) initiative, \$4.9 million from the Library Building Forward Grant, and in Fiscal Year 2025, an additional \$3 million representing the final installment of the three-year, \$10 million BCSI commitment.

The Library has experienced increases to Cost Allocation Plan (CAP) charges from Fiscal Year 2023 to Fiscal Year 2026, with current-year estimates totaling \$3.3 million, a 135.5% increase from Fiscal Year 2023, primarily attributed to increased insurance, building maintenance, and Information Technology Central support costs.

Promoting Lifelong Learning Four-Year Expenditures Comparison

In Millions



Library

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following table identifies five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Library							
1651 LIB0001 Special Revenue Fund							
Total Revenue	\$15,215,397	\$16,580,873	\$16,339,680	\$20,988,971	\$16,698,914	\$19,626,897	85.08%
Use of Fund Balance	(3,882,408)	(3,698,676)	(6,722,839)	6,556,107	594,734	3,246,634	18.32%
Gross Costs	11,824,799	13,461,901	14,233,651	31,911,888	21,160,458	26,740,341	79.13%
Net County Cost	\$491,810	\$579,704	\$4,616,810	\$4,366,810	\$3,866,810	\$3,866,810	100.00%

The Library's Total Revenue increased by \$4.6 million from Fiscal Year 2023 to Fiscal Year 2024, as a result of receiving the first installment of nearly \$5 million of the \$9.9 million State Library Building Forward Grant, approved by the Board of Supervisors on October 31, 2023 (Board Resolution 2023-0565). Fiscal Year 2025 Total Revenue decreased by 20.4%, realigning with Total Revenue trends from Fiscal Years 2021 through 2023.

The Library utilized \$6.5 million in fund balance for the Modesto and Salida Library Improvement Projects.

Gross Costs averaged \$13.2 million from Fiscal Year 2021 to Fiscal Year 2023. In Fiscal Year 2024, Gross Costs increased to \$31.9 million, due to a \$15 million transfer to the Modesto Library Tenant Improvement Project capital project fund. Fiscal Year 2025 Gross Costs decreased by 33.7% from Fiscal Year 2024, reflecting a regression to the norm.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Library	\$9,935,933	\$13,634,609	\$20,357,448	\$13,801,341	\$13,206,607
Total Fund Balance	\$9,935,933	\$13,634,609	\$20,357,448	\$13,801,341	\$13,206,607

Note: Table only reflects non-general fund units

Library fund balance increased significantly from Fiscal Years 2021 to 2023, due to increased sales tax revenue driven by pandemic-related stimulus spending. During this time, service levels declined, reducing operational costs. In Fiscal Years 2023 and 2024, the Library received a total \$7 million of the allotted \$10 million Building Community Services Investment (BCSI) General Fund investment and nearly \$5 million of the \$9.9 million Building Forward Grant for the Modesto Library Improvement Project. In Fiscal Year 2025, the Library received the final \$3 million BCSI allocation.

However, the Library's fund balance decreased by \$6.5 million in Fiscal Year 2024 due to transfers out to the Salida and Modesto Libraries Tenant Improvement Capital Project Funds.

DELIVERING EFFICIENT PUBLIC SERVICES



Assessor

Auditor-Controller

Board of Supervisors

Chief Executive Office

CEO-HR

Clerk-Recorder

County Counsel

County Operations

General Services Agency

Information Technology Central

Treasurer-Tax Collector



Delivering Efficient Public Services

Priority Overview

Efficiency is a critical element in the effective operation of government agencies and allows for the sustained provision of valuable services to the community. County departments provide a multitude of services to a diverse customer base and these customers expect the government to be responsive to their needs. County departments must work to understand these needs and determine how best to provide the desired services. Customer feedback is a valuable source of insight in this process and encourages departments to remain focused on continuous improvement.

Departments assigned to the Board of Supervisors' priority area of *Delivering Efficient Public Services* include the Assessor, Auditor-Controller, Board of Supervisors, Chief Executive Office, CEO – Human Relations, Clerk-Recorder, County Counsel, County Operations budgets, General Services Agency, Information Technology Central, and Treasurer-Tax Collector. These departments serve members of the community while also providing valuable services to local agencies and other County departments. The revenue used to pay for many of these services comes from local taxes such as property tax, sales tax, various fees, franchises, charges for services, and a variety of other discretionary funding sources.

Recommendations contained in this report will decrease appropriations by \$1.5 million, increase revenue by \$1.9 million, and decrease Net County Cost by \$3.5 million for departments *Delivering Efficient Public Services*.

Departments within this priority are on track to end the year within budget and in a positive fiscal position.

Departmental Revenue

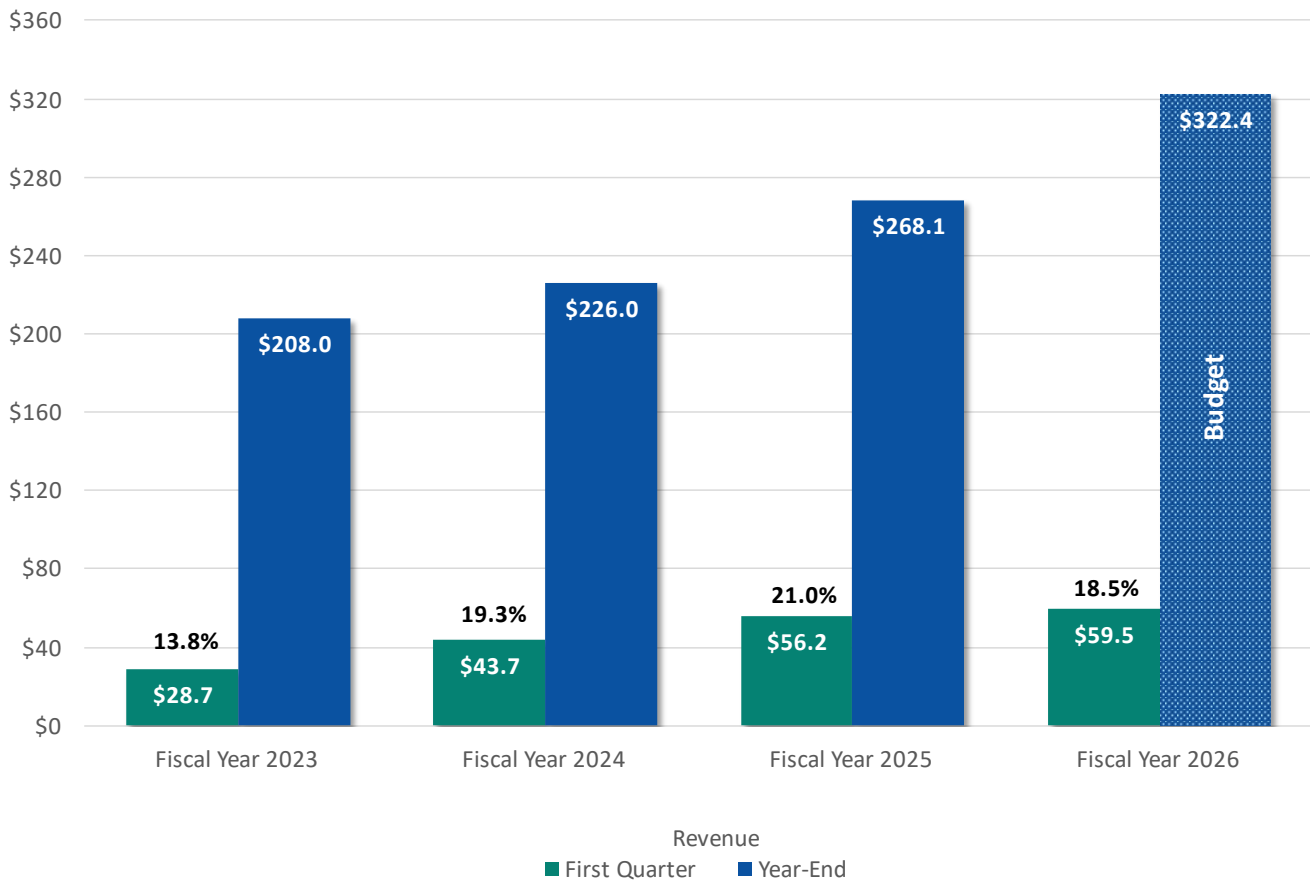
For the department budgets that make up the Board of Supervisor's *Delivering Efficient Public Services* priority area, the actual revenue collected as of September 30, 2025, totaled \$59.5 million, which represents 18.5% of the estimated annual revenue. This is within the historical range when compared to the first quarter point of the previous three years when collections ranged from 13.8% to 21% of the final actual revenue.

The timing of Cost Allocation Plan (CAP) charges was impacted by the implementation of the Enterprise Resource Planning (ERP) system conversion in Fiscal Year 2023. Since standard processes have resumed, Fiscal Year 2026 actual revenue is following historical patterns.

Of the \$59.5 million of Fiscal Year 2026 actual revenue to date, \$10 million is undistributed interest pooled in the Treasurer-Tax Collector – Treasury budget pending allocation to departments, which in previous years was housed in a unique fund outside of the Treasury; this shift in allocation timing is ongoing.

Delivering Efficient Public Services Four-Year Revenue Comparison

In Millions

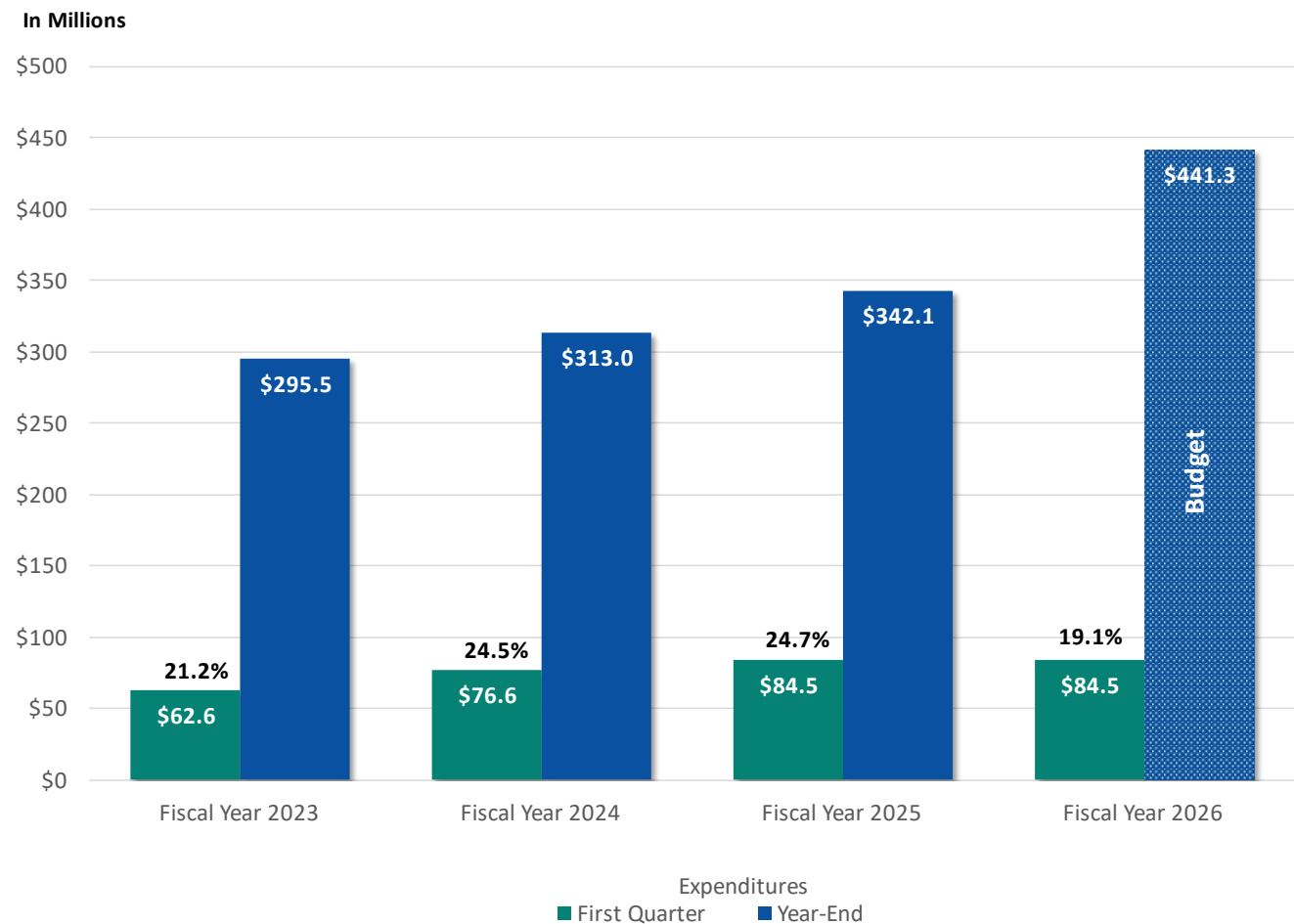


Departmental Expenditures

As of September 30, 2025, expenditures in this Board priority area totaled \$84.5 million, representing 19.1% of appropriations budgeted for the year. Expenditures at the first quarter point of the previous three fiscal years ranged from 21.2% to 24.7% of the final actual expenditures, placing this year outside the historical range.

Expenditures have not increased over the previous fiscal year. However, the Fiscal Year 2026 budget is significantly higher than prior year actuals, primarily due to a \$60.5 million increase allocated to support the American Rescue Plan Act (ARPA), and a \$24.6 million increase allocated to support the Crows Landing Industrial Business Park (CLIBP). Many of these project costs were originally anticipated in earlier fiscal years but were delayed due to the nature of construction projects, which often rely on optimistic timelines and experience schedule shifts. Excluding these project expenses, the Fiscal Year 2026 budget would stand at \$356.2 million, bringing the actuals-to-budget ratio within an acceptable range of 23.7%.

Delivering Efficient Public Services Four-Year Expenditures Comparison



Assessor

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior year actuals to the prior year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Assessor							
0100 ASR0001 General Fund							
Total Revenue	\$1,416,365	\$1,386,744	\$1,669,633	\$1,627,589	\$1,893,980	\$1,422,752	133.12%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	6,854,142	7,959,786	7,967,649	9,503,449	9,806,301	10,163,434	96.49%
Net County Cost	\$5,437,777	\$6,573,042	\$6,298,016	\$7,875,860	\$7,912,321	\$8,740,682	90.52%

The Department's primary revenue source is the Property Tax Administration Fee (PTAF) cost recovery program, which reimburses counties for the costs associated with administering property taxes. These funds are distributed among the Assessor's Office, Auditor-Controller's Office, Clerk of the Board (Assessment Appeals Board), and the Treasurer-Tax Collector's Office. Allocation is based on each department's proportion of administrative costs. The actual amount received is influenced by fluctuations in the real estate market and the prior year's reported departmental expenditures. For details on the Auditor's Fiscal Year 2025 calculation, refer to Resolution 2025-03000.

In Fiscal Years 2022 and 2023, Gross Costs were unusually low due to a high vacancy rate within the Department. The Assessor's Office faced significant staffing challenges in Fiscal Year 2023, beginning the year with a 12% vacancy rate, with several positions remaining unfilled for nearly half the year. By midyear, the vacancy rate had improved to 10%, and by year-end, it had decreased to 7%. In contrast, Fiscal Year 2024 concluded with a 0% vacancy rate – a notable achievement reflecting successful recruitment and retention efforts.

Salaries and Benefits continue to represent the majority of the Department's Gross Costs. Year-over-year increases in these costs and interfund charges have generally aligned with inflation. However, Information Technology Central (ITC) services have been a notable exception, with increased costs driven by maintenance contracts, service agreements, and the adoption of new technologies – a trend observed Countywide.

In Fiscal Year 2022, the Department piloted a deed-reading software program using one-time funds from Performance Visioning Carryover Savings (PVCS). This pilot concluded with the expiration of those funds. Additionally, in Fiscal Year 2024, approximately \$442,000 allocated for the Department's counter remodel was transferred to the General Service Agency's Capital Project budget. These expenditures are considered one-time costs and do not reflect a continuing trend.

Gross Costs for Fiscal Year 2025 reflect a stabilized vacancy rate and strategic technology enhancements, positioning the Department for long-term operational efficiency and resilience.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Assessor State Grants							
172A ASR0002 Special Revenue Fund							
Total Revenue	\$100,000	\$0	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	(40,000)	120,000	222,500	118,151	124,040	124,500	99.63%
Gross Costs	110,000	120,000	222,500	118,151	124,040	124,500	99.63%
Net County Cost	\$50,000	\$0	\$0	\$0	\$0	\$0	0.00%

The Assessor State Grants budget unit was established in Fiscal Year 2019. This funding was intended to support County Assessors through the California Department of Finance's 2018 State Supplementation for County Assessor's Program, as approved by Board Resolution 2018-0433.

The State Grant of \$570,000 was issued in three installments, with the final installment in Fiscal Year 2021. The program required a 50% local match, resulting in a Net County Cost of \$50,000 in Fiscal Year 2021 for the final allocation year.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Assessor State Grants	\$635,000	\$515,000	\$292,500	\$174,349	\$50,309
Total Fund Balance	\$635,000	\$515,000	\$292,500	\$174,349	\$50,309

Note: Table only reflects non-general fund units

Revenue from the Assessor State Grants fund was allocated for the acquisition of a new valuation tool and related costs to support the appraisal of commercial and industrial properties, leading to improved efficiencies. Although the implementation of the program was delayed due to COVID-19, it is now fully operational.

The total Assessor State Grant amounted to \$570,000, with a 50% local match of \$285,000, bringing the total funding to \$855,000. The fund balance has been used to cover system completion, benchmarking, and ongoing maintenance costs.

At 2026 Proposed Budget, the ongoing maintenance support was incorporated into the Department's base budget. Ongoing maintenance costs supported by General Fund dollars were approved in a previous agenda item (Board Resolution 2018-0433).

Auditor-Controller

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Auditor-Controller							
0100 AC00001 General Fund							
Total Revenue	\$3,291,049	\$2,788,349	\$2,650,611	\$3,547,825	\$3,761,187	\$4,027,945	93.38%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	4,783,587	4,225,402	4,462,840	5,444,456	6,123,268	6,713,652	91.21%
Net County Cost	\$1,492,538	\$1,437,053	\$1,812,229	\$1,896,631	\$2,362,080	\$2,685,707	87.95%

In the past few fiscal years, revenue has fluctuated with a significant increase in Fiscal Year 2024. Auditor-Controller's revenue is generated through its Cost Allocation Plan (CAP), where expenses such as staffing are allocated to various departments. Fluctuations in staffing levels directly impact the amount of CAP revenue the Auditor-Controller's office receives. The decrease in revenue during Fiscal Years 2022 and 2023 was primarily due to staff time being allocated to the Enterprise Resource Planning (ERP) project, resulting in reduced CAP revenue for those years.

