



A Strong Local Economy

Alliance Worknet
CEO-Economic Development Bank
Library

A Strong Local Economy

An important role that County government plays in creating a strong local economy is to promote, protect, and sustain agricultural economies while providing for broader, more diversified economic opportunities that will strengthen the local economy and provide for a better, more stable, quality of life for residents. Helping to facilitate the creation of jobs for the people of Stanislaus County is imperative for the community to prosper and grow. Finding ways to highlight the community's rich agricultural traditions as a positive tourism location and facilitating regional approaches to tourism will bring new revenue to the County. Ensuring that all people have the knowledge and ability to access the internet and providing a solid information technology infrastructure to support E-government are vital aspects in preparing the workforce and improving the attractiveness of Stanislaus County as a place to locate new business.



The Alliance Worknet provides a wide range of employment and training services to the community through a variety of programs funded under the Workforce Investment Act (WIA). To assist area employers, the Alliance Worknet staff visits area businesses in an effort to help them with their employment needs as well as retention, expansion, business counseling, and other services. The Stanislaus County Library provides educational and recreational opportunities to the community, including access to reference and reader's advisory help, weekly story times at all branches and children's programs throughout the year. Online databases and reference services are available at any time from any internet link.

FISCAL YEAR 2011-2012 ISSUES

For Fiscal Year 2011-2012, all departments receiving a General Fund contribution were reduced from 0%-30%. The only exceptions to these reductions were budgets with fixed costs associated with contracts. In addition, departments had to absorb significant increase in worker's compensation and retirement charges. For A Strong Local Economy priority area, the General Fund revenue allocation reduction was \$210,775 or approximately 30%. This reduction in the County Match contribution only impacted the Library as the Alliance Worknet budgets are funded through other sources (Workforce Investment Act, Community Services Agency and American Recovery and Reinvestment Act). The Library will achieve their net county cost reduction by

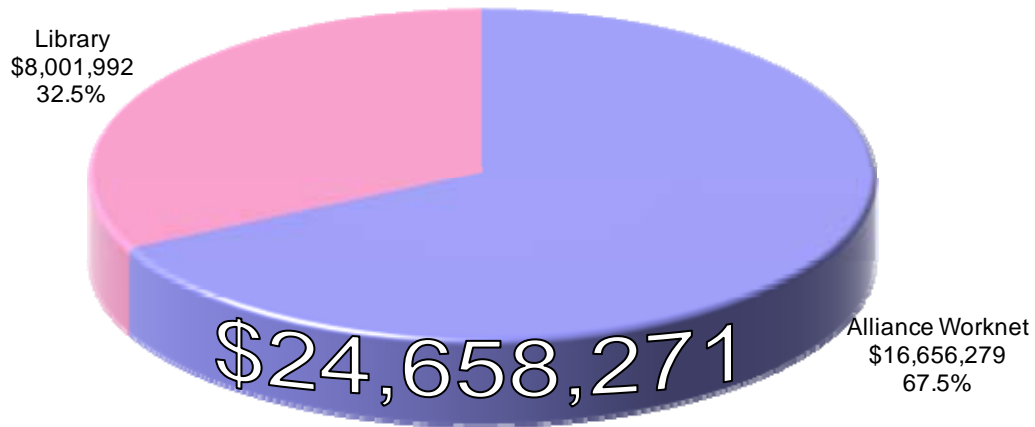
streamlining services, utilizing part time staff, and cross training staff to provide coverage throughout the department.

For Fiscal Year 2011-2012, new funding sources to provide employment and training services in the current fiscal year provided an offset to some of the significant program reductions experienced by Alliance Worknet. The Alliance Worknet fully expended the remaining balance in American Recovery and Reinvestment Act (ARRA) funding of approximately \$5.2 million that was available in Fiscal Year 2010-2011. In addition, three special grants used to provide employment and training services to the community ended June 30, 2011. Additionally, the regular annual allocation of Workforce Investment Act (WIA) funds was reduced by 15% from the Fiscal Year 2010-2011 funding level and the trend is continued reductions in future years.

