



# **Mid-Year Financial Report July—December 2014**

## **BOARD OF SUPERVISORS**


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## **INTRODUCTION**

The following is the Chief Executive Office's Mid-Year Financial Report for the period of July 2014-December 2014 for the 2014-2015 Fiscal Year. It has been prepared to inform the Board of Supervisors, County leadership and the public of the County's financial status at the mid-point of this fiscal year. The report provides estimated revenue and expenditure summaries for County programs by each Board of Supervisors Priority and recommends adjustments to County budgets needed since the adoption of the Final Budget in September 2014. The Mid-Year Report also includes a look forward at the significant budget challenges and opportunities facing county and state government.

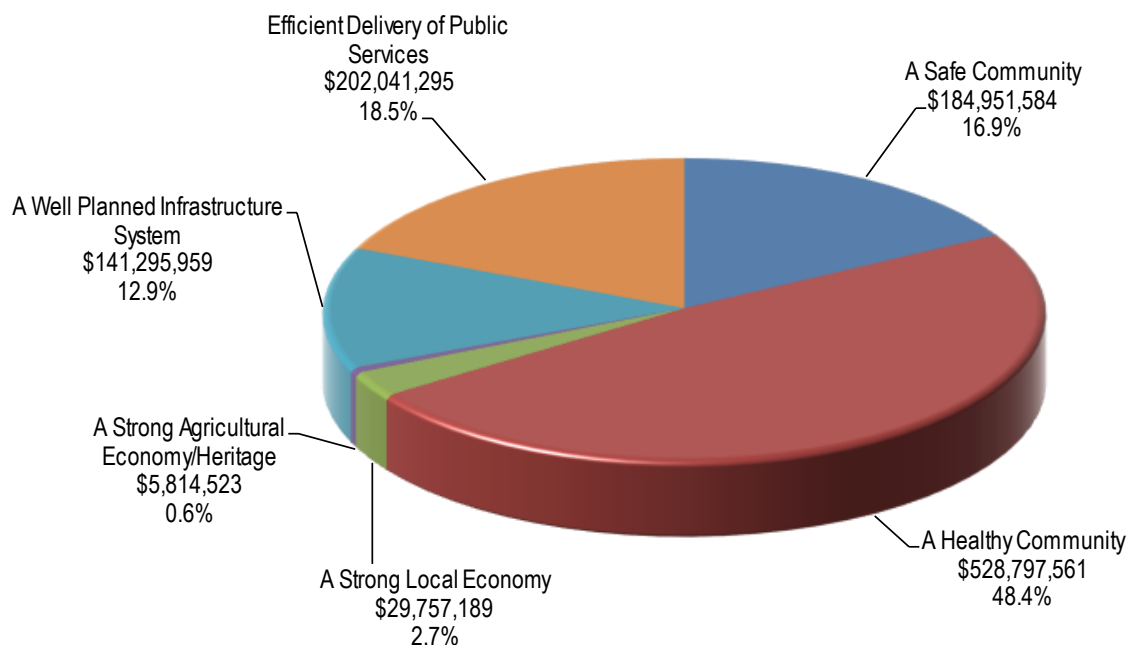
## **BACKGROUND**

On September 16, 2014, the Board of Supervisors adopted the Fiscal Year 2014-2015 Final Budget for Stanislaus County. This spending plan of \$1.1 billion for all funds reflected a 4.8% increase from the 2013-2014 Adopted Final Budget of \$1 billion. The 4.8% increase is primarily due to accelerated pay down of the Health Services Agency long-term deficit and increases in health and social services programs. The 2014-2015 Adopted Final Budget was balanced using a combination of \$1 billion in revenue and \$53.3 million in fund balance and one-time funding sources. It also included funding for 3,978 allocated full-time positions, an increase of 58 positions from the 2013-2014 Adopted Final Budget.

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

**Fiscal Year 2014-2015  
Final Budget Expenditures  
By Board Priority  
\$1,092,658,111**

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**2014-2015 FIRST QUARTER ADJUSTMENTS**

The Chief Executive Office's first quarter recommendations included a total increase in estimated revenue of \$2.6 million and an increase in appropriations of \$1.1 million, resulting in a decrease in the use of fund balance/retained earnings of \$1.5 million. The increase in appropriations and estimated revenue was primarily within Community Services Agency and Health Services Agency, along with technical adjustments to support implementation of the Public Works Geographical Information Systems (GIS) cost distribution to General Fund departments.