Similarly, expenditures have significantly increased in the past three fiscal years due to salaries and benefits no longer being allocated to the ERP project. Despite staffing shortages, the Auditor-Controller's Office has incurred additional costs related to overtime, temporary agency staff, and part-time extra help.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Auditor-Controller Enterprise Resource Planning							
5401 AC00004 Internal Service Fund							
Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	(367,377)	(3,333,994)	2,885,049	268,755	240,000	1,211,696	19.81%
Gross Costs	262,623	2,956,101	2,901,135	268,755	240,000	1,211,696	19.81%
Net County Cost	\$630,000	\$6,290,095	\$16,086	\$0	\$0	\$0	0.00%

This budget was established to implement the Oracle Cloud Financial Management System (FMS). The County successfully implemented the new FMS in October 2022 and launched the Budget Module in March 2023, supported by Net County Cost. The County continues to collaborate with its system integrator, Application Software Technologies (AST), for post-implementation services aimed at enhancing system performance, functionality, and reporting capabilities. Fund balance will be allocated to cover the remaining term of the AST contract through June 2027.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Auditor-Controller Enterprise Resource Planning	\$695,523	\$4,029,516	\$933,621	\$664,867	\$424,867
Total Fund Balance	\$695,523	\$4,029,516	\$933,621	\$664,867	\$424,867

Note: Table only reflects non-general fund units

An Internal Service Fund (ISF) was created for the ERP project in the 2020 Midyear Budget to track costs associated with the multi-year Enterprise Resource Planning (ERP) project.

The County successfully implemented the new FMS in October 2022 and launched the Budget Module in March 2023. The County continues to collaborate with its system integrator, AST, for post-implementation services aimed at enhancing system performance, functionality, and reporting capabilities. The existing fund balance will be allocated to cover the remaining term of the AST contract through June 2027.

Staffing Recommendation: A request to study six Confidential Assistant III positions was submitted by the Department and recommended for study in the 2026 Adopted Budget. The study has been completed, concluding with a recommendation to create a new classification of Auditing Payroll Specialist designated for the Auditor-Controller's Office with a salary range of \$26.12 - \$39.18 per hour. The new classification will be considered unrepresented confidential employees for labor relations purposes, Bargaining Unit 2. It is also recommended to reclassify six Confidential Assistant III positions to Auditing Payroll Specialists.

Board of Supervisors

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following table identifies five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Board of Supervisors							
0100 BOS0001 General Fund							
Total Revenue	\$65,642	\$65,558	\$62,856	\$63,207	\$79,874	\$71,022	112.46%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	1,295,375	1,357,029	1,577,202	1,804,851	1,866,354	2,172,833	85.89%
Net County Cost	\$1,229,733	\$1,291,471	\$1,514,346	\$1,741,644	\$1,786,480	\$2,101,811	85.00%

Revenue returned to prior fiscal year levels after taking a 4.1% decrease in Fiscal Year 2023. In Fiscal Year 2025, revenue increased by 26%, primarily due to higher audit charges resulting from additional work on the County's Fiscal Year 2023 Annual Comprehensive Financial Report (ACFR). Overall costs have risen an average of 9.7% annually, requiring additional Net County Cost support. These increases reflect standard cost-of-doing-business adjustments, filling vacant positions, the return of Board travel post COVID-19, the old Minute Books restoration project, and the cubicle remodel project.

Chief Executive Office - Administration

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following table identifies five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Chief Executive Office - Administration							
0100 CEO0001 General Fund							
Total Revenue	\$3,766,628	\$2,974,899	\$3,386,339	\$3,859,111	\$3,845,745	\$3,906,492	98.44%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	7,715,393	7,109,210	7,724,719	9,275,808	9,117,882	10,123,192	90.07%
Net County Cost	\$3,948,764	\$4,134,311	\$4,338,381	\$5,416,697	\$5,272,137	\$6,216,700	84.81%

The Chief Executive Office (CEO) provides centralized leadership and administrative oversight for County operations and is generally budgeted with approximately 40% revenue from the County's Cost Allocation Plan (CAP) and 60% Net County Cost (NCC). In Fiscal Year 2021, costs included a transfer to the CEO-Human Relations budget to support a departmental reorganization, along with COVID-related expenditures funded through Coronavirus Relief Funds, which were discontinued in 2022. Over the subsequent four-year period, the Department experienced an overall increase of approximately 28%–29% in costs, revenue, and Net County Cost (NCC), reflecting rising expenses in salaries, benefits, supplies, and overhead. A multi-year remodeling project beginning in Fiscal Year 2024 contributed to a temporary increase in departmental costs and NCC for the last two years of the reporting period.

First Quarter Issues and Recommendations

Staffing Recommendation: In 2025, the Department submitted an off-cycle request to study the organizational need for a Chief Financial Officer. The study has been completed, concluding with a recommendation to create a new classification of Chief Financial Officer to lead the development and management of the overall County budget, including fiscal processes and long-term financial projections. The salary range will be \$68.65 - \$102.97 per hour with department head-level benefits. For labor relations purposes, this classification will be designated as Bargaining Unit 1-Department Head. It is also recommended to reclassify one existing Deputy Executive Officer position to Chief Financial Officer. To ensure a cost neutral impact of this reclassification, a corresponding recommendation has been included within the Chief Executive Office – Human Relations Budget Unit to downgrade one Deputy Executive Officer position to Assistant Director.

Chief Executive Office – Human Relations

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Chief Executive Office - Human Relations							
0100 HR00001 General Fund							
Total Revenue	\$2,620,058	\$3,569,183	\$4,420,068	\$4,928,461	\$5,306,648	\$5,467,366	97.06%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	4,506,298	5,557,505	6,491,991	7,454,737	8,231,954	8,910,550	92.38%
Net County Cost	\$1,886,240	\$1,988,322	\$2,071,922	\$2,526,276	\$2,925,306	\$3,443,184	84.96%

Over the past four years, staffing has increased by 17 positions to better align with workload demands, while costs have risen due to higher salaries, benefits, supplies, and overhead. Revenue from the County's Cost Allocation Plan (CAP), has grown alongside these expenses, helping reduce reliance on Net County Cost, which has decreased from 41.9% to 35.5% of Gross Costs through improved efficiencies.

First Quarter Issues and Recommendations

Staffing Recommendation: To keep the cost neutral with the creation of the new Chief Financial Officer classification, it is recommended to reclassify downward and right-size one underfilled Deputy Executive Officer position to Assistant Director.

Clerk-Recorder

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior year actuals to the prior year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Clerk-Recorder							
0100 CLK0001 General Fund							
Total Revenue	\$3,703,318	\$3,303,000	\$2,360,231	\$1,990,751	\$2,180,713	\$2,028,150	107.52%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	3,127,425	3,801,346	3,718,088	3,735,099	3,336,279	3,816,017	87.43%
Net County Cost	(\$575,893)	\$498,346	\$1,357,857	\$1,744,348	\$1,155,566	\$1,787,867	64.63%

The Clerk-Recorder budget unit experienced an average annual revenue decline of 18% between Fiscal Year 2021 and 2024, primarily due to the downturn in the housing market. In Fiscal Year 2025, revenue increased by 9.5%, reflecting a modest rebound in property sales and recording fee activity. Forecasting revenue for the Clerk-Recorder remains challenging, as it is closely tied to fluctuations in the housing market. While Gross Costs have remained relatively stable, the increase in revenue reduced the Net County Cost impact by 34%.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Clerk-Recorder Elections							
0100 CLK0002 General Fund							
Total Revenue	\$2,625,676	\$2,246,090	\$1,647,955	\$913,321	\$2,225,153	\$1,540,285	144.46%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	5,145,561	5,033,182	4,833,723	5,165,981	6,162,353	6,782,039	90.86%
Net County Cost	\$2,519,885	\$2,787,092	\$3,185,768	\$4,252,661	\$3,937,200	\$5,241,754	75.11%

The Clerk-Recorder Elections revenue fluctuates annually based on the type and number of elections held. Years with Statewide or national elections typically generate higher revenue, while off-cycle years' experience lower activity (e.g., the Presidential General Election in Fiscal Year 2025). Although Gross Costs have remained relatively stable, they are influenced by the election cycle, which drives staffing levels, operational expenses, and vendor costs. As a result, Net County Cost utilization varies accordingly, increasing in high-election years and decreased in lower-activity years.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Clerk-Recorder Modernization							
1723 CLK0004 Special Revenue Fund							
Total Revenue	\$1,242,904	\$1,010,961	\$513,296	\$465,462	\$520,484	\$475,000	109.58%
Use of Fund Balance	115,567	(199,251)	(2,173)	328,441	379,233	917,704	41.32%
Gross Costs	1,358,471	811,709	511,123	793,903	899,717	1,392,704	64.60%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Clerk-Recorder Modernization fund has experienced a downward revenue trend in recent years. In Fiscal Year 2025, revenues increased slightly, reflecting higher collections within the Clerk-Recorder budget unit, as this fund is primarily supported by a portion of property recording fees. Gross Costs have fluctuated due to necessary software investments for modernizing division equipment, as well as increases in salary and labor allocations.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Clerk-Recorder Vital and Health Statistics							
1786 CLK0005 Special Revenue Fund							
Total Revenue	\$63,719	\$74,274	\$79,285	\$75,413	\$83,441	\$56,650	147.29%
Use of Fund Balance	54,963	(12,863)	(61,838)	(16,931)	(50,347)	(1,650)	3051.31%
Gross Costs	118,682	61,411	17,448	58,481	33,094	55,000	60.17%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Clerk-Recorder Vital and Health Statistics fund has shown a consistent upward trend in Total Revenue, driven primarily by steady demand for certified copies of vital records. Gross Costs have fluctuated year over year, with the decrease from Fiscal Year 2024 to Fiscal Year 2025 attributed to lower software maintenance costs.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Clerk-Recorder Modernization	\$2,274,574	\$2,473,826	\$2,475,998	\$2,147,557	\$1,768,324
Clerk-Recorder Vital and Health Statistics	486,017	498,881	560,718	577,650	627,996
Total Fund Balance	\$2,760,592	\$2,972,706	\$3,036,717	\$2,725,207	\$2,396,320

Note: Table only reflects non-general fund units

Clerk-Recorder Modernization – This fund is supported by a portion of property recording fees. Stanislaus County continues to experience a below-average housing market, resulting in reduced revenues within the Clerk-Recorder budget and a continued decline in the Modernization fund balance. Lower revenues, coupled with ongoing salary cost distributions, are expected to place additional pressure on the fund. It is anticipated that potential interest rate reductions and an increase in housing inventory could stimulate home sales and help stabilize future revenue levels.

Clerk-Recorder Vital and Health Statistics – This fund is supported by a portion of certified copy fees. The fund balance has shown consistent growth each year, driven by the steady demand for certified copies of vital records. This positive trend is expected to continue in future years.

First Quarter Issues and Recommendations

Statewide Special Election – It is recommended to increase appropriations and revenue by \$1.6 million for the November 2025 Statewide Special Election, which asked California voters to approve Proposition 50, a

constitutional amendment proposing to replace the independent congressional redistricting process with a legislature-drawn map for the 2026-2030 election cycles.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/ General Fund Contribution	Description
Clerk-Recorder Elections	\$1,592,116	\$1,592,116	\$0	\$0	Increase appropriations and revenue for November 2025 Statewide Special Election.
Total	\$1,592,116	\$1,592,116	\$0	\$0	

Recommendation: It is recommended to increase appropriations and revenue by \$1.6 million.

County Counsel

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Counsel							
0100 CC00001 General Fund							
Total Revenue	\$2,204,442	\$2,307,046	\$2,493,145	\$2,799,968	\$2,817,467	\$3,107,724	90.66%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	3,761,628	4,284,154	4,653,913	4,826,310	4,969,058	5,898,953	84.24%
Net County Cost	\$1,557,186	\$1,977,108	\$2,160,767	\$2,026,341	\$2,151,592	\$2,791,229	77.08%

County Counsel has experienced moderate consistent growth of Net County Cost over the five years between Fiscal Year 2021 and Fiscal Year 2025. General Fund usage does not directly correlate with number of department staff or overall expenditures, rather the type of casework performed. County Counsel charges non-General Fund Departments for hours worked through the monthly Cost Allocation Plan (CAP) facilitated by the Auditor-Controller's Office. General Fund departments do not receive a monthly charge. The percentage of total hours spent on General Fund departments each month is the variable factor that determines County Counsel's need for Net County Cost.

During this five-year span, County Counsel added four additional staff, two of which conduct billable casework, therefore, increasing the total number of billable hours generated by County Counsel on an annual basis. Total Revenue, Gross Costs and Net County Cost all trend upwards at a 28%-38% growth rate from Fiscal Year 2021 to Fiscal Year 2025. Fiscal Year 2025 Gross Costs actuals are under budget due to vacancies and resulting salary savings.

First Quarter Issues and Recommendations

Labor Increase – It is recommended to increase appropriations by \$109,910, funded with \$65,946 in estimated revenue and \$43,964 in Net County Cost, to support negotiated labor increases (Board Resolution 2025-0409).

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/ General Fund Contribution	Description
County Counsel	\$65,946	\$109,910	\$0	\$43,964	Increase appropriations to support negotiated labor increases.
Total	\$65,946	\$109,910	\$0	\$43,964	

Recommendation: It is recommended to increase appropriations by \$109,910, funded with \$65,946 in estimated revenue and \$43,964 in Net County Cost.

County Operations

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Airport							
0100 CO00006 General Fund							
Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	180,000	267,243	0	264,180	339,225	339,225	100.00%
Net County Cost	\$180,000	\$267,243	\$0	\$264,180	\$339,225	\$339,225	100.00%

The Airport budget funds improvements at the Modesto City/County Airport using revenue received from aircraft taxes. The revenue received is transferred to the City of Modesto for improvements to the facility including airplane hangar maintenance, installation of fire suppression systems, and security improvements. Prior to Fiscal Year 2023, the revenue was transferred to Modesto in the same year it was received. This practice required a “true-up” after each fiscal year to ensure the amount transferred to Modesto matched the actual revenue collected. To eliminate the need to “true-up” annually, a process change was implemented in Fiscal Year 2023 to transfer the actual revenue to Modesto in the following fiscal year. Fluctuations in this budget correlate with the amount of aircraft taxes received in Discretionary Revenue.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - American Rescue Plan Act (ARPA)							
1676 CO00030 Special Revenue Fund							
Total Revenue	\$0	\$3,348,287	\$5,661,109	\$10,118,070	\$9,189,648	\$45,661,300	20.13%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	0	3,348,287	5,661,109	10,118,070	9,189,648	45,661,300	20.13%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

American Rescue Plan Act (ARPA) spending has been growing steadily since Fiscal Year 2022 as projects and initiatives have progressed from planning to full implementation. Expenditures are expected to accelerate in Fiscal Year 2026 and continue through December 2026, with oversight all funds must be fully expended.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Cannabis Program							
4085 CO00028 Enterprise Fund							
Total Revenue	\$6,900,937	\$3,974,723	\$2,288,382	\$2,271,251	\$1,251,894	\$1,700,000	73.64%
Use of Fund Balance	(3,213,554)	(911,471)	1,651,054	388,941	2,085,030	1,487,447	140.18%
Gross Costs	3,687,383	3,063,252	3,939,436	2,660,192	3,336,923	3,187,447	104.69%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Cannabis Program provides oversight of community contribution programs, cannabis business activities, and program administration, through Fiscal Year 2025. Prior to January 1, 2025, revenue stemmed from Development Agreements between the County and permitted operators. The enterprise budget unit was established in Fiscal Year 2021, and on January 1, 2025, a tax on cannabis business activities became effective, replacing the fee-based model that had previously been in place. This tax is considered Discretionary Revenue, and this budget unit was discontinued beginning Fiscal Year 2026 and oversight moved to the Treasurer-Tax Collector Business Services Division.

In Fiscal Year 2021, fee revenue totaled approximately \$4 million plus an additional \$2.5 million that was transferred into the budget unit upon its establishment. Fee revenue in Fiscal Year 2022 also totaled approximately \$4 million; however, since then revenue steadily declined due multiple factors. First, the Board of Supervisors terminated the collection of community benefit contributions for all operators and implemented a revised program. Second, throughout the years some Development Agreements were amended, resulting in reduced fees, and some operators failed to make fee payments. Additionally, Fiscal Year 2025 included a partial amount of the expected revenue as the fee-based system gave way to the tax model on January 1, 2025.