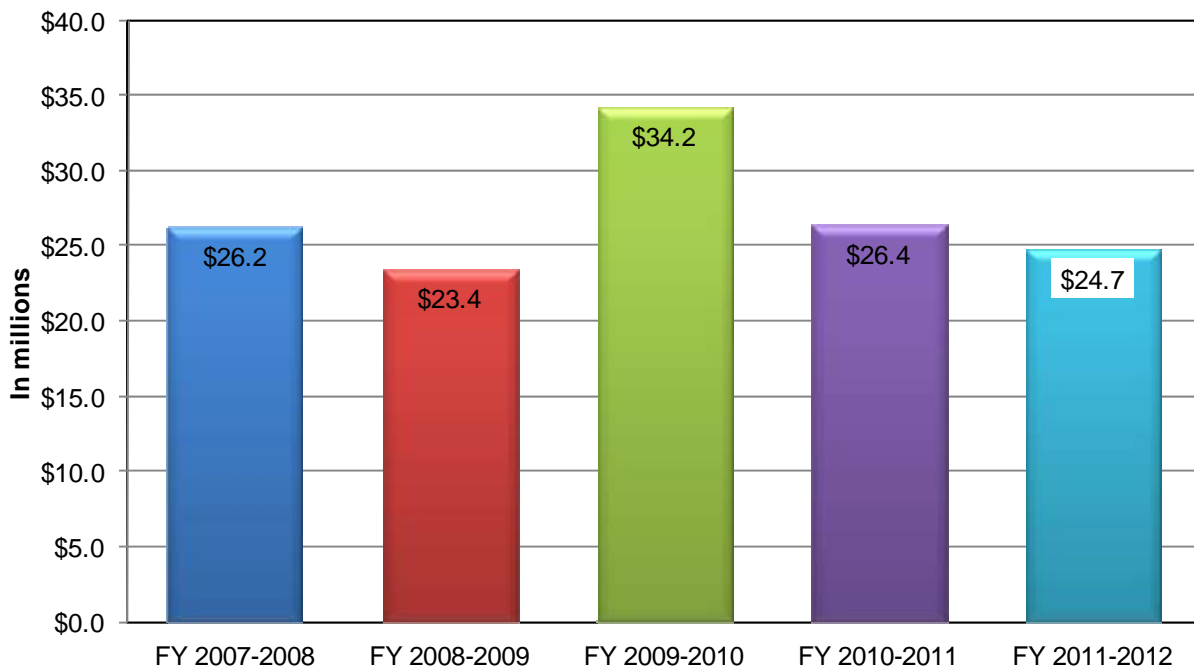


A Strong Local Economy

Adopted Expenditures Fiscal Year 2011-2012



Five Year Comparison of Appropriations





A Strong Local Economy

PAGE				ADOPTED 2011-2012
ALLIANCE WORKNET				\$16,656,279
	Fund	Org		
306	1320	0033100	Alliance Worknet	\$11,675,873
311	1317	0033900	StanWORKs	\$4,980,406
CHIEF EXECUTIVE OFFICE--ECONOMIC DEVELOPMENT				\$0
	Fund	Org		
314	0105	0015291	Economic Development Bank	\$0
LIBRARY				\$8,001,992
	Fund	Org		
316	1651	0037000	Library	\$8,001,992
TOTAL				\$24,658,271



ALLIANCE WORKNET

Budget Unit 1320 0033100
Special Revenue Fund

MISSION STATEMENT

Dedicated to developing a skilled workforce that strengthens business and contributes to the economic success of our community.

OPERATIONAL PRIORITIES

Due to the end of the American Recovery and Reinvestment Act (ARRA) funding and an anticipated significant reduction in Workforce Investment Act funding, the Alliance Worknet must be strategic in how it invests its limited resources in the upcoming fiscal year. The Operational Priorities for Alliance Worknet for the 2011-2012 Fiscal Year include:

- ◆ Re-design processes to provide virtually all job-seeker services in group settings;
- ◆ Perform thorough assessments of the needs, capacities, motivation, and employment prospects of individuals seeking occupational training subsidies before investing limited training funds;
- ◆ Assist local businesses, that have proven to be good partners, with their workforce needs by providing them with interns and employees through subsidized on-the-job training agreements;
- ◆ Continue to provide some level of lay-off aversion assistance to local businesses in partnerships with the Alliance Small Business Development Center; and
- ◆ Provide Welfare to Work (WTW) participants with the services necessary to improve their prospects for achieving employment and self-sufficiency. These services are; work-readiness training, General Educational Development (GED) preparation assistance, job training, work experience opportunities, and job placement assistance.