Within the Health Services Agency (HSA), an increase of estimated revenue was approved due to the Rate Year 2012-2013 Intergovernmental Transfer Program as approved by the Board of Supervisors on September 9, 2014, and the expansion of the Agency's 340(b) Complement Program (a federally approved cooperative pharmacy program for Federally Qualified Health Centers). An increase in appropriations was also approved, primarily as a result of negotiated increases in salary costs. Community Services Agency received an increase in appropriations and estimated revenue due to the Medi-Cal Outreach Grant related to the Affordable Care Act and for children's mandated programs funded through 2011 realignment. As requested by the Board of Supervisors with adoption of the Final Budget 2014-2015, technical adjustments were recommended within the First Quarter Report to support Public Works GIS cost distribution to General Fund departments.

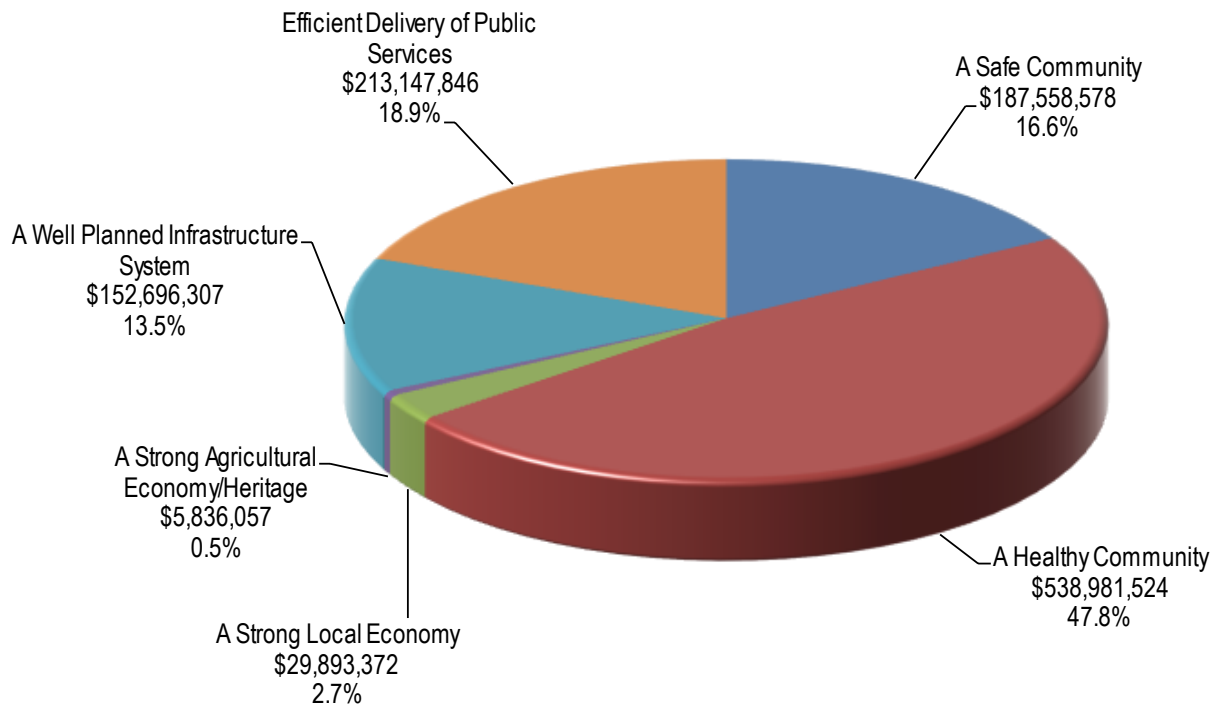
## **SUMMARY OF OTHER ADJUSTMENTS**

The Adopted Final Budget is adjusted each year by including appropriations that are carried forward from the prior fiscal year for projects that were planned for and authorized by the Board of Supervisors, however, not fully completed. Funding for these projects is identified as assigned fund balance by the Auditor-Controller at year-end to ensure these costs are fully funded in the next fiscal year. Also included in the Adopted Final Budget are any departmental savings that are carried forward into the current fiscal year. In addition, throughout the year the Board of Supervisors approves adjustments to department budgets either through quarterly financial reports or in separate Board of Supervisor action agenda items. The sum of all of these adjustments through December 31, 2014, totals \$35,455,573. This reflects \$22,729,220 in carry forward of prior year appropriations, \$1,098,176 in funding that was approved in the First Quarter Financial Report and \$11,628,177 in budget adjustments approved by the Board of Supervisors in the current fiscal year through December 2014.