Funds are primarily used to pay for department expenses associated with illegal cannabis enforcement. Participating departments include the Chief Executive Office, County Counsel, Environmental Resources, District Attorney, Planning and Community Development, and Sheriff. Costs typically fluctuate based on the amount of staff time spent on enforcement. In addition, in Fiscal Year 2023, approximately \$750,000 in grants were awarded to local nonprofits using the accumulated community contribution fee revenue, and Fiscal Year 2025 included approximately \$650,000 of expenses associated with the tax measure election. Expenses exceeded budget in Fiscal Year 2025. This can be attributed to the transfer of remaining fund balance from the Enterprise Fund to the General Fund, which was necessary to close out the budget unit.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Capital Improvement Finance Authority							
0100 CO00005 General Fund							
Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	43,210	56,132	73,928	6,159	13,308	71,000	18.74%
Net County Cost	\$43,210	\$56,132	\$73,928	\$6,159	\$13,308	\$71,000	18.74%

This budget provides funding for financial borrowing expenses related to County financing initiatives, with allocations that may vary depending on the scope and timing of annual projects. The budget is maintained at a consistent level to support the development of financing strategies and conduct analysis in preparation for potential external borrowing. The low expenditures beginning in Fiscal Year 2024 reflect the absence of any new external borrowing during that period.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Community Development Fund							
0100 CO00002 General Fund							
Total Revenue	\$36,553,525	\$1,270,678	\$115,530	\$67,339	\$82,733	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	37,710,620	2,070,864	116,840	337,709	105,049	500,000	21.01%
Net County Cost	\$1,157,096	\$800,186	\$1,310	\$270,370	\$22,316	\$500,000	4.46%

The Community Development Fund pays for one-time programs and projects that enhance community infrastructure or services. During the COVID-19 pandemic, this budget unit was used to receive and distribute Coronavirus Relief Funds in Fiscal Years 2021 and 2022. In total, \$36.9 million of Federal revenue was received in Fiscal Year 2021 and \$1.4 million was received in Fiscal Year 2022. This revenue was used to fund the response to the COVID-19 pandemic, which included grant programs to local business and nonprofits as well as social service programs. Resuming in Fiscal Year 2023, revenue and expenditures were limited to Community Development Fund projects. Revenue is derived from interest earnings and expenditures fluctuate annually with the implementation of projects. Community Development Fund policy requires the budget unit begin each year with \$500,000 in appropriations and maintain a minimum of \$250,000 in available appropriations. Fiscal Year 2025 included expenses for community cleanups and contributions to community events and special districts.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - County Court Funding							
0100 CO00010 General Fund							
Total Revenue	\$2,544,164	\$2,417,528	\$2,165,933	\$2,760,651	\$4,114,597	\$2,878,931	142.92%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	5,838,409	5,998,132	5,920,675	6,181,777	6,654,828	6,662,367	99.89%
Net County Cost	\$3,294,245	\$3,580,604	\$3,754,742	\$3,421,126	\$2,540,232	\$3,783,436	67.14%

Many expenditures in this budget unit are fixed; however, revenues exceeding the Maintenance of Effort (MOE) threshold are shared equally with the State, resulting in higher expenditures as revenues rise. During the COVID-19 pandemic, revenues declined slightly due to postponed hearings and the implementation of relief measures such as extended payment plans. In Fiscal Year 2024, both revenues and expenditures began to recover as court operations normalized. A significant increase in revenue occurred in Fiscal Year 2025, primarily driven by a rise in summary judgments.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Courthouse Construction Fund							
2025 CO00026 Capital Project Fund							
Total Revenue	\$216,249	\$168,399	\$340,446	\$289,343	\$301,122	\$315,000	95.59%
Use of Fund Balance	548,186	552,012	410,274	541,464	155,022	179,920	86.16%
Gross Costs	764,436	720,411	750,720	830,808	456,143	494,920	92.17%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Expenditures in this budget unit have generally remained stable while revenues have fluctuated slightly during the same period, primarily due to technical adjustments to fair market value in Fiscal Years 2022 and 2023. In Fiscal Year 2025, Gross Costs decreased significantly because of the expiration of the lease for the 4th floor at 801 Tenth Street. Expenditures are expected to continue decreasing as the lease for the 6th floor at 801 Tenth Street, which is also funded through this Legal Budget Unit (LBU), begins to sunset.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Criminal Justice Facilities Fund							
2026 CO00027 Capital Project Fund							
Total Revenue	\$331,960	\$268,957	\$465,302	\$424,157	\$493,261	\$440,000	112.10%
Use of Fund Balance	(296,704)	(233,701)	(429,953)	(387,383)	(432,927)	(377,099)	114.80%
Gross Costs	35,256	35,256	35,349	36,774	60,334	62,901	95.92%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Expenditures and revenues have remained relatively consistent, with slight variances to revenue in Fiscal Years 2022 and 2023 due to technical adjustments to fair market value. Fiscal Year 2025 saw a significant increase in Gross Costs that is primarily related to a payment to the State for under-remitting court revenues in prior fiscal years.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Crows Landing Air Facility (Discontinued)							
0100 CO00007 General Fund							
Total Revenue	\$242,169	\$220,459	(\$38,270)	\$770	\$0	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	2,320,606	747,861	(2,560,181)	0	0	0	0.00%
Net County Cost	\$2,078,437	\$527,402	(\$2,521,910)	(\$770)	\$0	\$0	0.00%

This budget unit formerly funded costs associated with the development of the Crows Landing Industrial Business Park. Revenue is generated by an Agricultural Lease and the temporary use of the airfield by businesses and other organizations. The \$2.3 million of expenses in Fiscal Year 2021 is mostly driven by engineering costs for the design of Phase 1A of the park and the purchase of property for the future site of a water well. Fiscal Year 2022 expenses include engineering costs for the design of Phase 1A as well as security expenses. In Fiscal Year 2023, this legal budget unit was discontinued in favor of a Capital Project Fund budget unit. Fiscal Year 2023 actuals include adjustments made by the Auditor-Controller's Office to close out the budget unit.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Crows Landing Industrial Business Park							
2210 CO00025 Capital Project Fund							
Total Revenue	\$0	\$0	\$188,487	\$490,774	\$1,404,213	\$15,814,000	8.88%
Use of Fund Balance	0	0	(2,666,728)	512,837	(12,572,974)	(5,862,488)	214.46%
Gross Costs	0	0	1,311,758	1,003,611	3,531,240	25,751,512	13.71%
Net County Cost	\$0	\$0	\$3,790,000	\$0	\$14,700,000	\$15,800,000	93.04%

This budget unit currently funds costs associated with the development of the Crows Landing Industrial Business Park (CLIBP). As such, expenses fluctuate annually based on the progress of the project. Revenue is generated by an Agricultural Lease and the temporary use of the airfield by businesses and other organizations. As part of the establishment of the legal budget unit in Fiscal Year 2023, approximately \$2.7 million in General Fund accumulated in prior years was transferred into the budget unit. That same year, an additional \$1 million in General Fund support was transferred to the budget unit for the drilling of a water well for the project.

Fiscal Year 2023 expenses include \$883,441 for the drilling of the CLIBP Well No. 1 and nearly \$300,000 for professional services, including engineering and legal costs associated with the development of the CLIBP. Fiscal Year 2024 expenses are largely in line with Fiscal Year 2023 and include the remaining expenses related to the drilling of CLIBP Well No. 1. Fiscal Year 2025 expenses increased significantly due to the Crows Landing Community Services District Well 4 Replacement Project, which incurred \$1.4 million in expenses. Fiscal Year 2025 also included \$1.7 million of engineering and other professional and administrative expenses associated with backbone infrastructure projects.

In addition to the Agricultural Lease and temporary use revenue, the budget recognized approximately \$1.1 million of American Rescue Plan Act (ARPA) revenue related to the Well 4 Replacement Project. Additionally, the remaining \$14.7 million of the General Fund Assignment established for the project was transferred to the budget unit. The 2025 Legal Budget assumed construction of the backbone infrastructure would begin that fiscal year and would be funded by ARPA and Federal grant funds; however, the construction timeline was pushed back to Fiscal Year 2026.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Debt Service							
0100 CO00009 General Fund							
Total Revenue	\$2,199,471	\$1,886,773	\$971,656	\$890,044	\$878,833	\$1,065,000	82.52%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	678,408	621,280	677,792	664,912	669,100	849,200	78.79%
Net County Cost	(\$1,521,063)	(\$1,265,493)	(\$293,864)	(\$225,132)	(\$209,732)	(\$215,800)	97.19%

This budget is supported by stable revenue generated through the amortization of facility and project-related expenses, which are allocated to the departments that benefit from them. Additional revenues and expenditures fluctuate based on the County's overall debt obligations. This fund includes the Heating, Ventilation, and Air Conditioning (HVAC) unit for the Community Services Facility, which was approved in Fiscal Year 2018.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Deferred Compensation							
5094 CO00023 Internal Service Fund							
Total Revenue	\$154,187	\$172,565	\$10,388	\$182,293	\$187,699	\$164,680	113.98%
Use of Fund Balance	(68,526)	(74,067)	111,638	(64,470)	(43,188)	(4,411)	979.10%
Gross Costs	85,661	98,498	122,026	117,823	144,511	160,269	90.17%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

From Fiscal Years 2021 to 2025, costs steadily increased due to contract changes and adjustments in the County Cost Allocation Plan (CAP) related to staff salaries. Participant fee revenue also rose, but actual collections exceeded expectations while costs remained lower than anticipated, resulting in a growing fund balance by Fiscal Year 2023. To draw down on fund balance, \$150,000 was refunded out of revenue to the Deferred Compensation Plan participants in Fiscal Year 2023. Additionally, in December 2024, both participants fees and fees retained by Nationwide were reduced to further draw down retained earnings.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Dental							
5101 CO00022 Internal Service Fund							
Total Revenue	\$3,779,905	\$3,620,713	\$4,085,907	\$3,977,078	\$3,915,214	\$3,762,906	104.05%
Use of Fund Balance	394,957	185,767	(324,441)	(49,216)	261,110	801,915	32.56%
Gross Costs	4,174,862	3,806,480	3,761,467	3,927,862	4,176,324	4,564,821	91.49%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The State Controller's Office (SCO) recommends that retained earnings for self-insurance programs not exceed the 95% confidence level. To comply, dental rates were adjusted, decreased in Fiscal Year 2024 and held flat in Fiscal Year 2025 to draw-down excess reserves and align with these guidelines. Lower utilization during the COVID-19 pandemic led to higher retained earnings, as revenue outpaced claims. Post-pandemic, claims increased as participants resumed delayed dental care, stabilizing in Fiscal Year 2025.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Department of Justice Drug and Alcohol							
1726 CO00014 Special Revenue Fund							
Total Revenue	\$43,610	\$44,345	\$31,453	\$70,364	\$54,880	\$50,000	109.76%
Use of Fund Balance	40,589	44,513	58,578	24,283	7,901	3,434	230.08%
Gross Costs	84,199	88,858	90,031	94,647	106,459	115,000	92.57%
Net County Cost	\$0	\$0	\$0	\$0	\$43,678	\$61,566	70.94%

Expenditures have steadily increased over the past several years for Driving Under the Influence (DUI) related blood draws and lab fees. Gross Costs rose from \$84,199 in Fiscal Year 2021 to \$106,459 in Fiscal Year 2025, reflecting both higher service rates and an increase in case volume. Revenue, however, has been inconsistent over the same period, partly due to pandemic-related impacts such as delayed hearings and extended payment plans which slowed collections. Although revenues began to recover in subsequent years, they have not kept pace with the rising cost, resulting in a widening gap between revenues and expenditures.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Economic Development Bank							
0100 CO00001 General Fund							
Total Revenue	\$116	(\$28,032)	\$40,067	\$19,758	\$27,976	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	0	0	0	0	0	0	0.00%
Net County Cost	(\$116)	\$28,032	(\$40,067)	(\$19,758)	(\$27,976)	\$0	0.00%

The Economic Development Bank is used to fund economic and development projects in the County. No expenses have been incurred during the reporting period. Revenue is generally from interest earnings and adjustments to the fair market value of investments, which can result in negative revenue amounts, as it did in Fiscal Year 2022.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Emergency Rental Assistance Program (Discontinued)							
1675 CO00029 Special Revenue Fund							
Total Revenue	\$193,534	\$3,221,029	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	209,647	(209,647)	0	0	0	0	0.00%
Gross Costs	403,182	3,011,382	0	0	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

This budget unit managed the Emergency Rental Assistance Program (ERAP) funding for economic relief developed to assist households that were unable to pay rent and utilities due to the COVID-19 pandemic. Expenses were minimal in Fiscal Year 2021 as the program ramped up, with the bulk of expenditures being incurred in Fiscal Year 2022 to assist 377 eligible households. In Fiscal Year 2022, the Board of Supervisors authorized the California Department of Housing and Community Development Department to administer the program on behalf of the County.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Focus on Prevention (Discontinued)							
0100 CO00003 General Fund							
Total Revenue	\$102,345	\$649	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	402,740	467,228	675,648	556,087	(26,158)	0	0.00%
Net County Cost	\$300,395	\$466,580	\$675,648	\$556,087	(\$26,158)	\$0	0.00%

Between Fiscal Years 2021 to 2024, the Focus on Prevention budget reflects fluctuations driven by changes in program activity. During the first three years, costs increased as initiatives related to Housing, Education, and Safe Neighborhoods expanded. In Fiscal Year 2022, activities supporting the Strengthening Families focus area transitioned to other County departments, resulting in the discontinuation of revenue from Local Innovation Realignment Funds.

In Fiscal Year 2024, costs declined following the conclusion of an agreement with the Stanislaus County Office of Education. In Fiscal Year 2025, the County recovered unspent funds from a contracted service provider, which were returned to the General Fund and reflected as a negative amount in the Net County Cost line. The fund is scheduled to close in Fiscal Year 2026.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - General Fund Contributions							
0100 CO00011 General Fund							
Total Revenue	\$523	\$1,453,788	\$951	\$5,273	\$2,318	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	31,776,343	62,234,269	56,059,235	39,239,386	53,046,252	55,755,540	95.14%
Net County Cost	\$31,775,820	\$60,780,482	\$56,058,283	\$39,234,113	\$53,043,934	\$55,755,540	95.14%

Costs for this budget vary according to the needs of County departments and other agencies. It primarily relies on the General Fund and typically generates minimal revenue from Vehicle Code Fines. However, in Fiscal Year 2022, General Services Agency concluded several Capital Improvement Plans (CIP), resulting in a return of \$1.5 million to the General Fund.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - General Fund Match Pass Thru Vehicle License Fee							
0100 CO00012 General Fund							
Total Revenue	\$31,752,840	\$36,829,403	\$33,340,516	\$34,244,471	\$35,607,194	\$41,200,000	86.43%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	31,752,840	36,829,403	32,866,824	34,244,471	35,607,194	41,090,000	86.66%
Net County Cost	(\$0)	\$0	(\$473,692)	\$0	\$0	(\$110,000)	0.00%

This budget functions as a pass-through for designated health and social services programs and varies according to the collection of Vehicle License Fees (VLF) from the State. All revenue received is allocated to ensure an annual net zero impact. However, the timing of expenditures between Fiscal Years 2022 and 2023 resulted in an anomaly in Net County Cost in Fiscal Year 2023.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - General Liability							
5051 CO00016 Internal Service Fund							
Total Revenue	\$8,107,715	\$10,666,644	\$15,309,366	\$15,795,117	\$25,057,949	\$25,020,312	100.15%
Use of Fund Balance	720,665	1,354,275	(1,771,009)	1,965,221	(8,800,851)	(383,272)	2296.24%
Gross Costs	8,828,381	12,020,919	13,538,357	17,760,338	16,257,098	24,637,040	65.99%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

From Fiscal Years 2021 to 2024, program costs reflected claims activity covered up to \$250,000 per claim, with the Self-Insured Retention (SIR) increased to \$1 million in Fiscal Year 2025 and excess insurance covering costs above that level. Retained earnings fluctuated due to a deficit repayment plan, premium savings in Fiscal Year 2023, and reduced premium costs of about \$7 million in Fiscal Year 2025 from the higher SIR. Revenue increased through Cost Allocation Plan (CAP) rates to cover rising premiums and loss-related expenses.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Medical Self-Insurance							
5091 CO00020 Internal Service Fund							
Total Revenue	\$66,785,312	\$61,503,217	\$64,753,545	\$74,805,040	\$84,044,556	\$84,041,509	100.00%
Use of Fund Balance	(10,131,062)	11,588,113	7,204,799	(1,275,905)	(1,993,660)	(98,720)	2019.51%
Gross Costs	56,654,250	73,091,330	71,958,344	73,529,135	82,050,896	83,942,789	97.75%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Gross Costs fluctuate annually with claim volume, payment timing, and stop-loss reimbursements, and were temporarily reduced in Fiscal Year 2021 due to COVID-19 protocols that limited medical visits and procedures. To manage increasing reserves, the program cut rates by 10% in Calendar Year 2022, then implemented increases of 15% in both Calendar Years 2023 and 2024, followed by 4.4% in Calendar Year 2025 to address higher than anticipated costs which caused a structural deficit. From Fiscal Years 2022 to 2025, costs steadily rose, driven by higher drug prices, contract costs, insurance premiums, and healthcare utilization.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Other Employee Benefits							
5093 CO00021 Internal Service Fund							
Total Revenue	\$143,562	\$150,557	\$164,043	\$109,464	\$155,818	\$211,304	73.74%
Use of Fund Balance	(24,654)	(32,638)	(37,759)	24,589	(15,776)	(64,432)	24.48%
Gross Costs	118,908	117,919	126,284	134,053	140,042	146,872	95.35%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Other Employee Benefits contain costs and revenues for several supplemental insurances and salary costs for Employee Benefits staff. From Fiscal Years 2021 to 2025, Gross Costs steadily increased reflecting fluctuations in enrollment of participants and County Cost Allocation Plan (CAP) changes. Revenue is primarily generated from supplemental insurances. In Fiscal Year 2024, it was discovered that Admin Fee revenue had been incorrectly posted to this fund, therefore, a correcting entry was processed to transfer the Admin Fee revenue to the Medical Self-Insurance Fund where it belonged.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Professional Liability							
5061 CO00017 Internal Service Fund							
Total Revenue	\$869,037	\$991,233	\$1,724,413	\$1,039,755	\$848,385	\$835,111	101.59%
Use of Fund Balance	116,125	(106,663)	(642,407)	(80,239)	324,665	433,964	74.81%
Gross Costs	985,162	884,571	1,082,006	959,516	1,173,050	1,269,075	92.43%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Actual costs in this budget include insurance premiums, claims, and operating costs which fluctuate year to year based on the number of claims received. As a fully insured program, the County pays the first \$25,000 in attorney fees and any settlements, and insurance coverage pays the remainder. In Fiscal Years 2022 to 2024, departmental charges were increased to align with projected annual costs. However, in Fiscal Year 2025, these charges were reduced to bring retained earnings in line with the limits set by SCO guidelines. Insurance premiums increased by 32% in Fiscal Year 2021 and have increased by an additional 27% through Fiscal Year 2025.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Prop 69 DNA Identification Fund							
1777 CO00031 Special Revenue Fund							
Total Revenue	\$41,188	\$79,812	\$84,888	\$79,261	\$84,300	\$70,350	119.83%
Use of Fund Balance	(20,634)	16,190	6,964	22,148	(22)	0	0.00%
Gross Costs	20,554	96,002	91,852	101,410	84,278	70,350	119.80%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Revenues and Gross Costs in this budget should balance each fiscal year, as revenues are allocated evenly to the Sheriff's Office and Probation. Historically, minor variances have occurred due to timing of revenue receipts and year-end distributions. Revenues and Gross Costs should remain consistent going forward. In Fiscal Year 2025, the unit exceeded budget by \$13,928 due to Oracle Cloud failing to prevent entries from exceeding the budget. The Auditor-Controller's Office discovered this during the Fiscal Year 2025 close process and corrected the budget controls in Oracle Cloud to prevent entries from exceeding the budget in the future.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Stanislaus Family Justice Center (Discontinued)							
1687 CO00013 Special Revenue Fund							
Total Revenue	\$274,304	\$208,175	\$51,339	\$0	\$0	\$0	0.00%
Use of Fund Balance	(18,748)	70,000	(3,959)	0	0	0	0.00%
Gross Costs	255,556	278,175	47,380	0	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