ALLIANCE WORKNET

Budget Unit 1320 0033100
Special Revenue Fund

SERVICES PROVIDED

The Alliance Worknet provides a wide range of employment and training services to the community through various programs funded under the Workforce Investment Act (WIA). Resource Centers, which are located in accessible areas throughout the community, assist the public in job searching, resume preparation, and with classes to enhance interview skills. For those needing more assistance in finding employment, the Department provides intensive career counseling, work experience, and on-the-job training assistance as well as referral to vocational training programs. To assist area employers, the Alliance Worknet has Business Services Representatives who visit area businesses in the effort to help them with their employment needs as well as retention, expansion, business counseling, and other services through a partnership with the Stanislaus Economic Development and Workforce Alliance.

CASH BALANCE

As stated in the Adopted Proposed Budget, this fund was projected to have a zero cash balance as of July 1, 2011, compared to the July 1, 2010, positive balance of \$248,428. Historically, any surplus cash at year end is used to cover the amount of the cash deficit in the StanWORKs budget caused by the timing differences inherent in reporting reimbursable costs for the WIA program based on modified accrual accounting, versus the StanWORKS program that uses cash basis accounting. The primary department revenue sources are reimbursement grants, so this budget usually operates in a negative cash position throughout the fiscal year. Fiscal year end action will align outstanding revenue with incurred cost and adjustments to the StanWORKs budget, to ensure a cash position of zero or greater.

The actual cash balance as of July 1, 2011, is positive \$266,944 attributed to the lag in timing of payment to the StanWORKS program.

Alliance Worknet					
Classification	2009-2010 Actual	2010-2011 Actual	2011-2012 Adopted Proposed	2011-2012 Adopted Adjustments	2011-2012 Adopted Final Budget
Taxes	\$0	\$0	\$0	\$0	\$0
Licenses, Permits, Franchises	\$0	\$0	\$0	\$0	\$0
Fines, Forfeitures, Penalties	\$0	\$0	\$0	\$0	\$0
Revenue from use of Assets	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenue	\$15,079,398	\$13,438,837	\$10,274,559	\$1,216,042	\$11,490,601
Charges for Service	\$176,822	\$757,095	\$126,882	(\$26,610)	\$100,272
Miscellaneous Revenue	\$0	\$190	\$0	\$85,000	\$85,000
Other Financing Sources	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$15,256,220	\$14,196,122	\$10,401,441	\$1,274,432	\$11,675,873
Salaries and Benefits	\$8,271,374	\$6,835,610	\$5,897,008	\$248,947	\$6,145,955
Services and Supplies	\$6,858,755	\$6,652,047	\$4,138,169	\$935,038	\$5,073,207
Other Charges	\$484,517	\$480,851	\$366,264	\$90,447	\$456,711
Fixed Assets	\$0	\$0	\$0	\$0	\$0
Other Financing Uses	\$172,439	\$172,992	\$0	\$0	\$0
Equity	\$0	\$0	\$0	\$0	\$0
Intrafund	\$0	\$0	\$0	\$0	\$0
Contingencies	\$0	\$0	\$0	\$0	\$0
Gross Costs	\$15,787,085	\$14,141,500	\$10,401,441	\$1,274,432	\$11,675,873
Fund Balance	\$530,865	(\$54,622)	\$0	\$0	\$0
Net County Cost	\$0	\$0	\$0	\$0	\$0

PROGRAM DISCUSSION

The Alliance Worknet has fully expended the remaining \$4,170,804 in American Recovery and Reinvestment Act (ARRA) funding that was available in Fiscal Year 2010-2011. Also, three special grants ended on June 30, 2011, resulting in the loss of another \$1,062,831 used to provide employment and training services to the community. Finally, it was estimated that the regular annual allocation of Workforce Investment Act funds would be reduced by \$515,571 to \$7,598,165, a 6.4% decrease from the Fiscal Year 2010-2011 funding level of \$8,113,736. The estimated department funding for Fiscal Year 2011-2012 base operations is expected to be \$5,749,206 less than what was budgeted in Fiscal Year 2010-2011. Other revenue adjustments amount to a net decrease of \$887,180 from the Fiscal Year 2010-2011 budget level; this decrease is comprised of a \$1,523,673 reduction in multi-year grants funding offset by a \$636,493 increase in the estimated roll forward of unspent base year grant funds. In total, the Adopted Proposed Budget 2011-2012 estimated revenue level of \$10,401,441 is \$6,636,387 less than the Fiscal Year 2010-2011 budget level of \$17,037,828; equating to a 39% reduction in funding.