The following chart reflects the adjusted budget by Board of Supervisors priority as of December 31, 2014:

### **Fiscal Year 2014-2015 Adjusted Operating Budget Expenditure by Board Priority \$1,128,113,684 as of December 31, 2014**

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## **MID-YEAR FINANCIAL REPORT SUMMARY**

The 2014-2015 Mid-Year Financial Report reflects a fiscal review of departmental budgets, a cash analysis by fund as of mid-year and recommended adjustments. The Chief Executive Office's mid-year recommendations include a total increase in appropriations of \$9,892,079 and an increase of estimated revenue of \$10,283,928 which includes the increase in Discretionary Revenue. If approved, the recommendations contained in this report will result in a decreased use of fund balance by \$391,849.

Below is a chart of the projected Fund Balance at year-end by fund type.

Summary of Fund Balance by Fund Type					
Fund Type	Beginning Fund Balance on 7/1/2014	Legal Budget Revenue on 12/31/2014	Legal Budget Appropriations on 12/31/2014	Mid-Year Recommendation Use of Fund Balance	Projected Fund Balance on 6/30/2015
General Fund	\$ 138,112,356	\$ 241,770,524	\$ 282,684,296	\$ (1,857,225)	\$ 99,055,809
Special Revenue Fund	202,992,705	634,424,683	663,012,435	607,376	173,797,577
Capital Projects Fund	5,486,560	1,137,000	1,215,510	-	5,408,050
Enterprise Fund	30,970,240	74,677,498	82,438,727	-	23,209,011
Internal Service Fund	14,731,297	96,227,490	98,762,716	858,000	11,338,071
<b>Total</b>	<b>\$ 392,293,158</b>	<b>\$ 1,048,237,195</b>	<b>\$ 1,128,113,684</b>	<b>\$ (391,849)</b>	<b>\$ 312,808,518</b>