This budget unit transferred from County Operations to District Attorney with the 2023 Midyear Budget after the Office of Violence Against Women grant term ended September 30, 2022. County Operations – Stanislaus Family Justice Center will no longer have any activity.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Unemployment							
5071 CO00018 Internal Service Fund							
Total Revenue	\$540,910	\$994,273	\$706,083	\$612,912	\$610,354	\$590,272	103.40%
Use of Fund Balance	368,014	(544,748)	(124,171)	43,589	16,894	64,107	26.35%
Gross Costs	908,924	449,525	581,913	656,501	627,248	654,379	95.85%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Revenue is generated through a per-employee fee, which was increased in Fiscal Year 2022 from \$120 to \$150 to address rising unemployment claims during the COVID-19 pandemic and to restore retained earnings, supported by a \$350,000 transfer from Coronavirus Relief Funds. From Fiscal Years 2023 to 2025, the fee was gradually reduced to bring retained earnings back in line with SCO guidelines.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Vision Care							
5111 CO00024 Internal Service Fund							
Total Revenue	\$615,315	\$607,916	\$646,229	\$651,592	\$687,098	\$693,650	99.06%
Use of Fund Balance	24,240	52,012	(11,029)	18,312	93,231	103,108	90.42%
Gross Costs	639,555	659,928	635,200	669,905	780,329	796,758	97.94%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Vision Care insurance revenue comes from the premium rates paid by enrolled participants, which are adjusted to cover claims, administrative costs, and maintain retained earnings within SCO guidelines. In Calendar Year 2020, rates were reduced by 15% to draw down excess retained earnings and remained flat in Calendar Year 2021. A 5% rate increase was implemented in January 2022 and held steady through Calendar Year 2024. Due to rising utilization and healthcare costs, another 5% increase took effect in January 2025 to keep pace with growing expenses.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
County Operations - Workers' Compensation							
5081 CO00019 Internal Service Fund							
Total Revenue	\$4,907,530	\$4,179,646	\$7,579,011	\$7,139,581	\$7,972,283	\$7,412,632	107.55%
Use of Fund Balance	544,790	1,680,161	(1,561,204)	(552,108)	(1,377,300)	(130,838)	1052.68%
Gross Costs	5,452,320	5,859,807	6,017,807	6,587,474	6,594,983	7,281,794	90.57%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The program's costs fluctuate based on actual claims activity, settlements up to \$500,000, and administrative expenses such as staffing, third-party administration, insurance premiums, and actuarially determined reserves, with excess costs reimbursed by a Workers' Compensation insurance policy. Revenue is generated from departmental charges set annually to match projected Gross Costs, with retained earnings used to cover any overruns. From Fiscal Years 2021 to 2025, both costs and revenue steadily increased, leading to retained earnings above SCO guidelines, prompting a Fiscal Year 2026 adjustment to reduce charges and strategically use excess funds.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
County Ops - American Rescue Plan Act (ARPA)	\$0	\$0	\$0	\$0	\$0
County Ops - Cannabis Program	3,213,554	4,125,025	2,473,971	2,085,030	0
County Ops - Courthouse Construction Fund	2,123,953	1,571,941	1,161,668	620,203	465,182
County Ops - Criminal Justice Facilities Fund	1,430,781	1,664,481	2,094,435	2,481,818	2,914,745
County Ops - Crows Landing Industrial Business Park	0	0	2,666,728	2,153,121	14,726,094
County Ops - Deferred Compensation	279,980	354,047	242,409	306,879	351,551
County Ops - Dental	739,430	553,664	834,177	915,458	658,008
County Ops - Department of Justice Drug and Alcohol	135,275	90,762	32,184	7,901	0
County Ops - Emergency Rental Assistance Program (Discontinued)	(209,647)	0	0	0	0
County Ops - General Liability	(3,549,296)	(4,903,571)	(3,362,240)	(5,138,722)	3,735,847
County Ops - Medical Self-Insurance	19,509,577	7,921,464	52,349	1,800,926	3,889,488
County Ops - Other Employee Benefits	84,141	116,779	149,119	129,595	147,389
County Ops - Professional Liability	188,932	295,595	898,725	1,005,090	683,256
County Ops - Prop 69 DNA Identification Fund	45,302	29,113	22,148	(0)	22
County Ops - Stanislaus Family Justice Center (Discontinued)	66,041	(3,959)	0	0	0
County Ops - Unemployment	(283,468)	261,280	358,807	334,346	320,016
County Ops - Vision Care	137,787	85,775	92,418	77,482	(15,707)
County Ops - Workers' Compensation	6,089,607	4,409,446	5,004,840	6,233,532	7,719,910
Total Fund Balance	\$30,001,950	\$16,571,842	\$12,721,737	\$13,012,659	\$35,595,800

Note: Table only reflects non-general fund units

American Rescue Plan Act (ARPA) – This budget does not carry a fund balance.

Cannabis Program – Retained earnings grew by \$900,000 between Fiscal Year 2021 and Fiscal Year 2022 because fee revenue from Development Agreements exceeded enforcement costs during Fiscal Year 2021. Beginning in Fiscal Year 2022, fee revenue declined due to amendments to Development Agreements and the nonpayment of fees. The reduction in revenue was offset using retained earnings. On January 1, 2025, a tax on cannabis business activities became effective, replacing the fee-based model that had previously been in place. This tax is considered Discretionary Revenue, and this budget unit was discontinued beginning Fiscal Year 2026. To close out the budget unit, any remaining retained earnings were transferred to the General Fund and set aside for future cannabis-related activities.

Courthouse Construction Fund – The fund balance has been steadily declining and is expected to continue decreasing through the remainder of the County's Memorandum of Understanding (MOU) with the Superior Court of Stanislaus County for the lease of courtrooms in the City Towers building, set to expire in Fiscal Year 2027. In accordance with Government Code Section 70402, any remaining fund balance will be transferred to the State Court Facilities Construction Fund upon the final payment of bonded indebtedness or, in Stanislaus County's case, upon expiration of the MOU with the Court.

Criminal Justice Facility – The fund balance has been increasing by about \$400,000 since Fiscal Year 2023 and is expected to continue to grow until new expenses are assigned to the fund. Since Fiscal Year 2020, the only expense attributed to the fund is a portion of the Law Library lease expense. Beginning in Fiscal Year 2024 and moving forward, there will be a slight increase in expenses related to additional remittances to the State for revenues that exceed the MOU threshold.

Crows Landing Industrial Business Park – The Capital Project fund was established in Fiscal Year 2023, and the July 1, 2023, fund balance reflects the amount of General Fund that was accumulated prior to that year. In Fiscal Year 2025, approximately \$14.7 million from a General Fund assignment was transferred to the fund in preparation of anticipated construction projects, resulting in a July 1, 2025, fund balance of \$14.7 million.

Deferred Compensation – Higher-than expected revenue and lower costs led to surplus retained earnings over the years, prompting a \$150,000 refund to participants in Fiscal Year 2023 to draw down the balance. Additionally,

in December 2024, both the fees charged to enrolled participants and the fees retained by Nationwide were reduced, a change expected to further decrease retained earnings moving forward.

Dental Self-Insurance – Retained earnings grew since the COVID-19 pandemic due to lower utilization; rates were reduced in Calendar Year 2024 and held flat in Calendar Year 2025 to spend down the balance to a level that complies with SCO guidelines.

Department of Justice Drug and Alcohol – The fund balance has been steadily declining since Fiscal Year 2018, when the County discontinued its General Fund contribution, and has been fully depleted as of Fiscal Year 2025. Historically, revenues have not been sufficient to cover program costs. To address the ongoing shortfall, the County has reinstated a General Fund contribution of up to \$61,566 to offset the deficit. However, the County is also exploring additional strategies to ensure long-term sustainability, as rising service rates and increased case volumes continue to widen the gap between revenues and expenditures.

Emergency Rental Assistance Program (Discontinued) - This fund was established in Fiscal Year 2021. The negative Fund Balance in 2021 was due to the timing of revenue receipts which occurred on a reimbursement basis.

General Liability – The trend shows incremental increases in the negative retained earnings due to current and long-term liabilities booked each year from the actuarial report. The positive retained earnings of \$3.7 million as of July 1, 2025, are primarily due to the increase to the SIR amount from \$250,000 to \$1 million effective Fiscal Year 2025, which saved \$7 million in premiums.

Medical Self-Insurance – On July 2021, the retained earnings balance had increased due to the impact of the COVID-19 pandemic as rates were set with an expectation of plan utilization that did not materialize. In January 2022, medical rates were reduced by 10% to bring down reserves that accumulated over the prior years. Due to rising costs and declining reserves in the following year, rates were increased by 15% in January 2023 to fund the annual deficit. Due to a further decline in reserves, rates were increased by 15% in January 2024 and an additional 4.4% on January 2025 to fund projected costs. The retained earnings balance above that reserved for long-term liabilities is \$3.9 million as of July 1, 2025. In addition, reserves are identified for current and long-term liabilities of \$15.2 million and booked as identified in the medical plan annual actuarial report. The balance in retained earnings inclusive of reserves for the actuarial liability is \$19.1 million.

Other Employee Benefits – Retained earnings increased primarily due to revenue consistently surpassing costs. In Fiscal Year 2024, it was identified that the Administrative Fee revenue had been incorrectly posted to this fund, therefore, an entry for an accumulation of revenue of \$83,000 for the Administrative Fee was correctly transferred to the Medical Self-Insurance Fund. In Fiscal Year 2025, a 5% increase in enrollment led to higher revenue collected from participants for Long-Term Disability Insurance. However, related expenses did not materialize, resulting in a further increase in retained earnings.

Professional Liability – Retained earnings rose gradually due to increases in departmental charges compared to actual costs. A two-year reserve reduction strategy was implemented in July 2024 and is anticipated to bring down reserves by the end of Fiscal Year 2026.

Prop 69 DNA – The fund balance is intended to remain at zero, as all revenues are distributed equally to the Sheriff's Office and Probation Department. Historically, a small fund balance has appeared at year-end due to timing differences between when revenues are received and distributions are made. Going forward, the fund balance is expected to remain at or near zero as the timing of expenditures and revenues aligns more closely.

Stanislaus Family Justice Center – The fund balance has been transferred from County Operations to District Attorney. County Operations – Stanislaus Family Justice Center's fund balance will remain at zero.

Unemployment Insurance – Retained earnings were reduced in Fiscal Year 2021, due to the increase in costs during the COVID-19 pandemic emergency closures. In Fiscal Year 2022, the per-employee fee was increased from \$120 to \$150 to address rising unemployment claims during COVID-19 pandemic and to restore retained earnings, supported by a \$350,000 transfer from Coronavirus Relief Funds. From Fiscal Years 2023 to 2025, the fee was gradually reduced to bring retained earnings back in line with SCO guidelines, resulting in revenue falling below Gross Costs. Gross Costs fluctuated between Fiscal Years 2022 and 2024 due to CARES Act credits applied to invoices. By Fiscal Year 2025, both costs and revenue have stabilized.

Vision Care Insurance – The trend reflects an uptick in the balance on July 1, 2021, due to lower-than-anticipated claims primarily attributed to the COVID-19 pandemic. There was a gradual decrease in retained earnings thereafter as a result of the planned use of retained earnings to offset rates to a level that meets SCO guidelines. As of July 1, 2025, the retained earnings balance was negative \$15,707, which includes projected current and long-term liabilities of \$20,000. Excluding these liabilities, the retained earnings total \$4,293 and the fund is cash positive. To address anticipated future costs and to ensure positive retained earnings, rate adjustments are likely necessary. If approved, any rate increase would be incorporated into the Calendar Year 2026 renewal of vision rates.

Workers' Compensation Insurance – The trend shows a fluctuation in retained earnings balances which reflect the fluctuation in Gross Costs and liability adjustments at year-end.

First Quarter Issues and Recommendations

Labor increases – Technical adjustments to decrease appropriations and Net County Cost by \$3.9 million are recommended to support negotiated labor increases in Appropriations for Contingencies.

Carryover Appropriations – It is recommended to decrease Appropriations for Contingencies Legal Budget Unit (LBU) to offset technical adjustments of \$379,255. This offset will then increase Contributions to Other Programs LBU to support carryover appropriations in the General Services Agency Americans with Disabilities Act Projects LBU and Deferred Maintenance LBU Capital Projects funds.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/ General Fund Contribution	Description
County Operations - Appropriations for Contingencies	\$0	(\$6,378)	\$0	(\$6,378)	Transfer to Treasurer-Tax Collector Business Services Division to support negotiated labor increases.
County Operations - Appropriations for Contingencies	\$0	(\$29,696)	\$0	(\$29,696)	Transfer to Treasurer-Tax Collector Administration/Taxes to support negotiated labor increases.
County Operations - Appropriations for Contingencies	\$0	(\$2,481,097)	\$0	(\$2,481,097)	Transfer to Sheriff - Operations to support negotiated labor increases.
County Operations - Appropriations for Contingencies	\$0	(\$343,667)	\$0	(\$343,667)	Transfer to Sheriff - Detention to support negotiated labor increases.
County Operations - Appropriations for Contingencies	\$0	(\$417,168)	\$0	(\$417,168)	Transfer to Sheriff - Administration to support negotiated labor increases.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/ General Fund Contribution	Description
County Operations - Appropriations for Contingencies	\$0	(\$95,230)	\$0	(\$95,230)	Transfer to Public Defender to support negotiated labor increases.
County Operations - Appropriations for Contingencies	\$0	(\$23,782)	\$0	(\$23,782)	Transfer to Public Defender - Indigent Defense to support negotiated labor increases.
County Operations - Appropriations for Contingencies	\$0	(\$300,802)	\$0	(\$300,802)	Transfer to General Services Agency - Deferred Maintenance to support carry forward appropriations.
County Operations - Appropriations for Contingencies	\$0	(\$18,760)	\$0	(\$18,760)	Transfer to General Services Agency - Capital Facilities to support negotiated labor increases.
County Operations - Appropriations for Contingencies	\$0	(\$78,453)	\$0	(\$78,453)	Transfer to General Services Agency - Americans with Disabilities to support carry forward appropriations.
County Operations - Appropriations for Contingencies	\$0	(\$472,560)	\$0	(\$472,560)	Transfer to District Attorney - Criminal to support negotiated labor increases.
County Operations - Appropriations for Contingencies	\$0	(\$240,528)	\$0	(\$240,528)	Transfer to County Operations - General Fund Contribution to Other Programs to support Sheriff Court Security negotiated labor increases.
County Operations - Appropriations for Contingencies	\$0	(\$43,964)	\$0	(\$43,964)	Transfer to County Counsel to support negotiated labor increases.
County Operations - General Fund Contribution to Other Programs	\$0	\$240,528	\$0	\$240,528	Transfer to Sheriff Court Security to support negotiated labor increases.
County Operations - General Fund Contribution to Other Programs	\$0	\$300,802	\$0	\$300,802	Transfer to General Services Agency - Deferred Maintenance for carry forward appropriations.
County Operations - General Fund Contribution to Other Programs	\$0	\$78,453	\$0	\$78,453	Transfer to General Services Agency - Americans with Disabilities Projects for carry forward appropriations.
Total	\$0	(\$3,932,302)	\$0	(\$3,932,302)	

Recommendation: It is recommended to decrease appropriations by \$3.9 million with a corresponding decrease to Net County Cost.

General Services Agency

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
General Services Agency (GSA) Administration							
0100 GS00001 General Fund							
Total Revenue	\$2,943,935	\$1,471,348	\$1,156,135	\$1,161,518	\$1,225,196	\$1,351,490	90.66%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	5,570,908	4,324,062	(4,323,552)	1,161,518	1,225,198	1,351,490	90.66%
Net County Cost	\$2,626,973	\$2,852,714	(\$5,479,687)	\$0	\$2	\$0	0.00%

In Fiscal Year 2021, a temporary COVID-19 personal protective equipment storefront program was added to the budget, which increased Gross Costs and revenues by approximately \$1.6 million; the store closed by the end of the fiscal year. Before Fiscal Year 2023, Administration funded four programs: Administration, Deferred Maintenance, Capital Projects, and the 10th Street Place Joint Powers Authority (JPA). Effective Fiscal Year 2023, three programs were transferred to other Legal Budget Units, leaving only the Administration program. In Fiscal Year 2023, the negative Gross Costs and Net County Cost resulted from accounting entries prepared by the Auditor's Office to clear cash balances in the three closed programs. Remaining Gross Costs and revenue related to the Administration program totaled \$1.2 million. Additionally, Gross Costs and revenue decreased by \$201,775 due to the transfer of one position to the Chief Executive Office – Human Relations budget effective July 1, 2024. Gross Costs and revenues increased 5.5% from Fiscal Year 2024 to Fiscal Year 2025, primarily due to the addition of one Staff Services Analyst position responsible for managing the Department's safety program. Fiscal Year 2025 variances to budget in both Gross Costs and revenue are a result of cost savings in salaries and wages, services and supplies, and adjustments to the Cost Allocation Plan. The \$2 Net County Cost in Fiscal Year 2025 occurred due to the timing of year-end transactions and adjustments.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
GSA 10th Street Place							
0100 GS00007 General Fund							
Total Revenue	\$0	\$0	\$952,033	\$916,939	\$1,116,868	\$1,065,131	104.86%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	0	0	696,136	741,911	953,865	959,305	99.43%
Net County Cost	\$0	\$0	(\$255,896)	(\$175,028)	(\$163,004)	(\$105,826)	154.03%

The 10th Street Place budget unit was established in Fiscal Year 2023 and includes the operating costs of the 10th Street Place JPA facilities team, as well as the costs and lease revenue related to the 10th Street Place first-floor retail spaces. Cost increases in Fiscal Year 2025 resulted primarily from higher staffing costs. Fiscal Year 2025 revenues increased due to a correction in charges allocated to CEO-Human Relations occupying first-floor retail space and an increase in staffing costs billed to the tenants of the 10th Street Place building.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
GSA 12th Street Office Building							
171A GS00008 Special Revenue Fund							
Total Revenue	\$22,730	\$30,861	\$33,999	\$36,243	\$138,248	\$142,605	96.94%
Use of Fund Balance	390	(1,850)	(230)	(232)	690	0	0.00%
Gross Costs	46,583	60,945	68,973	73,551	138,938	142,605	97.43%
Net County Cost	\$23,462	\$31,934	\$35,204	\$37,541	\$0	\$0	0.00%

The 12th Street Office Building costs, revenues, and Net County Cost have continuously increased over the years primarily due to increases in the cost of commercial property insurance. Revenue and Net County Cost have escalated in line with costs over the same timeframe. Beginning in Fiscal Year 2025, the District Attorney's Office funded their share of building costs through charges for services.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
GSA 12th Street Office Building Reserve							
171B GS00009 Special Revenue Fund							
Total Revenue	\$3,000	\$3,000	\$4,000	\$2,000	\$6,924	\$6,000	115.40%
Use of Fund Balance	(6,000)	(6,000)	(7,000)	(5,000)	(6,924)	(6,000)	115.40%
Gross Costs	0	0	0	0	0	0	0.00%
Net County Cost	\$3,000	\$3,000	\$3,000	\$3,000	\$0	\$0	0.00%

The 12th Street Office Building Reserve receives \$6,000 in contributions from building tenants each fiscal year for capital improvements, repairs, and replacements of the 12th Street Office Building's common area. The variances noted in Fiscal Years 2023 and 2024 were due to an accounting error in Fiscal Year 2023 that was corrected in Fiscal Year 2024. Fiscal Year 2025 variances to budget in both Gross Costs and revenue are a result of alley fees that will be transferred to the 12th Street Office Building during Fiscal Year 2026.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
GSA ADA Projects							
2252 GS00063 Capital Project Fund							
Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	0	0	0	0	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Americans with Disabilities Act (ADA) Projects budget is a capital project fund that was established in Fiscal Year 2026. Prior to Fiscal Year 2026, ADA projects were funded through the Capital Facilities legal budget unit.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
GSA ADA Self-Evaluation (Discontinued)							
0100 GS00043 General Fund							
Total Revenue	\$0	\$12,036	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	564,909	300,270	(853,143)	0	0	0	0.00%
Net County Cost	\$564,909	\$288,234	(\$853,143)	\$0	\$0	\$0	0.00%

The ADA Self-Evaluation budget unit was transferred into the Capital Facilities budget unit effective Fiscal Year 2023. The negative Gross Costs noted in Fiscal Year 2023 resulted from accounting entries performed by the Auditor's Office to clear cash balances in the closed cost center.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
GSA Capital Facilities							
0100 GS00006 General Fund							
Total Revenue	\$0	\$210,970	\$702,863	\$1,267,713	\$1,375,327	\$1,563,470	87.97%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	0	0	18,059,583	16,193,658	14,962,076	17,786,410	84.12%
Net County Cost	\$0	(\$210,970)	\$17,356,720	\$14,925,944	\$13,586,749	\$16,222,940	83.75%

The Capital Facilities budget unit was established to combine five programs of a similar nature: Deferred Maintenance, Capital Projects, Plant Acquisition, County Facilities, and ADA Projects. The creation of the budget unit occurred in two steps. First, at the close of Fiscal Year 2022, two capital projects were closed, and the remaining funds were returned to contributing sources, including Deferred Maintenance and Plant Acquisition, and recorded as revenue in the new budget unit. Then, beginning in Fiscal Year 2023, the operating activities of all five programs were recorded in the new budget unit.