At this level of funding, the Department can maintain a level of basic services that will meet most job seeker's needs. The elimination of 10 extra help positions and eight temporary help positions, 18 in total, that were funded through the American Recovery and Reinvestment Act will seriously impact the ability to provide individualized, person-to-person service interactions with customers. Instead of receiving guidance and counseling on a one-staff to one-customer basis, one or two staff will provide the same services in group settings of approximately 40 customers. More intensive services and job training assistance will be limited to those job seekers who prove the need, capacity, and motivation to be successful upon the receipt of such services.

The continuing recession and resulting high unemployment persists in the San Joaquin Valley. As a result, it is anticipated that the demand for Alliance Worknet services will remain high. Despite funding reductions, the Department plans to continue to provide core services in group workshop settings to all customers who request them. Such services include resume development and critiquing, WorkKeys Assessments, job search assistance and instruction, job interview tips and techniques to understand employer expectations, and job retention training. It is anticipated that these core services will be provided to approximately 13,000 customers in Fiscal Year 2011-2012, about the same number as Fiscal Year 2010-2011.

Due to funding reductions, high-cost services such as occupational training, paid internships, and on-the-job training wage reimbursements will be provided at approximately half of the level in the Fiscal Year 2010-2011 program year, resulting in 1,082 individuals receiving these services in comparison to 2,164 in the prior year.

As of the date of preparation of the Proposed Budget, the impact to local Workforce Investment Act funding of the Federal Fiscal Year 2011 Federal budget agreement was unknown, although significant reductions were expected. This budget anticipated an overall 35.6% reduction in funding, comprised of an estimated 6.5% decrease in WIA base allocations along with the loss of over \$5.2 million in ARRA and special grant revenue. Additional funding reductions as a result of Federal budget actions were addressed with the Final Budget Addendum in September 2011.

ADOPTED STAFFING RECOMMENDATIONS

Total current authorized positions—81

There are no recommended changes to the current level of staffing.

Total recommended authorized positions—81

ADOPTED BUDGET RECOMMENDATIONS

Proposed Budget

It is recommended that a budget of \$10,401,441 be approved for the Alliance Worknet. At this reduced level of funding, basic universal services will be provided under a new group model with more intensive services being available to individuals based on need, capacity and other factors. Wage reimbursement services will also be provided at a reduced level in comparison to the prior year. This budget is funded from \$10,401,441 in estimated department revenue.

Final Budget

As part of the 2011-2012 Final Budget process, Alliance Worknet requested a \$1,274,432 increase in estimated revenue and appropriations due to the net impact of new one time Federal funding sources, awarded after the Proposed Budget, to provide employment and training services to the community. The new funding sources totaling \$1,834,018 are offset by reductions in the Federal Workforce Investment Act (WIA) base allocation and the Senior Community Services Employment Program totaling \$559,586. The detail by funding sources is as follows:

- ◆ Awarded \$962,500 of WIA Rapid Response Additional Assistance funds for the New Opportunities Project;
- ◆ Awarded \$419,195 of WIA funds for the Veterans Employment Related Assistance Program, of which \$228,652 is planned for Fiscal Year 2011-2012 program operations and the balance is planned for the subsequent year;
- ◆ Awarded \$73,941 of WIA funds for the New Start Program;
- ◆ Awarded \$23,390 of WIA funds for the Exemplary Performance Awards;
- ◆ Awarded \$150,000 of WIA National Emergency Grant to continue to serve dislocated workers impacted by the closure of the New United Motor Manufacturing Inc. plant;
- ◆ Awarded an additional \$310,535 for the second phase of funding pertaining to the Central California Workforce Collaborative Regional Economic Impact National Emergency Grant;
- ◆ Awarded \$85,000 from the Stanislaus County Office of Education to provide General Educational Development (GED) preparation, tutoring services, and work experience to Alternative Education students;

- ◆ Reduced WIA formula grant base allocations by \$532,976 due to a 15% reduction in Fiscal Year 2011-2012 funding offset by the roll forward of unspent formula grants from Fiscal Year 2010-2011; and
- ◆ Reduced Senior Community Service Employment Program funds by \$26,610 per Federal action.