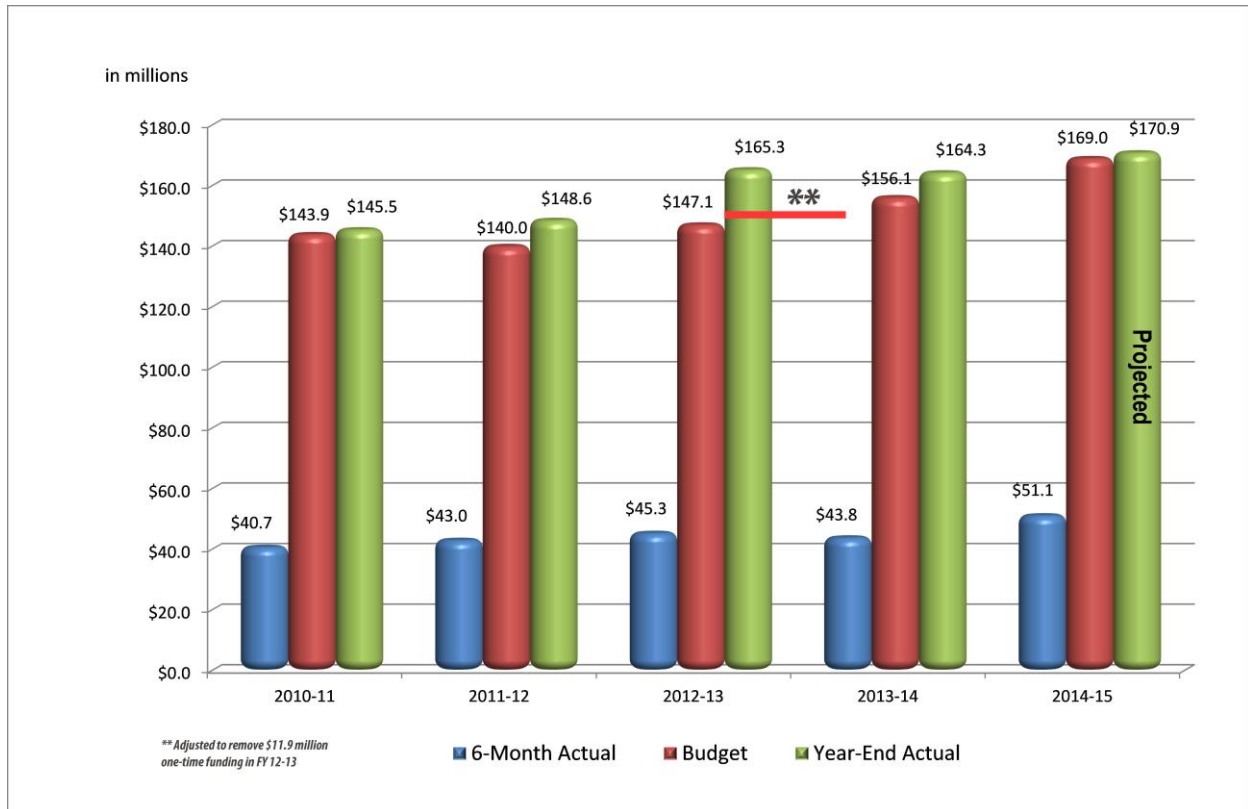
## **GENERAL FUND UPDATE**

### **Discretionary Revenue**

As of December 31, 2014, \$51.1 million was posted to the General Fund discretionary revenue accounts. This amount represents 30.2% of the 2014-2015 Adopted Final Budget of \$169.0 million and 31.1% of the actual revenue of \$164.3 million in Fiscal Year 2013-2014. For the prior five years, discretionary revenue collected at mid-year year ranged from 25.6% to 30.8% of the final budget and from 26.7% to 28.9% of the year-end actual collections. This comparison indicates that discretionary revenue at mid-year is within the budget range and slightly above the actual range of last five years.

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

### General Fund—Discretionary Revenue Five Year Comparison



For a fair comparison, it should be noted in the above chart that the year-end actual revenue for Fiscal Year 2012-2013 included one-time revenue for a total amount of \$11.9 million. Adjusted for this one-time revenue, Fiscal Year 2012-2013 revenue was \$153.40 million. The projected Fiscal Year 2014-2015 revenue of \$170.9 million compares favorably with the prior fiscal years shown in the chart.

The projected \$170.9 million year-end revenue is approximately 1% or about \$1.9 million higher than the 2014-2015 Adopted Final Budget of \$169 million. This is largely due to an increase in Prop 172 public safety sales tax projected revenue offset by a correction in the secured property tax projection and State Mandated (SB 90) cost reimbursement. Additionally, the year-end projection includes one-time revenues received at mid-year for residual payment for Redevelopment District Agencies (RDA) and Modesto Regional Fire Authority dissolution reimbursement to the County. A total increase of approximately \$1.9 million to the budget is requested at this time. Further adjustments may be necessary as year-end approaches and will be addressed during the third quarter review.

Following is a summary of activity in the various discretionary revenue categories:

**Taxes:** Included in this category are property related taxes (secured and unsecured, supplementals, redevelopment pass-through increment, property tax received in lieu of vehicle license fees, property transfer tax), the 1% sales and use taxes, in lieu of sales and use tax and transient occupancy tax. The projections for year-end indicate that revenue from the taxes category will come in approximately \$950,000 lower than budgeted. Current secured property tax apportionments are projected to materialize at about

\$1.5 million lower than budgeted. Consistent with recent years, the budget was estimated in line with the announced increase of approximately 9.3% in the Regular Assessed Roll total of Unincorporated County parcels. Projected property tax apportionments however are currently projected with a 4.9% increase due to variations in the location where growth is occurring and the sharing formulas for Redevelopment Agency and Tax Rate Areas. The recommended \$1.5 million budget reduction will more accurately reflect this revenue source, from the original budget of \$37.5 million to \$36 million. Current unsecured property tax is trending favorably with the final budget and a mid-year increase of \$200,000 is requested. Sales and use tax revenue is currently projected to be in line with the budget and will be closely monitored as the year progresses. For the in-lieu of sales and use tax revenue (also referred to as "Triple Flip"), however, a budget reduction of \$136,552 is recommended to reflect the allocation provided by the State. At the Adopted Final Budget, this revenue source is typically budgeted using an estimate and then adjusted at mid-year when the State provides the allocation amount. Additionally, unexpected one-time revenue of \$430,441 was received for residual payments on dissolution of the Redevelopment District Agencies (RDA), which is included in the budget adjustment request for this category. In addition, a small budget increase of \$60,000 is requested for the RDA pass-through revenue. Overall, the mid-year recommendation is to reduce the Taxes category by \$946,111 to reflect the adjustments mentioned.

**Licenses, Permits and Franchises:** Revenue received in this category is the result of franchise agreements with PG&E, AT&T and Comcast and Charter cable companies. Fee revenue is received from AT&T and the cable companies quarterly but the bulk of the revenue comes from PG&E once a year, during the latter half of the County's fiscal year. This revenue category is trending in line with the Adopted Final Budget estimates and no adjustments are needed.

**Fines, Forfeitures and Penalties:** The revenue in this category comes from penalties assessed and costs associated with delinquent property taxes. Typically, most of the revenue is posted in the second half of the fiscal year, and many times not until the year-end close. Last Fiscal Year (2013-2014), \$5.4 million was posted by year-end, as collections continued from foreclosed properties. A budget of \$2.7 million for the current fiscal year was established based on a trend over the past two years of declining revenue as a result of the improving housing market. No adjustments to this revenue source are recommended at this time; ongoing monitoring in coming months will determine if a budget adjustment is warranted in the Third Quarter Financial Report.