The increase in actual revenue for Fiscal Year 2024 was a result of increased labor charges billed to capital projects and funds returned from closed capital projects. The revenue shortfall in Fiscal Year 2025 was primarily due to a grant opportunity that was modified after award and is pending approval. In Fiscal Years 2023, 2024, and 2025, one-time transfers of appropriations totaling \$11.5 million, \$9.5 million, and \$9 million, respectively, were made to the Restore County Properties capital project. The actual costs incurred each fiscal year may vary and are dependent upon the number of projects completed and those carried over between fiscal years.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
GSA Central Services							
5001 GS00002 Internal Service Fund							
Total Revenue	\$1,725,659	\$2,796,883	\$3,180,448	\$3,069,462	\$3,356,436	\$3,760,700	89.25%
Use of Fund Balance	7,581	(363,429)	(264,743)	(59,166)	92,398	65,761	140.51%
Gross Costs	1,733,239	2,448,333	2,915,705	3,010,297	3,448,834	3,826,461	90.13%
Net County Cost	\$0	\$14,879	\$0	\$0	\$0	\$0	0.00%

Gross Costs for the Central Services budget unit have generally increased each year, with revenue showing a similar trend, although there was a slight decrease in revenue in Fiscal Year 2024. In Fiscal Year 2022, a one-time COVID payment funded by Net County Cost contributed to the increase, along with a \$930,000 accounting adjustment that enabled the proper reporting of mailroom postage costs and related revenue. The increase in Fiscal Year 2023 was largely driven by shifts in retirement costs due to accounting entries required by Governmental Accounting Standards Board (GASB) Statements 68 and 75, which significantly changed how governments report pension and other post-employment benefits (OPEB) liabilities, enhancing the accuracy and transparency of their financial positions and obligations. The Fiscal Year 2025 increase in Gross Costs is due to increased salary costs and the purchase of a replacement vehicle. The Fiscal Year 2025 increase in revenue is related to increases in salary costs. Fiscal Year 2025 variances to budget in both cost and revenue are a result of cost savings in salaries and wages and services, and supplies.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
GSA County Facilities (Discontinued)							
0100 GS00042 General Fund							
Total Revenue	\$537,337	\$572,523	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	1,161,005	1,202,554	(1,253,699)	0	0	0	0.00%
Net County Cost	\$623,668	\$630,031	(\$1,253,699)	\$0	\$0	\$0	0.00%

The County Facilities budget unit was transferred into the Capital Facilities budget unit effective with Fiscal Year 2023. The negative Gross Costs noted in Fiscal Year 2023 resulted from accounting entries performed by the Auditor's Office to clear cash balances in the closed cost center.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
GSA Deferred Maintenance							
2251 GS00064 Capital Project Fund							
Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	0	0	0	0	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Deferred Maintenance budget is a capital project fund that was established in Fiscal Year 2026. Before Fiscal Year 2026, Deferred Maintenance projects were funded through the Capital Facilities legal budget unit.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
GSA Facility Maintenance Division							
5170 GS00004 Internal Service Fund							
Total Revenue	\$7,359,813	\$7,863,100	\$8,898,507	\$10,381,181	\$9,436,887	\$11,338,060	83.23%
Use of Fund Balance	(343,051)	(428,662)	18,280	(617,426)	669,728	660,424	101.41%
Gross Costs	7,016,762	7,434,438	8,916,787	9,763,755	10,106,616	11,998,484	84.23%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Facilities Maintenance budget unit has experienced cost increases over the past five years due to rising prices for goods and services and staff labor increases. The increase in revenue is directly related to these higher costs and an increase in the staff's billable hours. Billable hours increased approximately 16% from Fiscal Year 2022 to Fiscal Year 2023 and 18% from Fiscal Year 2023 to Fiscal Year 2024. This increase in revenue also resulted in a decreased use of fund balance in Fiscal Year 2024. Fiscal Year 2025 Gross Costs increased due to the purchase of six replacement vehicles. The decrease in revenue and fund balance is due to the purchase of vehicles and a reduced billing rate to maintain fund balance at an allowable level per the California State Controller's Office. Fiscal Year 2025 variances to budget in both Gross Costs and revenue are a result of cost savings in salaries and wages and services and supplies.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
GSA Facility Utilities							
5170 GS00005 Internal Service Fund							
Total Revenue	\$5,184,670	\$5,410,324	\$5,902,741	\$5,662,746	\$5,902,478	\$6,730,000	87.70%
Use of Fund Balance	0	0	0	(18)	18	0	0.00%
Gross Costs	5,184,670	5,410,324	5,902,741	5,662,727	5,902,496	6,730,000	87.70%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Facility Utilities budget unit experiences fluctuations due to price changes, usage, and weather conditions. Actual cost of utilities are billed to departments based upon the respective occupancy of County facilities.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
GSA Fleet Services Division							
5021 GS00003 Internal Service Fund							
Total Revenue	\$3,975,296	\$4,863,483	\$5,566,221	\$5,757,269	\$6,384,884	\$7,197,630	88.71%
Use of Fund Balance	37,191	(253,248)	241,233	160,698	(240,481)	57,430	-418.74%
Gross Costs	4,012,487	4,610,235	5,807,454	5,917,967	6,144,403	7,255,060	84.69%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Fleet Services budget unit has experienced cost increases over the past five years due to rising prices for fuel, vehicle parts, services, and staff labor. In Fiscal Year 2022, increases in Gross Costs and revenue were mainly driven by higher fuel and vehicle parts prices. Fiscal Year 2023 costs rose following the completion of a security project, as well as accounting entries required by GASB Statements 68 and 75, which significantly changed how governments report pension and OPEB liabilities, enhancing the accuracy and transparency of their financial positions and obligations. In Fiscal Year 2024, costs increased related to the purchase of three motor pool vehicles and an electric cart. In Fiscal Year 2025, costs increased due to increases in staff labor costs.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
GSA Plant Acquisition (Discontinued)							
0100 GS00041 General Fund							
Total Revenue	(\$115,964)	\$1,636	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	3,147,789	1,745,942	(5,008,058)	0	0	0	0.00%
Net County Cost	\$3,263,753	\$1,744,305	(\$5,008,058)	\$0	\$0	\$0	0.00%

The Plant Acquisition budget unit was transferred into the Capital Facilities budget unit effective Fiscal Year 2023. The negative Gross Costs noted in Fiscal Year 2023 resulted from accounting entries performed by the Auditor's Office to clear cash balances in the closed cost center.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
GSA 12th Street Office Building	(\$1,622)	\$228	\$458	\$690	\$0
GSA 12th Street Office Building Reserve	84,000	90,000	97,000	102,000	108,924
GSA ADA Projects	0	0	0	0	0
GSA Central Services	(40,472)	322,957	(586,733)	(553,435)	(711,116)
GSA Deferred Maintenance	0	0	0	0	0
GSA Facility Maintenance Division	2,001,163	2,497,540	(101,710)	430,203	(52,345)
GSA Facility Utilities	0	0	0	0	0
GSA Fleet Services Division	1,111,258	1,376,197	558,404	522,258	696,604
Total Fund Balance	\$3,154,328	\$4,286,923	(\$32,581)	\$501,716	\$42,067

Note: Table only reflects non-general fund units

Fund balances fluctuate annually based on operational activity, project timing, and accounting requirements. The 12th Street Office Building does not generally maintain a fund balance; any balance reflects timing differences

between revenues and expenditures. The 12th Street Office Building Reserve represents cumulative tenant contributions set aside for major projects, such as Heating, Ventilation, and Air Conditioning (HVAC) replacements.

The Central Services, Facility Maintenance, and Fleet Services Divisions are Internal Service Funds reported on a full accrual basis, which include long-term liabilities under GASB 68 and 75. These accounting entries can result in significant changes, including negative fund balances, that do not represent the funds' modified accrual position. In accordance with the County's Basis of Budgeting policy, these funds are managed on a modified accrual basis, and each maintained a positive fund balance as of July 1, 2025.

Changes in individual fund balances reflect the timing of vehicle replacements, facility projects, and rate adjustments based on prior year actual costs.

First Quarter Issues and Recommendations

Carryover Appropriations – It is recommended to transfer a total of \$379,255 in appropriations from Capital Facilities, including \$78,453 to the new Americans with Disabilities Act (ADA) Projects budget unit and \$300,802 to the new Deferred Maintenance Capital Project budget unit. This transfer is being made to ensure funds are treated as capital projects rather than general fund expenditures, due to the nature of the work being housed in these budgets. Classifying the funds this way will allow the projects to proceed without year-end time constraints and support completion across multiple fiscal years.

Labor Increase – It is recommended to increase appropriations by \$238,600, funded with an increase in estimated revenue of \$219,840 and \$18,760 in Net County Cost, to support negotiated labor increases for the American Federation of State, County, and Municipal Employees (AFSCME) (Board Resolution 2025-0409) affecting the 10th Street Place, Administration, Capital Facilities, Central Services, Facility Maintenance Division, and the Fleet Services Division.

Budget Unit Name	Recommended Budget Adjustment				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/ General Fund Contribution	
General Services Agency - 10th Street Place	\$10,920	\$10,920	\$0	\$0	Increase appropriations and estimated revenue to support negotiated labor increases.
General Services Agency - Administration	\$29,590	\$29,590	\$0	\$0	Increase appropriations and estimated revenue to support negotiated labor increases.
General Services Agency - Americans with Disabilities Projects	\$0	\$78,453	\$0	\$78,453	Transfer carryover appropriations for ADA projects to the new Capital Project fund.
General Services Agency - Capital Facilities	\$22,290	\$41,050	\$0	\$18,760	Increase appropriations and estimated revenue to support negotiated labor increases.
General Services Agency - Central Services	\$45,030	\$45,030	\$0	\$0	Increase appropriations and estimated revenue to support negotiated labor increases.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/ General Fund Contribution	Description
General Services Agency - Deferred Maintenance	\$0	\$300,802	\$0	\$300,802	Transfer carryover appropriations for deferred maintenance projects to the new Capital Project fund for deferred maintenance.
General Services Agency - Facility Maintenance Division	\$81,770	\$81,770	\$0	\$0	Increase appropriations and estimated revenue to support negotiated labor increases.
General Services Agency - Fleet Services Division	\$30,240	\$30,240	\$0	\$0	Increase appropriations and estimated revenue to support negotiated labor increases.
Total	\$219,840	\$617,855	\$0	\$398,015	

Recommendation: It is recommended to increase appropriations by \$617,855, funded with \$219,840 in estimated revenue and \$398,015 in Net County Cost.

Information Technology Central

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior year actuals to the prior year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Information Technology Central (ITC)							
5031 ITC0001 Internal Service Fund							
Total Revenue	\$14,769,036	\$11,708,920	\$14,348,281	\$18,311,058	\$21,395,674	\$21,089,475	101.45%
Use of Fund Balance	(1,483,020)	(1,646,666)	1,327,034	(1,372,220)	(1,328,371)	779,265	-170.46%
Gross Costs	13,286,016	10,319,444	15,675,315	16,938,837	20,067,304	21,868,740	91.76%
Net County Cost	\$0	\$257,190	\$0	\$0	\$0	\$0	0.00%

Information Technology Central (ITC) experienced a reduction in both revenue and Gross Costs from Fiscal Year 2021 to Fiscal Year 2022 due to the end of COVID Relief funds that were used to provide one-time funding for the remote work platform. From Fiscal Year 2023 through Fiscal Year 2025, both revenue and Gross Costs have grown significantly due in large part to other departments' IT staff and operations being moved into ITC. IT staff from the Department of Environmental Resources, Agricultural Commissioner, Office of Emergency Services, Behavioral Health and Recovery Services, and Child Support Services have all been transferred into ITC, with ITC has begun providing direct customer support to these departments. During this time, ITC also added staff to serve in an embedded capacity. The embedded staff are stationed in the requesting department to become familiar with the IT systems and software used in the department and to provide additional support and expertise in troubleshooting issues with these systems. ITC's position count has gone from 46 in Fiscal Year 2023 to 70 at the end of Fiscal Year 2025. This represents a 52% increase in three years. ITC has also added software licensing costs

to its budget, including Oracle Enterprise Resource Plan (ERP), and additional licenses for Microsoft and Adobe products to cover new demand in County departments.

Overall, ITC has increased its fund balance, shown in the chart above as negative numbers. ITC worked with the CEO's office on the planned spend-down of fund balance in Fiscal Year 2023. ITC reduced billing to customer departments by over \$800,000.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
ITC Communications (Discontinued)							
5011 0048299 Internal Service Fund							
Total Revenue	\$1,555,400	\$1,613,364	(\$755)	\$0	\$0	\$0	0.00%
Use of Fund Balance	(140,850)	(2,431)	85,893	549,837	0	0	0.00%
Gross Costs	1,414,549	1,613,592	85,138	549,837	0	0	0.00%
Net County Cost	\$0	\$2,660	\$0	\$0	\$0	\$0	0.00%

Beginning in Fiscal Year 2023, the Telecommunications Fund was absorbed into the main Information Technology Central (ITC) budget, with close-out activities continuing into Fiscal Year 2024. This change resulted in a corresponding increase in the main ITC budget starting in Fiscal Year 2023.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit, along with the Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Information Technology Central	\$5,111,900	\$6,814,332	\$1,065,506	\$451,408	\$2,030,221
ITC Communications (Discontinued)	678,120	624,785	126,923	0	0
Total Fund Balance	\$5,790,020	\$7,439,117	\$1,192,429	\$451,408	\$2,030,221

Note: Table only reflects non-general fund units

The **ITC retained earnings** reflect the combined financial position of ITC operations and the Integrated Criminal Justice Information System (ICJIS) project. As an Internal Service Fund (ISF), ITC **retained earnings** are reported on a full accrual basis in accordance with Government Accounting Standards Board (GASB) Statements 68 and 75, which include long-term liabilities such as pension and other post-employment benefits. However, under the County's Basis of Budgeting policy, ISFs are managed on a modified accrual basis, which excludes these long-term obligations and focuses on current financial resources. On this basis, ITC's **retained earnings** as of July 1, 2025, was \$6.6 million. The notable dip in **retained earnings** between July 1, 2023, and July 1, 2024, was intentional, as ITC collaborated with the Chief Executive Office to reduce **retained earnings** by temporarily decreasing billing by \$800,000. This strategic decision is reflected in the July 1, 2024, balance of \$451,408. ITC's financial objective is to maintain approximately 60 days of working capital, or about \$3.5 million, based on current expenditure levels.

Treasurer-Tax Collector

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior year actuals to the prior year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Treasurer-Tax Collector - Administration/Taxes							
0100 TTC00001 General Fund							
Total Revenue	\$553,781	\$565,292	\$629,282	\$631,034	\$618,512	\$649,645	95.21%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	1,550,607	1,528,215	1,678,824	1,966,834	2,024,558	2,012,074	100.62%
Net County Cost	\$996,825	\$962,924	\$1,049,542	\$1,335,800	\$1,406,046	\$1,362,429	103.20%

Revenues increased in Fiscal Year 2023, primarily due to higher cost recoveries from delinquent taxes, an uptick in business license applications, and a reimbursement from County Operations for deferred compensation fee savings. In Fiscal Year 2024, the division received an increase in the Tax Administration Fee from the Auditor-Controller's Office, contributing to another year of moderate revenue growth. In Fiscal Year 2025, business license fees were raised, resulting in higher-than-anticipated revenues. However, following the establishment of the Business Services Division on January 1, 2025, 50% of both budgeted and actual business license revenues were transferred to the new division. While Fiscal Year 2025 actuals initially appeared lower than the legal budget, a midyear budget adjustment accounted for this structural change, and Total Revenues for the year ultimately exceeded projections. Additionally, an anomaly occurred in Fiscal Year 2025 when Gross Costs exceeded the legal budget due to an unanticipated charge associated with the successful collection of an unusually large amount of unsecured taxes by Revenue Recovery.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Treasurer-Tax Collector - Business Services Division							
0100 TTC0006 General Fund							
Total Revenue	\$0	\$0	\$0	\$0	\$270,150	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	0	0	0	0	243,952	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	(\$26,198)	\$0	0.00%

In Fiscal Year 2025, the Department established the Business Services Division to better serve the business community in unincorporated areas. The division administers the voter-approved Cannabis Business Tax Program, collects transient occupancy taxes, and issues business licenses and various permits. Although the division has not yet completed a full fiscal year of operations, it ended Fiscal Year 2025 with savings to Net County Cost, as business license revenues exceeded expectations.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Treasurer-Tax Collector - Revenue Recovery							
0100 TTC00002 General Fund							
Total Revenue	\$1,313,532	\$1,389,862	\$1,730,457	\$1,533,007	\$1,662,951	\$1,861,375	89.34%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	1,238,644	1,424,051	1,474,118	1,634,262	1,563,207	1,866,328	83.76%
Net County Cost	(\$74,888)	\$34,189	(\$256,339)	\$101,255	(\$99,744)	\$4,953	-2013.88%

Revenue Recovery charges collection fee revenues in an amount to match expenses. In Fiscal Year 2025, the Revenue Recovery division's collection charges exceeded costs which will be rebated in Fiscal Year 2026. This is similar to Fiscal Year 2023's true-up rebate that was processed in Fiscal Year 2024. Reduced Gross Costs in Fiscal Year 2025 are largely due to savings from vacant positions and conservative spending.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Treasurer-Tax Collector - Treasury Division							
0100 TTC0003 General Fund							
Total Revenue	\$591,034	\$576,404	\$748,005	\$874,181	\$989,941	\$1,053,550	93.96%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	571,976	612,014	716,318	818,069	991,506	1,053,550	94.11%
Net County Cost	(\$19,058)	\$35,610	(\$31,688)	(\$56,111)	\$1,564	\$0	0.00%

Treasury investment interest earnings are the source of the division's revenues which are matched to actual expenses. In Fiscal Year 2025, the division materialized substantial savings in banking costs due to funds left on deposit as well as salary savings due to staff turnover.