Increased operating costs include additional labor of \$248,947 for planned extra help staff needed to case manage and administer the new grants, as well as \$855,470 in direct client services for vocational training, on-the-job training, and supportive services. The balance of \$170,015 will be used to cover the expected increase in facility operating costs, such as Community Services Facility Heating, Ventilating and Air Conditioning (HVAC) maintenance, and the Department's share of cost for the PeopleSoft upgrade project.

STANISLAUS COUNTY, CALIFORNIA
Fiscal Year 2011-2012

HUMAN SERVICES
Other Assistance



ALLIANCE WORKNET—STANWORKS

Budget Unit 1317 0033900
Special Revenue Fund

SERVICES PROVIDED

The Alliance Worknet (AW) provides a wide range of employment and training services for local Temporary Aid to Needy Families (TANF) recipients through a contract with the Community Services Agency (CSA). AW assists TANF customers with job searching, resume writing, and interviewing skills. Clients needing additional assistance in securing employment and leaving TANF are provided with intensive case management, work experience, on-the-job training and individual referral to vocational training programs leveraging other dollars available.

CASH BALANCE

As of July 1, 2011, this fund is projected to have a cash balance of zero compared to the July 1, 2010 negative cash balance of \$248,428. Historically, the negative cash position is offset by the cash surplus in the Alliance Worknet Workforce Investment Act (WIA) budget caused by the timing differences inherent in reporting reimbursable costs for the WIA program based on modified accrual accounting, versus the StanWORKS program that uses cash basis accounting. This year end action will align outstanding revenue with incurred costs to mitigate the negative cash balance.

The actual cash balance as of July 1, 2011, is negative \$29,731 attributed to the lag in timing of payment from the Alliance Worknet administration budget.

Alliance Worknet - StanWORKs					
Classification	2009-2010 Actual	2010-2011 Actual	2011-2012 Adopted Proposed	2011-2012 Adopted Adjustments	2011-2012 Adopted Final Budget
Taxes	\$0	\$0	\$0	\$0	\$0
Licenses, Permits, Franchises	\$0	\$0	\$0	\$0	\$0
Fines, Forfeitures, Penalties	\$0	\$0	\$0	\$0	\$0
Revenue from use of Assets	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenue	\$0	\$0	\$0	\$0	\$0
Charges for Service	\$5,772,569	\$5,556,072	\$4,980,406	\$0	\$4,980,406
Miscellaneous Revenue	\$0	\$32,417	\$0	\$0	\$0
Other Financing Sources	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$5,772,569	\$5,588,489	\$4,980,406	\$0	\$4,980,406
Salaries and Benefits	\$4,735,084	\$4,500,673	\$4,165,256	\$0	\$4,165,256
Services and Supplies	\$1,241,901	\$631,414	\$627,020	\$0	\$627,020
Other Charges	\$108,459	\$119,042	\$188,130	\$0	\$188,130
Fixed Assets	\$0	\$0	\$0	\$0	\$0
Other Financing Uses	\$0	\$0	\$0	\$0	\$0
Equity	\$0	\$0	\$0	\$0	\$0
Intrafund	\$0	\$0	\$0	\$0	\$0
Contingencies	\$0	\$0	\$0	\$0	\$0
Gross Costs	\$6,085,444	\$5,251,129	\$4,980,406	\$0	\$4,980,406
Fund Balance	\$312,875	(\$337,360)	\$0	\$0	\$0
Net County Cost	\$0	\$0	\$0	\$0	\$0

PROGRAM DISCUSSION

Alliance Worknet can continue to provide work readiness preparation services, some vocational training, paid work experience, and on-the-job training to its Welfare to Work customers although at a lower service level due to an anticipated reduction in funds. In Fiscal Year 2011-2012, the Department will lose one-time American Recovery and Reinvestment Act (ARRA) TANF Emergency Contingency Funds (TANF-ECF) available for the Paid Work Experience program. The end of TANF-ECF funding represents a loss of 13.3% of funds available for service to StanWORKs customers – from \$5,743,692 in Fiscal Year 2010-2011 (adjusted at mid-year) to \$4,980,406 for Fiscal Year 2011-2012. As a result of the loss of the ARRA TANF-ECF funds in Fiscal Year 2011-2012, the Department plans to serve approximately 200 customers per month in the Paid Work Experience program versus 500 customers per month in Fiscal Year 2010-2011.