First Quarter Issues and Recommendations

Labor Increase – It is recommended to increase appropriations by \$69,533, funded with \$36,159 in estimated revenue and \$33,374 in Net County Cost, to support negotiated labor increases for the American Federation of State, County, and Municipal Employees (AFSCME) (Board Resolution 2025-0409).

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/ General Fund Contribution	Description
Treasurer-Tax Collector Treasury Division	\$11,911	\$11,911	\$0	\$0	Increase appropriations to support negotiated labor increases.
Treasurer-Tax Collector Administration/Taxes	\$0	\$29,696	\$0	\$29,696	Increase appropriations to support negotiated labor increases.
Treasurer-Tax Collector Business Services Division	\$0	\$6,378	\$0	\$6,378	Increase appropriations to support negotiated labor increases.
Treasurer-Tax Collector Revenue Recovery	\$24,248	\$24,248	\$0	\$0	Increase appropriations to support negotiated labor increases.
Total	\$36,159	\$72,233	\$0	\$36,074	

Recommendation: It is recommended to increase appropriations by \$72,233, funded with \$36,159 in estimated revenue and \$36,074 in Net County Cost.



ENHANCING COMMUNITY INFRASTRUCTURE

Environmental Resources

Parks and Recreation

Planning and Community Development

Public Works

Enhancing Community Infrastructure

Priority Overview

The Board of Supervisors' priority area *Enhancing Community Infrastructure* is essential to the quality of life for the residents of Stanislaus County and to the maintenance and expansion of a robust economy. Water quality, effective liquid and solid waste disposal, recreational opportunities, and regional approaches to transportation circulation are critical to community infrastructure.

Departments in this priority area include Environmental Resources, Parks and Recreation, Planning and Community Development, and Public Works. The major funding sources for these departments include State and Federal funding, fees and charges for services, the General Fund, special revenue grants, and a 1/2-cent local transportation sales tax commonly referred to as Measure L.

In Fiscal Year 2026, the Board of Supervisors allocated \$3 million of General Fund reserves to the Department of Public Works to purchase and operate for three years, two one-person patchers. The patchers will be deployed throughout the County and will improve the Department's ability to respond to pothole complaints. Additionally, for the first time, Public Works budgeted a department contingency in the amount of \$6 million to address emergency road and bridge projects.

Recommendations contained in this report will increase appropriations and revenue by \$150,986 for departments *Enhancing Community Infrastructure*.

The departments within *Enhancing Community Infrastructure* are on track to end the year within budget and in a positive fiscal position.

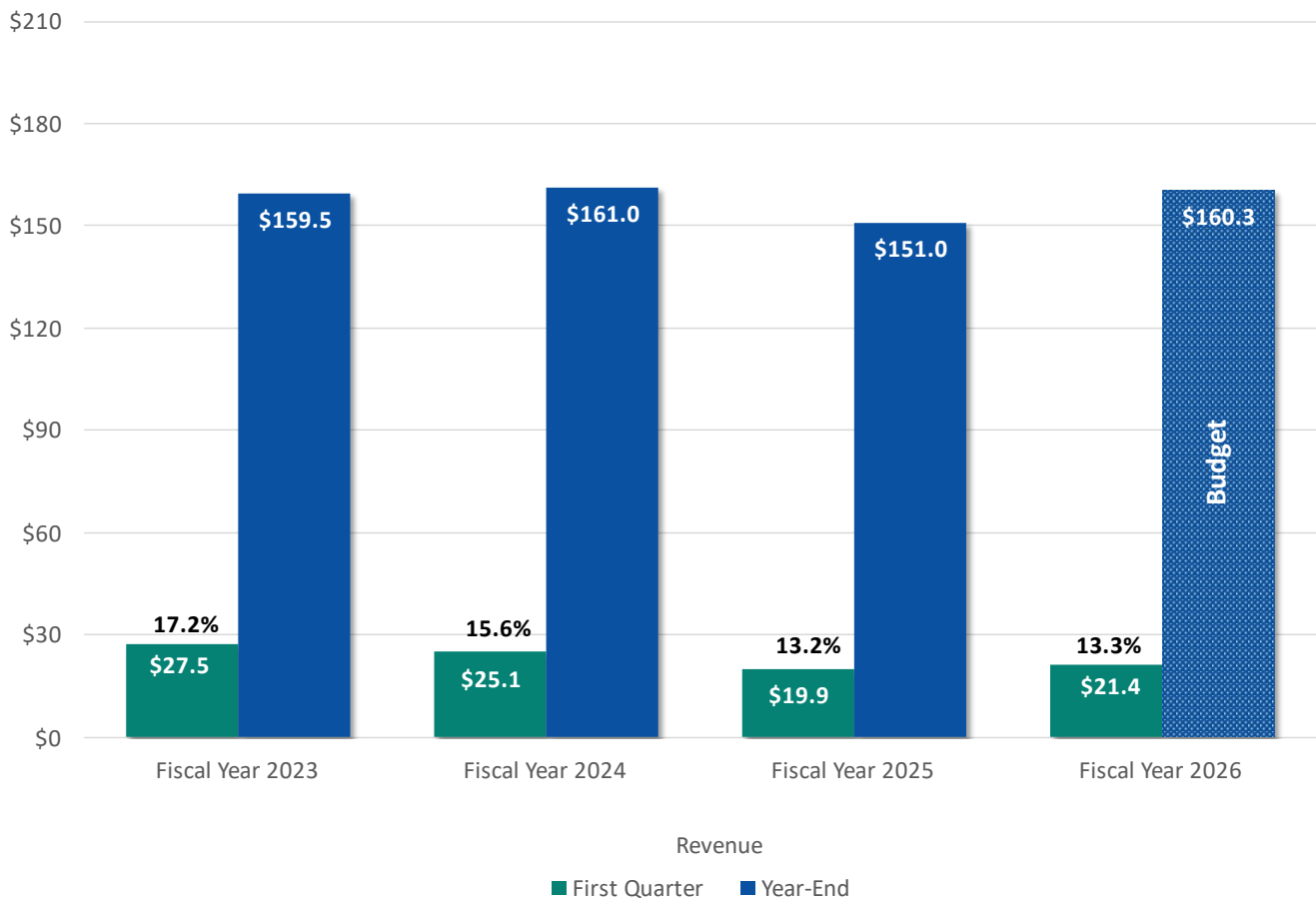
Departmental Revenue

For the budgets representing the Board's priority *Enhancing Community Infrastructure* actual revenue collected as of September 30, 2025, totaled \$21.4 million, representing 13.3% of the estimated annual revenue. This is within historical range when compared to the first quarter of the prior three years when collections ranged from 13.2% to 17.2% of final actual revenue.

Budgets within this priority include revenue for various projects that impact both budgeted revenue and actual revenue collected. Revenue collected to date in the current fiscal year is \$6.1 million less than Fiscal Year 2023 and \$3.7 million less than Fiscal Year 2024. These variances are largely due to the project-based revenue in the Public Works Road and Bridge budget. The Road and Bridge budget includes \$101.6 million in estimated revenue for over 50 projects. Additionally, Planning and Community Development includes \$15.7 million of housing program and grant revenue. These revenue sources for Public Works and Planning and Community Development are received on a cost-reimbursement basis and costs have not yet materialized.

Enhancing Community Infrastructure Four-Year Revenue Comparison

In Millions



Departmental Expenditures

As of September 30, 2025, expenditures in this priority total \$21.7 million, representing 8% of the budgeted appropriations. Expenditures at the first quarter of the prior three years ranged from 14.7% to 21.3% of the final actual expenditures, placing this year's expenditures below the historical range.

The shift is primarily due to the increase in overall budget compared to that realized in prior years' actual expenditures. While Fiscal Year 2026 year-to-date actual expenditures are slightly lower than prior years, budgets for these departments are considerably higher than the final actual expenditures of the prior three years. Environmental Resources – Fink Road Landfill has planned several large one-time expenses such as heavy equipment purchases and site improvements that have not yet occurred. Planning and Community Development has funded appropriations related to housing programs and the Public Works budget includes provisions for over 50 projects.

Enhancing Community Infrastructure Four-Year Expenditures Comparison

In Millions



Environmental Resources

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Department of Environmental Resources (DER)							
1001 DER0001 Special Revenue Fund							
Total Revenue	\$7,188,990	\$7,285,668	\$9,464,813	\$9,496,795	\$10,465,017	\$7,871,255	132.95%
Use of Fund Balance	(569,129)	(601,598)	(2,163,007)	(1,303,307)	(123,604)	2,398,049	-5.15%
Gross Costs	7,589,493	8,004,542	7,536,190	8,427,872	10,575,797	10,503,688	100.69%
Net County Cost	\$969,632	\$1,320,472	\$234,384	\$234,384	\$234,384	\$234,384	100.00%

The historical fluctuations in Gross Costs from Fiscal Year 2021 to Fiscal Year 2025 can be attributed to several key factors. Increases to services and supplies were driven by new software costs and associated implementation expenditures for the Hazardous Materials Division, along with steady increases in Cost Allocation Plan (CAP) charges during Fiscal Year 2022. In Fiscal Year 2023, expenditures decreased due to salary and benefits savings following the removal of an Assistant Director's salary, transferred to the Fink Road Landfill budget, and the impact of staff vacancies. Expenditures rose in Fiscal Years 2024 and 2025 again as vacancies were filled, along with the significant increase in salaries and benefits, services and supplies, and CAP charges.

In Fiscal Year 2025, actual revenue exceeded the budget by \$2.6 million. This variance is primarily attributed to the implementation of the Department's newly developed internal allocation of administrative costs across divisions based on monthly full-time equivalent (FTE) calculations. As the Fink Road Landfill operates as an Enterprise Fund, the Auditor-Controller's Office (ACO) recommended utilizing the Interfund Admin Charges expense account and the Interfund Revenue account to record the related transfers. This approach resulted in a \$600,000 increase in revenue within Fund 1001. Additionally, the ACO advised using the Operating Transfers Out and Operating Transfers In accounts for the Realignment Vehicle License Fee (VLF) allocation. Although these transfers occurred within the same fund, this accounting treatment effectively double-counted the Realignment VLF revenue, contributing an additional \$1.1 million to Fund 1001. The remaining \$900,000 over budget is attributed to the Department's ongoing efforts to improve billing processes and enhance the timeliness of revenue collection.

Beginning in Fiscal Year 2023, Net County Cost utilization decreased significantly because Code Enforcement Program transferred from Environmental Resources Fund 1001 budget to a stand-alone General Fund legal budget. The Department's revenue has continued to grow, driven by increases in franchise fees due to refuse collection rate adjustments required by Senate Bill 1383. This has contributed to the stabilization and ongoing growth of the fund balance.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DER AB 939/Source Reduction and Recycle							
1004 DER0006 Special Revenue Fund							
Total Revenue	\$685,892	\$662,371	\$730,181	\$546,303	\$152,478	\$178,022	85.65%
Use of Fund Balance	9,526	(44,293)	(10,620)	26,641	65,486	103,074	63.53%
Gross Costs	695,418	618,078	719,561	572,944	217,964	281,096	77.54%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

AB 939 – Source Reduction and Recycling trends vary annually based on tonnage received at the Waste-to-Energy (WTE) facility and the timing of reimbursements. In Fiscal Year 2024, the decrease in revenue was due to decreased tonnage at the WTE facility. The decrease in expenditures and revenue in Fiscal Year 2025 is due the closure of the WTE facility in December 2024, resulting in a significant use of fund balance in Fiscal Year 2025. Funding for this program has been reestablished, and it is anticipated revenue will stabilize in the coming fiscal years.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DER Abandoned Vehicle Abatement							
1014 DER0003 Special Revenue Fund							
Total Revenue	\$64,933	\$49,060	\$51,165	\$26,632	\$43,595	\$55,036	79.21%
Use of Fund Balance	(13,262)	(14,773)	(35,405)	(9,973)	(36,623)	50,062	-73.16%
Gross Costs	51,672	34,287	15,760	16,659	6,972	105,098	6.63%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Abandoned Vehicle Abatement (AVA) revenue fluctuated slightly during Fiscal Year 2021 through Fiscal Year 2023, with a significant decrease in Fiscal Year 2024, followed by an increase in Fiscal Year 2025. Revenue varies annually based on population and the number of vehicles abated. Fluctuating costs are primarily due to the requirement of a biennial audit that must be performed and the training of new staff to administer the program. In Fiscal Year 2025, the Code Enforcement division had multiple vacancies that lowered Gross Costs in the program. Now that the positions are filled, training to administer the AVA program should result in higher costs in the coming years.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DER Beverage Container Recycling							
1010 DER0015 Special Revenue Fund							
Total Revenue	\$28,452	\$28,566	\$28,285	\$28,130	\$56,154	\$37,000	151.77%
Use of Fund Balance	1,032	(474)	641	559	(28,428)	0	0.00%
Gross Costs	29,484	28,092	28,926	28,689	27,726	37,000	74.93%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The trend in Beverage Container Recycling varies based on project timelines, deliverables, and State funding for the grant. The revenue received has been stable. The decrease in fund balance use in Fiscal Years 2021, 2023 and 2024 is due to the timing of the grant award being received, along with year-end transfers. The timing of the funding in Fiscal Year 2025 resulted in a growth in fund balance.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DER Code Enforcement							
0100 DER0012 General Fund							
Total Revenue	\$0	\$0	\$186,786	\$279,091	\$274,357	\$326,651	83.99%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	0	0	1,328,352	1,682,293	1,447,216	1,677,470	86.27%
Net County Cost	\$0	\$0	\$1,141,566	\$1,403,202	\$1,172,859	\$1,350,819	86.83%

Code Enforcement was newly established in Fiscal Year 2023. This program was previously included in the Environmental Resources main budget. The revenue has slightly increased due to the activity of violations and citations that have been issued. This program is a General Fund program and has no departmental fund balance usage. Expenditures increased in Fiscal Year 2024 due to increased salaries and benefits, along with Cost Allocation Plan charges. Fiscal Year 2025 saw a dip in expenditures due to vacancies within the program. These vacancies have been filled which will result in increased costs as the new staff remain in their roles.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DER Code Enforcement Abatement							
1016 DER0008 Special Revenue Fund							
Total Revenue	\$0	\$0	\$0	\$10,000	\$20,026	\$0	0.00%
Use of Fund Balance	0	0	0	(10,000)	(20,026)	22,385	-89.46%
Gross Costs	0	0	0	0	0	22,385	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Code Enforcement Abatement varies annually based on the collection of revenue through court fines. Expenditures vary annually based on the need for serious and immediate public health and safety mitigation as determined by the committee that oversees the use of the fund.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DER Disclosure Program							
1005 DER0007 Special Revenue Fund							
Total Revenue	\$353,808	\$293,400	\$380,875	\$236,874	\$400,243	\$375,856	106.49%
Use of Fund Balance	1,191	244,764	57,827	160,479	(400,243)	(19,856)	2015.73%
Gross Costs	354,999	538,165	438,701	397,353	0	356,000	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Disclosure Program revenue is based on the fees collected from businesses and fluctuates annually. The cyclical nature of expenditures is directly tied to the staff time required to administer the program, which in turn impacts the fund balance. In Fiscal Year 2025, staffing changes within the Fiscal and Administration team resulted in the expense allocation to be inadvertently missed. The Department is exploring a post-close option to allocate the expenses properly for Fiscal Year 2025.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DER Environmental Enforcement							
1009 DER0010 Special Revenue Fund							
Total Revenue	(\$48)	(\$1,241)	\$1,764	\$796	\$972	\$0	0.00%
Use of Fund Balance	5,348	1,241	(1,764)	4,708	(972)	5,932	-16.38%
Gross Costs	5,300	0	0	5,504	0	5,932	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The historical trend in the Environmental Enforcement Trust Fund varies annually based on whether grant funds are awarded to eligible non-profit organizations and public agencies for local law enforcement environmental efforts, to support the enhancement of natural resources in Stanislaus County.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DER Fink Road Landfill							
4021 DER0013 Enterprise Fund							
Total Revenue	\$10,538,622	\$9,805,843	\$16,000,775	\$13,540,734	\$23,771,625	\$11,399,454	208.53%
Use of Fund Balance	(3,064,658)	(5,500,507)	(6,544,646)	(3,830,457)	(10,588,863)	17,987,352	-58.87%
Gross Costs	7,473,964	4,323,668	9,456,129	9,710,278	13,182,762	29,386,806	44.86%
Net County Cost	\$0	\$18,333	\$0	\$0	\$0	\$0	0.00%

The Fink Road Landfill budget varies annually based on project timelines, deliverables, the cost of doing business, the implementation of corrective action measures and related construction projects, and unforeseen fluctuations in revenue from tipping fees charged for the disposal of waste. From Fiscal Year 2021 through Fiscal Year 2025, expenditures increased due to the increase of salaries and benefits, purchases of heavy equipment and project management expenses. The increased revenue in Fiscal Years 2021 through 2024 is primarily due to a combination of fee increases and increased tonnage being received at the Landfill. The large increase in revenue in Fiscal Year 2025 can be attributed to the closure of the Waste-to-Energy (WTE) facility resulting in a substantial increase in tonnage going to the Landfill. There was also a one-time disbursement of Resource Recovery Funds that were received after the WTE Facility closed. Although Gross Costs increased compared to the prior year, total expenditures for Fiscal Year 2025 were significantly lower than budgeted. This variance is primarily due to the delayed receipt of two pieces of heavy equipment that had been ordered, cost savings realized through contracted services, salary savings resulting from position vacancies, and reduced Operating Transfers Out to the Geer Road Landfill due to the closure of Covanta.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DER Geer Road Landfill							
4031 DER0014 Enterprise Fund							
Total Revenue	\$3,278,174	\$5,301,892	\$1,562,480	\$1,303,863	\$1,579,790	\$650,000	243.04%
Use of Fund Balance	181,701	602,727	663,463	2,034,376	777,417	3,051,764	25.47%
Gross Costs	3,459,875	5,904,619	2,225,943	3,338,239	2,357,207	3,701,764	63.68%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Geer Road Landfill budget varies annually based on the implementation of corrective action measures required by the Regional Water Quality Control Board (RWQCB) and related construction projects at the site which are supported by post-closure funding. Due to a change in accounting practices, the insurance proceeds that are held in the Closure Fund (Fund 4032) are now used for the Operational Fund (Fund 4031), including a \$4.00/ton for Ash from the Waste-to-Energy Facility and \$1.50/ton for Municipal Solid Waste. With this change, the revenue has significantly declined in Fiscal Year 2023 through Fiscal Year 2025. The significant increase in expenditures in Fiscal Year 2022 was due to additional corrective projects for regulatory compliance with the RWQCB.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DER Groundwater Program							
0100 DER0011 General Fund							
Total Revenue	\$41,507	\$65,622	\$60,154	\$142,923	\$84,991	\$84,813	100.21%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	1,052,186	1,221,708	1,407,412	1,778,147	2,369,825	2,512,631	94.32%
Net County Cost	\$1,010,679	\$1,156,086	\$1,347,258	\$1,635,225	\$2,284,834	\$2,427,818	94.11%

Groundwater Program revenue varies depending on the number of permits that are issued or requested permits that must go through the California Environmental Quality Act (CEQA) process. In Fiscal Year 2024, revenue increased due to additional reimbursement from Tuolumne County for Groundwater Sustainability Plan (GSP) review. This GSP is within the Stanislaus Tuolumne Regional Groundwater Basin Agency. This program is a General Fund program and has no departmental fund balance usage. The expenditures increased due to County General Services Agency administration, GSP development, implementation of projects, and the Cost Allocation Plan charges- specifically the General Liability Insurance.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DER Household Hazardous Waste							
1002 DER0004 Special Revenue Fund							
Total Revenue	\$725,262	\$691,106	\$699,759	\$629,908	\$242,428	\$245,993	98.55%
Use of Fund Balance	121,976	(2,967)	(69,768)	15,982	355,269	567,010	62.66%
Gross Costs	847,238	688,138	629,991	645,890	597,696	813,003	73.52%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Household Hazardous Waste revenue fluctuates annually based on the tonnage processed at the Waste-to-Energy (WTE) facility, though the program remains stable overall. In Fiscal Year 2025, revenue declined due to the closure of the WTE facility. Expenditures fluctuate based on the staff time needed to administer the program, along with costs related to services and supplies. Funding for this program has been reestablished, and it is anticipated revenue will stabilize in the coming fiscal years.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DER Used Oil Recycling							
1008 DER0009 Special Revenue Fund							
Total Revenue	\$52,587	\$63,551	\$66,352	\$63,042	\$116,077	\$70,000	165.82%
Use of Fund Balance	36,272	(10,556)	(3,188)	3,289	(71,737)	0	0.00%
Gross Costs	88,859	52,995	63,164	66,331	44,340	70,000	63.34%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The historical trend in Used Oil Recycling varies annually based on the amount of grant funds awarded, the timing of the grant funds being received, and the timing of State grant reimbursements.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DER Vehicle Registration Fee Surcharge							
1003 DER0005 Special Revenue Fund							
Total Revenue	\$1,030	(\$14,762)	\$25,365	\$12,561	\$17,644	\$10,744	164.22%
Use of Fund Balance	(1,030)	14,762	(25,365)	(12,561)	(17,644)	65,365	-26.99%
Gross Costs	0	0	0	0	0	76,109	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The historical trend in Vehicle Registration Fee Surcharge varies based on the interest earned on the fund, court fines and fees received, and whether expenditures were necessary to cover mandated emissions upgrades or to assist with the purchase of alternative fuel vehicles. The negative revenue in Fiscal Year 2022 is due to an adjustment to fair market value of investments.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
DER Waste Tire Enforcement Grant							
1012 DER0002 Special Revenue Fund							
Total Revenue	\$119,729	\$127,150	\$150,066	\$185,687	\$54,788	\$217,175	25.23%
Use of Fund Balance	106,000	(85,000)	(1,000)	(38,883)	23,627	0	0.00%
Gross Costs	225,729	42,150	149,066	146,804	78,415	217,175	36.11%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The historical trend in Waste Tire Enforcement Grant varies annually based on the amount of grant funds awarded and the timing of State grant reimbursements, which reflects a corresponding increase in the use of fund balance as the need arises. The variances represent the estimated accounts receivable and year-end transfers.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Environmental Resources (DER)	\$4,099,756	\$4,701,354	\$6,864,360	\$8,167,667	\$8,291,271
DER AB 939/Source Reduction and Recycle	74,802	119,095	129,716	103,074	37,588
DER Abandoned Vehicle Abatement	162,632	177,405	212,811	222,784	259,407
DER Beverage Container Recycling	28,452	28,926	28,285	27,726	27,702
DER Code Enforcement Abatement	100,107	100,107	100,107	110,107	130,133
DER Disclosure Program	462,983	218,399	160,476	94	400,337
DER Environmental Enforcement	30,568	29,327	31,091	26,383	27,355
DER Fink Road Landfill	49,243,026	54,743,534	59,014,710	64,475,407	75,842,814
DER Geer Road Landfill	8,025,705	7,422,978	6,569,157	4,692,806	3,922,723
DER Household Hazardous Waste	637,715	640,502	710,270	694,288	339,019
DER Used Oil Recycling	52,588	63,143	66,331	63,042	82,191
DER Vehicle Registration Fee Surcharge	404,318	389,557	414,921	427,482	445,126
DER Waste Tire Enforcement Grant	0	85,000	86,000	124,883	101,255
Total Fund Balance	\$63,322,652	\$68,719,327	\$74,388,235	\$79,135,741	\$89,906,921

Note: Table only reflects non-general fund units

The Environmental Resources fund balance has continued to demonstrate steady and sustained growth, driven by strategic cost controls, improved billing processes, increased transparency in financial reporting to senior leadership, and proactive financial planning. Significant savings from staff vacancies, as well as reduced expenditures on fixed assets, services, and supplies, have further contributed to this positive financial trajectory.

In Fiscal Year 2025, the Fink Road Landfill saw a notable increase in revenue due to higher tonnage received following the closure of the Waste-to-Energy (WTE) facility. The closure of the WTE Facility resulted in a one-time \$3.4 million disbursement from the Resource Recovery Fund, temporarily boosting the fund balance. Even when excluding this non-recurring amount, the Department continues to reflect a sustainable financial trend as it prepares for the planned expansion of the landfill. While the \$3.4 million disbursement represents a one-time anomaly, the broader financial outlook reflects prudent fiscal stewardship and deliberate planning for future infrastructure needs at the Fink Road site.

Conversely, the Geer Road Landfill (GRLF) fund balance continues to decline, as the Department relies on the Fund Balance to cover the ongoing costs of maintaining the closed site. This drawdown is expected to continue until a cost-sharing agreement is reached with the City of Modesto regarding their portion of GRLF's monitoring and maintenance expenses.

Additional financial stability has been supported through the implementation of Senate Bill 1383, which mandated organics collection and recycling in partnership with franchise haulers beginning January 1, 2022. This initiative has resulted in increased franchise fee revenues through refuse collection rate adjustments. To further support long-term operational sustainability, the Department has implemented three fee increases since Fiscal Year 2021 to offset rising costs associated with salaries and benefits, Cost Allocation Plan charges, and general operating expenses. The Department also continues to conduct internal fee analyses and audits to ensure accurate and equitable fee assessments across all customer accounts within Stanislaus County—ensuring the financial capacity to fulfill its commitment to enhancing community infrastructure, protecting public health, and preserving natural resources.

First Quarter Issues and Recommendations

Groundwater Program - Stanislaus County is part of the Delta-Mendota Groundwater Subbasin which is made up of seven Groundwater Sustainability Plans (GSPs) representing 23 Groundwater Sustainability Agencies (GSAs). The Delta-Mendota GSAs were awarded funding through the Department of Water Resources' Sustainable Management Sustainable Groundwater Management Act Implementation – Round 1 Grant Program. This grant program awarded \$150 million to critically over-drafted groundwater subbasins to fund the development and implementation of GSPs. One of the goals of the grant is to assist with data gaps and monitoring of groundwater. Interconnected Surface Water has been identified as a data gap in the Delta-Mendota Subbasin and across the entire State. Recognizing this, the Delta-Mendota Subbasin has identified a Stanislaus County-owned right-of-way located along Orchard Road in Modesto as a suitable location for an Interconnected Surface Water monitoring well. The Department of Environmental Resources will take the lead on this project, which is estimated to cost \$150,986. A technical increase in estimated revenue and appropriations in this amount is recommended to reflect the cost and offsetting grant revenue associated with this project.

Recommended Budget Adjustment					
Budget Unit Name	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost/ General Fund Contribution	Description
Environmental Resources - Groundwater Program	\$150,986	\$150,986	\$0	\$0	Increase revenue and appropriations for an interconnected surface water monitoring well.

Recommendation: It is recommended to increase estimated revenue and appropriations by \$150,986.

Parks and Recreation

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior year actuals to the prior year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Parks and Recreation (PKS)							
0100 PKS0001 General Fund							
Total Revenue	\$4,569,332	\$5,595,338	\$6,235,878	\$6,248,910	\$6,374,385	\$8,014,437	79.54%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	7,808,224	8,584,341	10,771,127	12,774,429	19,432,563	21,443,900	90.62%
Net County Cost	\$3,238,893	\$2,989,004	\$4,535,250	\$6,525,519	\$13,058,178	\$13,429,463	97.24%

In Fiscal Year 2022, revenue increased by over 22% due to increased outdoor recreation during the COVID pandemic, followed by an 11% increase in Fiscal Year 2023. Modest growth in Fiscal Year 2024 and Fiscal Year 2025 was driven by several factors including the absence of the DirtyBird special event, a natural decline in visitation as post-pandemic patterns normalized, and a revenue boost from a new camping fee structure implemented in December 2023. In Fiscal Year 2025, estimated revenue did not materialize due to the discovery of the invasive Golden Mussel species in nearby waterways and the implementation of prevention measures, including boat launch closures at Woodward Reservoir and mandatory vessel inspections at Modesto Reservoir. As the result of boat launch closures at Woodward Reservoir, the Department experienced a loss in vessel fee, camping, and day-use revenue.

Gross Costs have risen each fiscal year from 2021 to 2025, driven by increasing expenses in salaries, benefits, supplies, and Cost Allocation Plan (CAP) charges. In Fiscal Year 2025, Gross Costs rose significantly as a result of a 51% increase in CAP charges, with the entire increase being absorbed by Department revenue. In addition, as part of the 2023 Adopted Budget, the Department received \$10 million in Building Community Services Investment (BCSI) funding to be implemented over three years for enhancements to parks. Expenditures saw a notable increase in Fiscal Year 2025, as it marked the third year of BCSI funding. The Department invested approximately \$1.5 million in park enhancements and allocated an additional \$6.5 million to the Parks' Capital Project legal budget unit to support the completion of remaining projects in Fiscal Year 2026.

Net County Cost has increased from Fiscal Year 2023 through Fiscal Year 2025 due to rising salary costs, inflation-related increases in operational expenses such as materials and labor, and continued growth in CAP charges year over year. Net County Cost fluctuated between the three fiscal years primarily influenced by the timing of BCSI spending. In Fiscal Year 2025, Net County Cost increased 100% compared to 2024 due to budgeted revenue not materializing and the utilization of \$8 million in BCSI funds during the final year. Of this \$8 million, approximately \$6.5 million was transferred to Parks' Capital Project budget unit to support various projects.

Total Revenue is \$1.64 million lower than budget in Fiscal Year 2025 due to the pending receipt of approximately \$1.1 million in grant-funded project reimbursements, as well as the continued revenue impact of invasive mussel prevention measures. Additionally, the final year of BCSI contributions and expenditures contributed to the notable increase in expenditures for one-time enhancement costs.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
PKS Fish and Wildlife							
1727 PKS0006 Special Revenue Fund							
Total Revenue	\$1,303	\$141	\$215	\$150	\$149	\$1,000	14.90%
Use of Fund Balance	(1,303)	(141)	244	(150)	1,367	19,000	7.20%
Gross Costs	0	0	459	0	1,516	20,000	7.58%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Revenue in the Fish and Wildlife Legal Budget Unit (LBU) fluctuates only slightly from year to year, as it largely depends on the number of violations identified and tickets issued, which remains relatively low. All expenditures in this LBU require approval from the Fish and Wildlife Committee and are focused on environmental preservation and promoting public involvement in wildlife-related activities. In Fiscal Year 2025, the Committee approved expenditures related to participation in events that supported community engagement.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
PKS Modesto Reservoir Patrol							
1728 PKS0007 Special Revenue Fund							
Total Revenue	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	100.00%
Use of Fund Balance	0	0	0	(23,000)	0	0	0.00%
Gross Costs	23,000	23,000	23,000	0	23,000	23,000	100.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Revenue remains consistent annually and is funded by the Modesto Irrigation District to support enhanced services aimed at protecting water quality. In Fiscal Year 2025, the Department utilized the revenue received to cover costs associated with implementing advanced invasive species measures and initiatives aimed at continued water quality protection.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
PKS Off Highway Vehicle (OHV)							
1702 PKS0003 Special Revenue Fund							
Total Revenue	\$0	\$0	\$0	\$1,311,131	\$977,824	\$754,439	129.61%
Use of Fund Balance	0	0	0	(1,178,878)	(229,268)	149,317	-153.54%
Gross Costs	0	0	0	132,253	748,556	903,756	82.83%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The Off-Highway Vehicle (OHV) legal budget unit includes both Frank Raines OHV and La Grange OHV. During the County's Enterprise Resource Planning update, the two OHVs were unintentionally separated into different legal budget units. As of Fiscal Year 2025, the two OHV Cost Centers have been consolidated back into the same LBU.

The revenue and expenditure patterns for Off-Highway Vehicles have historically fluctuated due to the availability of grant funds, revenue generated from entrance fees and special events, as well as the cyclical nature of spending and the timing of various projects. Periods of increased costs often result from significant equipment purchases and development efforts aimed at sustaining and upgrading the off-highway vehicle park. In Fiscal Year 2025, revenue exceeded costs, resulting in a benefit to fund balance. The overall growth was the result of increased

grant-related reimbursements. Operating and equipment expenditures came in below budget which also contributed positively to the fund balance.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
PKS OHV Frank Raines (Discontinued)							
1702 PKS0004 Special Revenue Fund							
Total Revenue	\$350,834	\$99,464	\$172,635	\$137	\$0	\$0	0.00%
Use of Fund Balance	(173,766)	(2,912)	(69,781)	246,322	0	0	0.00%
Gross Costs	177,068	96,552	102,854	246,459	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The OHV Frank Raines budget has been moved to the Off Highway Vehicle unit; please see the explanation of multi-year activity noted above.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
PKS OHV La Grange (Discontinued)							
1702 PKS0005 Special Revenue Fund							
Total Revenue	\$184,741	\$31,684	\$236,948	\$0	\$0	\$0	0.00%
Use of Fund Balance	(137,414)	18,541	(108,284)	226,980	0	0	0.00%
Gross Costs	47,326	50,226	128,664	226,980	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

The La Grange budget has been moved to the Off Highway Vehicle unit; please see the explanation of multi-year activity noted above.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
PKS Regional Water Safety Training Center (Discontinued)							
1694 PKS0008 Special Revenue Fund							
Total Revenue	(\$134)	\$92	\$429	\$68	\$0	\$0	0.00%
Use of Fund Balance	134	(92)	(447)	6,157	0	0	0.00%
Gross Costs	0	0	(18)	6,225	0	0	0.00%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

This legal budget unit is discontinued. This budget provided for general maintenance and operation of the regional aquatic facility located at Empire Community Park. Since the facility opened, recreational and instructional swim programs have been provided through an agreement with the Stanislaus County Police Activities League. This budget is now included in the Parks and Recreation main budget. Revenue recognized in this budget is due to interest earnings.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
PKS Tuolumne River Regional Park							
0100 PKS0002 General Fund							
Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	222,607	222,607	311,650	311,650	325,674	325,674	100.00%
Net County Cost	\$222,607	\$222,607	\$311,650	\$311,650	\$325,674	\$325,674	100.00%

Tuolumne River Regional Park (TRRP) has experienced a steady upward trend in operations and maintenance costs. Gross Costs increased by 4.5% in Fiscal Year 2025 from the previous fiscal year. The TRRP budget is funded through contributions agreed upon by the participating agencies through a Joint Powers Agreement. Stanislaus County's share is funded by a General Fund contribution.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
PKS Fish and Wildlife	\$59,214	\$59,355	\$59,111	\$59,260	\$57,893
PKS Modesto Reservoir Patrol	65,102	65,102	65,102	88,102	88,102
PKS Off Highway Vehicle (OHV)	937,409	921,779	1,099,844	1,805,420	2,034,688
PKS Regional Water Safety Training Center (Discontinued)	5,617	5,710	6,157	0	0
Total Fund Balance	\$1,067,343	\$1,051,946	\$1,230,213	\$1,952,783	\$2,180,684

Note: Table only reflects non-general fund units

Fish and Wildlife fund balance has remained steady with minimal fluctuations based on fines collected and approved expenditures authorized by the Fish and Wildlife Committee with a slight decline in Fiscal Year 2025 due to increased event participation by the Committee members.

Modesto Reservoir Patrol fund balance shows an increase for Fiscal Year 2024, as the Department was able to cover expenses using grant funding, eliminating the need to use the budgeted contribution. Fund Balance had no change for Fiscal Year 2025 as the Department utilized the contribution to cover expenditures related to the implementation of advanced measures of water quality protection. Revenue for this fund remains steady year after year, derived from an agreement with the Modesto Irrigation District that funds enhanced water quality protection services at Modesto Reservoir.

Off-Highway Vehicle fund balance has increased over the past few years, primarily due to an increase in grant funding, cyclical expenditures, and varying project timelines. The increase from Fiscal Year 2023 to Fiscal Year 2024 is due to a large equipment purchase that was postponed to the following fiscal year (2025). Additionally, with the consolidation of two legal budget units (LBUs) into one, Fiscal Year 2023 receivables totaling \$348,940 had to be rebooked in Fiscal Year 2024, following guidance from the Auditor's Office.

Regional Water Safety Training Center This legal budget unit is inactive, and the remaining funds were transferred to the main Parks and Recreation budget unit in Fiscal Year 2024, which is responsible for covering the operational expenses of this pool.