Despite reductions from Fiscal Year 2010-2011 levels, AW can maintain a variety of workforce development services for the Welfare to Work population. The Department expects to serve approximately 850 customers with intensive job readiness classes and job search assistance and place approximately 1,100 customers in Community Service Program placements during the year. All other Welfare to Work services will remain intact at the current service levels.

ADOPTED STAFFING RECOMMENDATIONS

Total current authorized positions—0

ADOPTED BUDGET RECOMMENDATIONS

Proposed Budget

It is recommended that a budget of \$4,980,406 be approved for the Alliance Worknet - StanWORKs. At this level of funding, employment services to TANF customers will be provided at a reduced level from the prior year. This budget is funded from \$4,980,406 in estimated department revenue.

Final Budget

There are no recommended changes in funding to this budget.

STANISLAUS COUNTY, CALIFORNIA
Fiscal Year 2011-2012



FISCAL GENERAL SERVICES
Promotion

CHIEF EXECUTIVE OFFICE—ECONOMIC DEVELOPMENT BANK

Budget Unit 0105 0015291
 General Fund

SERVICES PROVIDED

The Board of Supervisors established the Economic Development Bank in 2001 for the purpose of providing resources for economic development projects throughout Stanislaus County. It has been the Board's intent that these funds be used by the nine cities and unincorporated communities to leverage other funding sources when available.

Chief Executive Office - Economic Development Bank					
Classification	2009-2010 Actual	2010-2011 Actual	2011-2012 Adopted Proposed	2011-2012 Adopted Adjustments	2011-2012 Adopted Final Budget
Taxes	\$0	\$0	\$0	\$0	\$0
Licenses, Permits, Franchises	\$0	\$0	\$0	\$0	\$0
Fines, Forfeitures, Penalties	\$0	\$0	\$0	\$0	\$0
Revenue from use of Assets	\$8,334	\$38,836	\$0	\$0	\$0
Intergovernmental Revenue	\$0	\$0	\$0	\$0	\$0
Charges for Service	\$0	\$0	\$0	\$0	\$0
Miscellaneous Revenue	\$0	\$0	\$0	\$0	\$0
Other Financing Sources	\$51,689	\$0	\$0	\$0	\$0
Total Revenue	\$60,023	\$38,836	\$0	\$0	\$0
Salaries and Benefits	\$0	\$0	\$0	\$0	\$0
Services and Supplies	\$54,898	\$13,734	\$0	\$0	\$0
Other Charges	\$200	\$0	\$0	\$0	\$0
Fixed Assets	\$0	\$0	\$0	\$0	\$0
Other Financing Uses	\$8,200	\$21,726	\$0	\$0	\$0
Equity	\$0	\$0	\$0	\$0	\$0
Intrafund	\$0	\$0	\$0	\$0	\$0
Contingencies	\$0	\$0	\$0	\$0	\$0
Gross Costs	\$63,298	\$35,460	\$0	\$0	\$0
Fund Balance	\$0	\$0	\$0	\$0	\$0
Net County Cost	\$3,275	(\$3,376)	\$0	\$0	\$0

PROGRAM DISCUSSION

The Board agreed to fund the Bank as a pilot program for five years through Fiscal Year 2005-2006 at a rate of \$1.5 million annually. Thereafter, funding has been provided on an annual basis depending on the fiscal stability of the County. In Fiscal Year 2009-2010, the Board redirected \$3 million of Economic Development Bank fund balance to the General Fund during the Final Budget process. Since inception, the Bank has provided critical funding to advance a variety of economic development projects throughout the County including all nine incorporated cities and unincorporated communities. Thirty-one (31) projects have been funded to date. These projects range from traditional infrastructure improvements for business parks and water systems to non-traditional projects such as economic development planning, targeted technology training, and enterprise facilitation for small business owners. Projects funded in Fiscal Year 2011-2012 will use the Economic Development Bank's uncommitted balance that consists of undesignated funds, loan repayments, and interest earnings. As

of June 30, 2011, the available balance in the loan portfolio for future economic development projects was approximately \$500,000.

As part of the Fiscal Year 2007-2008 Final Budget, the Board approved the creation of the Community Development Fund, from the \$1.5 million annual allocation to the Economic Development Bank. Fourteen (14) projects have been funded to date. Projects range from the formation of County Service Areas and Lighting Districts to support ongoing infrastructure improvements to the Countywide Growth Management Strategy. The purpose of the Community Development Fund is to provide leveraged funding for one-time projects or programs benefiting the unincorporated areas that demonstrate strong local support and commitment and a general public benefit. Projects funded in Fiscal Year 2011-2012 will use the Community Development Fund's uncommitted balance that consists of undesignated funds and interest earnings. As of September 13, 2011, the available balance in the fund for future community development projects was approximately \$1.2 million.

Projects in both the Economic Development Bank and the Community Development Fund are brought forward for consideration and approval by the Board of Supervisors on a case-by-case basis only after meeting established program guidelines and parameters.

ADOPTED STAFFING RECOMMENDATIONS

Total current authorized positions—0

ADOPTED BUDGET RECOMMENDATIONS

Proposed Budget

There is no Adopted Proposed Budget for the Chief Executive Office – Economic Development Bank for Fiscal Year 2011-2012.

Final Budget

There are no recommended changes in funding to this budget.

STANISLAUS COUNTY, CALIFORNIA
Fiscal Year 2011-2012

FISCAL GENERAL SERVICES
Library Services



LIBRARY

Budget Unit 1651 0037000
Special Revenue Fund

MISSION STATEMENT

The Library fosters the love of reading and opens the door to knowledge.

OPERATIONAL PRIORITIES

The Operational Priorities for the Library for 2011-2012 Fiscal Year include:

- ◆ Public Facility Fees (PFF) funding will adequately reflect the Library needs associated with growth;
- ◆ Expand literacy tutoring service at library branches other than Modesto Library;
- ◆ Enhance library programs and materials which will improve residents' workforce readiness;
- ◆ Partner with physicians to promote literacy programs to parents and children; and
- ◆ Update/improve Library web page to promote public awareness of library events.

SERVICES PROVIDED

The Stanislaus County Free Library operates 13 branches for educational and recreational purposes. At the Library, customers receive reference and reader's advisory assistance and have access to weekly story times at all branches and to children programs throughout the year. Customers can use online databases and reference services at any time from any Internet link and can take advantage of literacy tutoring, wireless internet, and access to public computers. The Library also offers basic literacy services to adults and home delivery services throughout Stanislaus County.

CASH BALANCE

As stated in the Adopted Proposed Budget, this fund was projected to have a positive cash balance of \$2,600,000 as of July 1, 2011 compared to \$3,386,344 on July 1, 2010. The anticipated decrease is due to the use of a portion of the cash balance to make up the shortfall in sales tax revenue in Fiscal Year 2010-2011 for general operations. This is consistent with the strategy used by the Library in the recent fiscal years and is a direct result of current economic conditions.

The actual cash balance as of July 1, 2011, is \$4,092,832, a significant increase to the projected July 1, 2011 balance. This is due to sales tax revenues coming in higher than anticipated in the fourth quarter and the receipt of Public Library Fees from the State that had not been budgeted due to the uncertainty of the State Budget.

Library					
Classification	2009-2010 Actual	2010-2011 Actual	2011-2012 Adopted Proposed	2011-2012 Adopted Adjustments	2011-2012 Adopted Final Budget
Taxes	\$6,556,388	\$7,200,286	\$6,500,000	\$0	\$6,500,000
Licenses, Permits, Franchises	\$0	\$0	\$0	\$0	\$0
Fines, Forfeitures, Penalties	\$0	\$0	\$0	\$0	\$0
Revenue from use of Assets	\$0	\$2,000	\$2,400	\$0	\$2,400
Intergovernmental Revenue	\$348,896	\$348,125	\$134,882	\$0	\$134,882
Charges for Service	\$355,061	\$304,112	\$285,900	\$0	\$285,900
Miscellaneous Revenue	\$39,751	\$110,926	\$67,000	\$0	\$67,000
Other Financing Sources	\$323,980	\$200,000	\$0	\$0	\$0
Total Revenue	\$7,624,076	\$8,165,449	\$6,990,182	\$0	\$6,990,182
Salaries and Benefits	\$6,396,090	\$5,960,969	\$5,770,761	\$0	\$5,770,761
Services and Supplies	\$1,802,690	\$1,581,966	\$1,493,891	\$0	\$1,493,891
Other Charges	\$633,255	\$436,379	\$537,340	\$0	\$537,340
Fixed Assets					
Buildings & Improvements	\$2,450	\$15,765	\$200,000	\$0	\$200,000
Equipment	\$0	\$24,058	\$0	\$0	\$0
Other Financing Uses	\$153,387	\$138,125	\$0	\$0	\$0
Equity	\$0	\$0	\$0	\$0	\$0
Intrafund	\$0	\$0	\$0	\$0	\$0
Contingencies	\$0	\$0	\$0	\$0	\$0
Gross Costs	\$8,987,872	\$8,157,262	\$8,001,992	\$0	\$8,001,992
Fund Balance	\$591,725	(\$710,772)	\$520,000	\$0	\$520,000
Net County Cost	\$772,071	\$702,585	\$491,810	\$0	\$491,810