Planning and Community Development

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Planning and Community Development (PL)							
0100 PL00001 General Fund							
Total Revenue	\$1,234,866	\$1,233,018	\$1,349,078	\$1,256,127	\$1,194,700	\$1,522,465	78.47%
Use of Fund Balance	0	0	0	0	0	0	0.00%
Gross Costs	2,737,840	2,940,769	3,322,285	3,750,166	3,724,807	4,535,431	82.13%
Net County Cost	\$1,502,974	\$1,707,751	\$1,973,206	\$2,494,039	\$2,530,106	\$3,012,966	83.97%

Planning and Community Development has received consistent revenue from Fiscal Year 2021 through Fiscal Year 2025, with fluctuations attributed to the volume and type of permit applications received and processed. Expenditures have increased in Salaries and Benefits and Intercounty Expenditures, including Cost Allocation Plan (CAP) charges, due to consistent cost increases over the past five fiscal years. The Services and Supplies object level was significantly higher in Fiscal Year 2024 due to replacement of equipment and furniture, construction of an office in the Planning Division, and electrical installation for cubicles. The increase in contract costs during Fiscal Year 2024 is attributed to consultant costs that were incorrectly applied to this Legal Budget Unit (LBU); an adjustment to correct for the error will be made this Fiscal Year.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
PL Building Permits							
1206 PL00004 Special Revenue Fund							
Total Revenue	\$2,579,481	\$2,884,353	\$3,168,873	\$2,655,307	\$3,109,004	\$3,005,150	103.46%
Use of Fund Balance	11,986	(283,240)	(210,302)	472,108	576,712	1,028,580	56.07%
Gross Costs	2,591,467	2,618,975	2,958,571	3,127,415	3,685,716	4,033,730	91.37%
Net County Cost	\$0	\$17,862	\$0	\$0	\$0	\$0	0.00%

The Building Permits LBU revenue has slightly increased from Fiscal Year 2021 to Fiscal Year 2025. Building Permits revenue varies based on the number and type of building permits issued during the fiscal year. Staffing costs and Intercounty Expenditures, including Cost Allocation Plan (CAP) charges, have increased significantly from Fiscal Year 2021 to Fiscal Year 2025 accounting for a \$783,648 increase. CAP charges have increased by 46% from Fiscal Year 2021 to Fiscal Year 2025. While the Fiscal Year 2025 Services and Supplies reached a high of \$494,859, due to one-time costs for the implementation of the Accela Cloud permitting software, the average expenditures for the previous four years were \$252,605 per year.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
PL Dangerous Building Abatement							
1746 PL00005 Special Revenue Fund							
Total Revenue	\$19,707	\$24,382	\$62,532	\$0	\$0	\$51,500	0.00%
Use of Fund Balance	(10,921)	(11,873)	(61,409)	2,905	2,042	0	0.00%
Gross Costs	8,786	12,508	1,123	2,905	2,042	51,500	3.97%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Dangerous Building Abatement revenue and expenses vary year by year based on the number of forced clean-ups undertaken in the fiscal year. During the past four fiscal years there have been very few forced clean-ups due to property owners cleaning up the dangerous properties. Historically, during periods of high real estate prices, property owners clean up properties before the County is forced to take action.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
PL General Plan Maintenance							
179A PL00003 Special Revenue Fund							
Total Revenue	\$143,859	\$126,846	\$239,252	\$228,820	\$217,457	\$224,999	96.65%
Use of Fund Balance	(4,388)	(68,715)	(218,626)	(20,440)	10,799	395,000	2.73%
Gross Costs	139,471	58,131	20,626	208,380	228,256	619,999	36.82%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

General Plan Maintenance revenue has increased from Fiscal Year 2021 to Fiscal Year 2025 with some variations due to cannabis program reimbursements and interest revenue. Expenditures change each year based on staff time charges and contract costs. In Fiscal Year 2025 the long-range planner position that is to be paid for by this LBU was filled and will contribute to increasing costs in Fiscal Year 2026 as the staff assigned to the position makes the transition to full-time.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
PL Housing Programs							
1292 PL00009 Special Revenue Fund							
Total Revenue	\$0	\$0	\$308,227	\$1,373,756	\$2,880,400	\$3,503,563	82.21%
Use of Fund Balance	0	0	(57,241)	213,881	(1,946,764)	0	0.00%
Gross Costs	0	0	250,986	1,587,637	933,637	3,503,563	26.65%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Housing Programs had activity beginning in Fiscal Year 2023 with limited revenue and expenditures. In Fiscal Year 2024 the Housing Programs had a full year of activity resulting in higher revenue and expenditures. Revenue and expenditures should continue to rise as the Housing Programs are implemented.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
PL Salida Planning Efforts							
178D PL00006 Special Revenue Fund							
Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Use of Fund Balance	0	0	0	0	(375,054)	366,220	-102.41%
Gross Costs	0	0	0	0	307,726	1,049,000	29.34%
Net County Cost	\$0	\$0	\$0	\$0	\$682,780	\$682,780	100.00%

Salida Planning Efforts had activity beginning in Fiscal Year 2025 with the Board of Supervisors authorization to proceed with the Salida Community Plan Programmatic Environmental Impact Report and Salida Incorporation Study. The authorization included use of existing fund balance and a one-time General Fund contribution to cover consultant and staff costs. The work is expected to continue into early Fiscal Year 2027.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
PL Special Revenue Grants							
1292 PL00002 Special Revenue Fund							
Total Revenue	\$7,028,127	\$16,707,475	\$7,811,016	\$10,919,591	\$3,672,534	\$11,645,682	31.54%
Use of Fund Balance	1,124,754	409,759	3,283,241	(4,102,844)	(482,588)	4,611,822	-10.46%
Gross Costs	8,152,881	17,117,234	11,094,257	6,816,747	3,189,946	16,257,504	19.62%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

Special Revenue Grants revenue and costs vary year to year based on available grant dollars and revenue reimbursement. During the past four fiscal years, the Coronavirus Aid, Relief, and Economic Security (CARES) Act grants were active in the Department causing increased expenditures and revenue from reimbursements. Going forward revenue and expenditures should return to historical levels. Each year the Department's goal is to spend grant dollars timely within the grant parameters providing the best value for the community and to be reimbursed for grant spending within the fiscal year.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
PL Building Permits	\$2,647,222	\$2,930,462	\$3,140,764	\$2,668,656	\$2,091,944
PL Dangerous Building Abatement	(32,772)	(20,899)	40,511	37,606	35,564
PL General Plan Maintenance	1,354,591	1,423,306	1,641,932	1,662,372	1,651,573
PL Housing Programs	0	0	0	0	0
PL Salida Planning Efforts	441,220	441,220	441,220	441,220	816,274
PL Special Revenue Grants	3,434,276	3,020,985	(205,016)	3,683,947	6,113,299
Total Fund Balance	\$7,844,537	\$7,795,074	\$5,059,411	\$8,493,802	\$10,708,655

Note: Table only reflects non-general fund units

Planning and Community Development Department fund balance has increased from July 1, 2021, to July 1, 2025, by \$2.9 million due to growth in the General Plan Maintenance Legal Budget Unit (LBU), Salida Planning Efforts, and the Special Revenues Grants LBU.

Building Permits fund balance has decreased by \$555,278 from Fiscal Year 2022 to the beginning of Fiscal Year 2026. Building Permits fund balance fluctuates based on permit revenue received during the fiscal year along with expenditures. While the fund balance grew between Fiscal Year 2022 and Fiscal Year 2023, it has also seen marked increases in use in two out of the five years due to increases in staffing costs and Intercounty Expenditures including Cost Allocation Plan (CAP) charges. In Fiscal Year 2026, it is anticipated that around \$675,000 in fund balance will be used. Use of Building Permit fund balance is planned for the upgrade of the Department's front counter, a new vehicle, equipment and furniture refresh, and to cover staffing costs associated with multi-year construction projects.

Dangerous Building Abatement fund balance has increased by \$68,336 from Fiscal Year 2022 to the beginning of Fiscal Year 2026. This fund balance increase is due to reimbursement from property owners who had dangerous building cleanups on the properties resulting in revenue exceeding expenditures.

Dangerous Building Abatement was provided a cash advance of \$100,000 from the General Fund pursuant to Board Resolution 98-788, approved September 29, 1998. The remainder of the cash advanced is in the actual cash balance, and the \$100,000 liability is included in the actual fund balance. Through diligent cost recovery efforts and good management, the Dangerous Building Abatement LBU has a positive fund balance of \$35,564.

General Plan Maintenance fund balance has increased by \$296,982 from Fiscal Year 2022 to the beginning of Fiscal Year 2026. The increase is due to revenue exceeding expenditures in the LBU and the use of one-time grant funds that have covered costs associated with the County's 6th Cycle Housing Element update. In Fiscal Year 2026, it is anticipated fund balance will be used to continue covering the cost of the consultant to assist with the 6th Cycle Housing Element. On August 5, 2025, the Board of Supervisors approved an application to Stanislaus Council of Governments (StanCOG) for \$251,336 in Regional Early Action Planning (REAP) 2.0 funding to reimburse the Department for costs already expended on Housing Element update. These funds will be used to reimburse the Planning and Community Development legal budget unit for costs that were incorrectly applied to cover the consultant costs.

Salida Planning Efforts fund balance increased by \$375,054 from Fiscal Year 2022 to the beginning of Fiscal Year 2026 due to a one-time General Fund contribution to cover costs associated with the Salida Community Plan Programmatic Environmental Impact Report and a Salida Incorporation Study. During the next two fiscal years, the LBU is projected to spend down the entire fund balance.

Special Revenue Grants has increased fund balance by \$2.7 million from Fiscal Year 2022 to the beginning of Fiscal Year 2026 due to increased grant reimbursements and program income. This fund balance includes \$1.9 million for the Housing Programs LBU which is reported under this fund.

Public Works

Annual Report on Budget Performance: Fiscal Years 2021-2025

The following tables identify five-year historical data of actual revenue, use of fund balance, costs, and General Fund contributions by individual budget unit along with a comparison of prior-year actuals to the prior-year Legal Budget.

Budget Performance

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
Public Works (PW)							
1201 PW00001 Special Revenue Fund							
Total Revenue	\$1,367,278	\$2,009,422	\$2,393,061	\$2,443,127	\$2,540,473	\$3,802,925	66.80%
Use of Fund Balance	121,708	(7,050)	86,215	(67,718)	2,972	(152,087)	-1.95%
Gross Costs	1,488,986	2,012,722	17,479,277	2,375,409	2,543,445	3,650,838	69.67%
Net County Cost	\$0	\$10,350	\$15,000,000	\$0	\$0	\$0	0.00%

Gross Costs steadily increased primarily due to the addition of new staff positions to implement and support the numerous projects funded with the Building Community Infrastructure Fund (BCIF) and American Rescue Plan Act (ARPA). BCIF was implemented in Fiscal Year 2023, with \$15 million provided through Net County Cost supporting a variety of infrastructure projects. The Administration division is funded with interfund revenue, therefore as costs increase, so does revenue. In Fiscal Year 2022, the Department did receive Net County Cost for COVID One Time Recovery Payments for full-time County employees required to report to work between April 2020 and June 2021. Fiscal Year 2025 came in under budget due to savings related to staff vacancies and professional services. In Fiscal Year 2026, this Legal Budget Unit (LBU) will see a reduction in both revenues and expenditures due to the

transfer of the Administration cost center to the Road and Bridge LBU. This change aligns with the State Controller's Road Fund guidelines. This LBU primarily operates on a reimbursement basis for project-related and daily operational expenses.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
PW Morgan Shop							
5121 PW00003 Internal Service Fund							
Total Revenue	\$4,802,678	\$4,629,392	\$4,781,908	\$5,828,518	\$4,454,458	\$5,286,240	84.27%
Use of Fund Balance	(1,169,724)	(1,041,473)	(664,453)	(1,936,960)	114,865	1,502,610	7.64%
Gross Costs	3,632,954	3,587,919	4,117,455	3,891,559	4,569,323	6,788,850	67.31%
Net County Cost	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

From Fiscal Year 2021 through Fiscal Year 2023, actual revenue averaged \$4.7 million annually. Fiscal Year 2024 increased by \$1.5 million due to the transfer in of Road and Bridge funding for costs associated with the purchase of a one-person patcher. In addition, Fiscal Year 2024 saw an increase in its rental revenue. Revenue dipped back down to \$4.5 million in Fiscal Year 2025 as rental revenue came in at a more normal level. During the time period shown, Gross Costs ranged from \$3.6 million to \$4.6 million. Morgan Shop has experienced slight increases in Salaries and Benefits and Cost Allocation Plan charges during the time period, but major fluctuations in costs can be attributed to equipment purchases, which vary by fiscal year. Fiscal Year 2025 included \$2.7 million in appropriations for equipment purchases; however, Morgan Shop only realized \$1.1 million in actual expenses.

Multi-Year History	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2025 Legal Budget	% of Legal Budget
PW Road and Bridge							
1101 PW00002 Special Revenue Fund							
Total Revenue	\$87,801,994	\$96,728,415	\$87,610,276	\$101,394,575	\$85,667,279	\$119,544,452	71.66%
Use of Fund Balance	(11,462,587)	(8,073,171)	(11,947,749)	(19,503,247)	(6,272,195)	23,128,543	-27.12%
Gross Costs	76,755,706	89,219,817	76,170,913	82,467,252	79,982,009	143,349,995	55.79%
Net County Cost	\$416,300	\$564,573	\$508,386	\$575,925	\$586,926	\$677,000	86.70%

Over the past few years, the Department of Public Works has had as many as 90 projects in various stages of completion. Revenue and expenditures fluctuate annually based on the type of activity occurring for each project. Staffing costs have steadily increased from Fiscal Year 2021 through Fiscal Year 2025; however, these expenses are 10% to 15% of the budget's total costs. The majority of expenses are related to projects costs. For example, in Fiscal Year 2024, the North County Corridor Phase 1 Project was in the Right-of-Way Acquisition phase. In total, \$17.5 million was spent on right-of-way acquisition in Fiscal Year 2024, which is \$10 million more than in Fiscal Year 2023. In Fiscal Year 2025, over \$21 million in funding was transferred to capital project funds for various construction projects, which is \$4 million to \$6 million more than prior years.

Over the next decade, Highway User Tax Account (HUTA) funding is expected to decrease by approximately 31%, primarily driven by the growing adoption of electric vehicles, which has resulted in reduced gas tax collections. As a major revenue source, HUTA supports salaries, benefits, and operational expenses across multiple departments. Revenue is anticipated to decline within the next few fiscal years, while operational costs are expected to continue rising.

The fund balance will fluctuate throughout the fiscal years in alignment with the timing of capital project phases. This funding is allocated for road maintenance projects, capital improvement projects, and local match for capital improvement projects.

Fund Balance Trends

The following table identifies five-year historical data of actual fund balance by individual budget unit along with a Department total for each fiscal year.

Multi-Year History	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Public Works (PW)	\$102,416	\$109,466	\$23,251	\$90,969	\$87,998
PW Morgan Shop	14,873,802	15,927,275	15,385,673	17,001,721	16,935,743
PW Road and Bridge	32,719,656	40,792,827	52,740,576	72,243,823	78,516,018
Total Fund Balance	\$75,082,977	\$56,829,569	\$68,149,500	\$89,336,513	\$95,539,759

Note: Table only reflects non-general fund units

Public Works fund balance has accumulated due to vacant positions. The Department is projecting the fund balance to reduce as positions are filled. This fund operates primarily on reimbursement-based funding relating to projects and daily operations.

Morgan Shop fund balance will fluctuate throughout the fiscal years due to equipment and vehicle purchases. Equipment rental revenue will exceed expenditures in years when there are limited equipment and vehicle purchases, resulting in an increase to fund balance. This fund is projected to always have a large fund balance due to the availability of the equipment and vehicle purchases.

Road and Bridge includes multiple funds. Fund 1101 is mostly funded by Highway User Tax Account (HUTA) revenue. Fund 1105 is funded with Measure L revenue, and Fund 1106 is funded with Senate Bill 1/Road Maintenance and Rehabilitation Account (RMRA) revenue. Fund 1101, HUTA, supports salaries, benefits, and operational expenses across multiple divisions. This fund balance has remained fairly steady. Funds 1105 and 1106 fluctuate throughout the years in alignment with the timing of capital project phases. These funds are allocated for road maintenance projects, capital improvement projects, and local match for capital improvement projects.

Community Partnership

Stanislaus County has several partners closely tied to the organization for which the County is the employer of record. These partners operate under their own respective governing boards or commissions, which approve their annual budgets. However, their staff are County employees and any adjustment to these partner agencies' staffing allocations requires County Board of Supervisors' approval.

Stanislaus Animal Services Agency

Staffing Recommendation: In Fiscal Year 2025, the agency submitted an off-cycle request to study one Animal Care Specialist III position. The study has been completed, concluding with a recommendation to create a new classification of Registered Veterinary Technician – Supervising to supervise staff responsible for animal health and shelter medicine, spay/neuter programs and related services. The salary range will be \$25.69 - \$31.23 per hour. This classification will be assigned to the Stanislaus County Employees Association (SCEA), American Federation of State, County and Municipal Employees (AFSCME Local #10) - Mid-Management/Supervisory Bargaining Unit 5. It is also recommended to reclassify this Animal Care Specialist III position to Registered Veterinary Technician – Supervising.

StanCERA

Staffing Recommendation: In 2025, the organization submitted an off-cycle request to study one Retirement Fiscal Manager and two Confidential Assistant IV positions. The study has been completed, concluding with the following recommendations:

- Rename the Retirement Fiscal Manager classification to Deputy Director – Retirement, with a salary range of \$54.73 - \$82.09 per hour.
- Create a new classification of Retirement Benefits Manager with a salary range of \$38.54 - \$57.80 per hour. This classification will manage the Benefits Division team, oversee benefits administration, and serve as a communication liaison. This classification will be designated as Unclassified Management for labor relations purposes, Bargaining Unit M. It is also recommended to reclassify one Confidential Assistant IV position to this new classification.
- Create a new classification of Retirement Projects Manager with a salary range of \$38.54 - \$57.80 per hour. This classification will serve as a system administrator, oversee organizational functions, manage projects, and support staff leadership. The classification will be designated as Unclassified Management for labor relations purposes, Bargaining Unit M. It is also recommended to reclassify one Confidential Assistant IV position to this new classification.

First Quarter Financial Report Conclusion

The 2026 First Quarter Financial Report shows the County budget is balanced, inclusive of updated information, and actual performance is tracking within the 2026 Legal Budget and year-end projections for most departments. County staff will continue to monitor current fiscal year budget operations and be prepared to make appropriate recommendations and changes informed by substantial analysis in the 2026 Midyear Financial Report planned for presentation to the Board of Supervisors on March 17, 2026.

Staff will continue to closely monitor external factors, including the monthly cash report issued by the State Controller, to monitor State inflows of revenue. If budget adjustments are required before the 2026 Midyear Financial Report, staff will bring appropriate and timely recommendations to the Board of Supervisors for consideration through separate Board action; however, no such urgent needs are anticipated at this time.