PROGRAM DISCUSSION

The Library's 2011-2012 Recommended Proposed Budget of \$8,001,992 reflects an overall decrease of approximately 5% from last year's budget. The Library is primarily funded by a voter approved 1/8-cent sales tax, which is projected to generate \$6.5 million in revenue to support Library operations in Fiscal Year 2011-2012. This represents approximately 87% of the Library's total revenue. The voter approved 1/8-cent sales tax will sunset on June 30, 2013.

Total revenue projected for Fiscal Year 2011-2012 is \$6,990,182, approximately 4.5% increase from last fiscal year. This increase is primarily due to a projected increase in Sales and Use Tax revenue funded by a voter approved 1/8th cent dedicated sales tax. In Fiscal Year 2010-2011, sales tax revenue has come in somewhat better than expected as the economy shows signs of stability. Based on current revenue trends the Library is conservatively estimating sales tax revenue at \$6,500,000 for Fiscal Year 2011-2012. State revenue only reflects the amount budgeted by the Stanislaus Literacy Center which will be used to fully fund the ReadingWorks adult literacy partnership program at the Library. The Library is not anticipating State Public Library Fund or state funding to support inter-library transaction based reimbursement due to the volatility and uncertainty of the State Budget at this time. Local Revenue is projected at \$355,300, an increase of approximately 4%, mainly due to increased donations from the library support groups.

Total expenditures requested for Fiscal Year 2011-2012 is \$8,001,992, an overall 5% reduction from last fiscal year. Salaries and Benefits are budgeted at \$5,770,761 representing 72% of the Library's total budget. The Library is able to keep employee costs down despite the increases in retirement, worker's compensation and health care costs by streamlining services, using part time staff, and cross training staff to provide coverage across divisions. Services and supplies are kept at the current year's spending level by continuously scrutinizing spending in all areas. The book budget is kept at the \$200,000 level, and in order to keep up with public demand, the Library has worked with the Friends of the Library groups and the Library Foundation to fund some book purchases as well as some Children's and Teen programs. In addition, the Library has successfully negotiated with vendors to keep the same database services at a much reduced rate. Other Charges from county departments went down

approximately 11% generating a savings to offset a portion of the reduction in county match revenue. Fixed Assets is budgeted at \$200,000 for maintenance projects at the 13 library branches. The Library worked closely with Facilities Maintenance to identify and prioritize maintenance needs and will delay maintenance projects when possible. Even with all the partnership efforts, the Library is proposing the use of \$520,000 in fund balance to bridge the budget gap in Fiscal Year 2011-2012.

The Library will continue to look for opportunities to address the shortfall in revenue. By prioritizing spending, carefully utilizing resources, effectively deploying available staffing, and expanding funding streams, the Library strives to provide the same core library services with minimal disruptions to the public. It is hoped that as the economy slowly recovers, the Library will eventually be able to maintain a structurally balanced budget.

ADOPTED STAFFING RECOMMENDATIONS

The Department has requested to unfund one vacant Manager IV position to support the Department's budget balancing strategy.

Total current authorized positions— 70

It is recommended to unfund one vacant Manager IV position.

Total recommended authorized positions— 69

ADOPTED BUDGET RECOMMENDATIONS

Proposed Budget

It is recommended that a budget of \$8,001,992 be approved for the Library. The net county cost contribution was reduced approximately 30% or \$210,775 from Fiscal Year 2010-2011 Adopted Final Budget level. At this level of funding, the Department achieves its net county cost reduction by streamlining services, using part time staff, and cross training staff to provide coverage across departments. This budget is funded from \$6,990,182 in estimated department revenue, \$520,000 in departmental fund balance and a \$491,810 contribution from the General Fund.

Final Budget

There are no recommended changes in funding to this budget.