**Revenue from Use of Money:** Interest earned on the County's pooled cash and collection of rents and leases of County owned property are the sources of revenue in this category. Interest earnings through the two quarters this fiscal year are in line with budget. The only budget adjustment requested in this category is an increase in the amount of \$12,978 for rents.

**Intergovernmental Revenue:** The main source of revenue in this category is from the one-half cent Sales and Use Tax for local public safety services, also known as Proposition (Prop) 172. This revenue source supports only the General Fund budgets of the District Attorney, Probation, and Sheriff. Revenues collected by the State Board of Equalization (BOE) are apportioned to each county based on proportionate shares of statewide taxable sales. The Proposition 172 Allocation from the local Public Safety Fund is up from the prior fiscal year for the first four months of the current fiscal year period ending December 2014 (note: the Prop 172 fiscal year begins in September of each year). This revenue is trending favorably with the Adopted Final Budget projection, as a result of improved statewide taxable sales. A conservative year-end projection is estimated at \$40.9 million compared to the Adopted Final Budget of \$38.3 million. The projection includes a one-time BOE correction in Prop 172 revenue of prior years in the amount of \$619,000. It is recommended to increase Intergovernmental Revenue by \$2.7 million in this mid-year budget.



Other sources of revenue in this category include State realignment dollars, homeowner's property tax relief revenue, Department of Motor Vehicles (DMV) Vehicle License Fee (VLF) in excess and small amounts of Federal revenue. For the VLF in excess revenue, the recommendation is to decrease the budget by \$5,803 to have the budget reflect this year's actual revenue of \$182,197 already received. A small increase of \$16,791 is requested to reflect Federal revenue already received in the Intergovernmental Revenue category. Additionally, a mid-year reduction in the amount of \$224,363 is requested for the State mandated cost (SB 90) reimbursement revenue. The Adopted Final Budget included \$808,173 for the anticipated partial payment of pre-2004 claims appropriated in the 2014-2015 State Budget. The actual revenue received in October 2014 was deposited to departmental revenue pending analysis with Departments to determine the amount of this revenue attributed to costs previously paid by the County General Fund, estimated at \$544,712. It is anticipated these funds will be returned to the General Fund at year-end close. A budget reduction of \$808,173 is therefore requested for this discretionary revenue account offset by \$583,810 received for separate state mandated costs reimbursements for Child Abduction and Recovery, for a net budget reduction in the account for \$224,363. The January Governor's Budget proposes an additional \$4.3 million to be paid to Stanislaus County in the current year for pre-2004 SB 90 Mandate claims; the Auditor is working with the State Controller's Office to determine the program specific revenues that will benefit the General Fund. An update on SB 90 Mandate Revenue benefits to discretionary revenue will be provided at Third Quarter. Overall, the recommendation is to increase this revenue category by \$2,436,625 at mid-year.

**Charges for Services:** Included in this category are revenues resulting from the recovery of the costs associated with the administration of supplemental property tax adjustments (SB 813), adjustments made to the Countywide Cost Applied Plan and revenue received from assessments levied to Williamson Act landowners per the enactment of SB 863. The revenue for the administration of the supplemental property tax adjustments is projected to be in line with the Adopted Final Budget. The SB 863 special assessment revenue is recommended to be maintained at \$1.4 million. No adjustment is needed in the budget for Charges for Services category.

**Miscellaneous Revenue:** Minor deposits to Miscellaneous Revenue include unclaimed monies, unclaimed estates and cancelled (or stale-dated) warrants. Since amounts and timing of this revenue source is difficult to predict, a minimal amount is typically budgeted in the Proposed and Final Budgets. The requested mid-year budget adjustment of \$393,733 is for one-time revenue already posted for the Modesto Regional Fire Authority dissolution reimbursement to the County.

**Other Financing Sources:** Interest earned on the Tobacco Endowment Fund as well as operating transfers in for the Animal Services, Jail and Coroner facilities debt payment are the only revenue sources expected in this category this year. No adjustment is needed in the budget for Other Financing Sources category.

The following chart summarizes the mid-year projections and recommended changes for the Discretionary Revenue budget:

Discretionary Revenue Description	Fiscal Year 2013-2014 Actuals	Fiscal Year 2014-2015 Adopted Final Budget	Fiscal Year 2014-2015 Projections	Mid-Year Adjustments Recommended
Taxes	\$ 110,690,985	\$ 117,486,000	\$ 116,539,889	\$ (946,111)
Licenses, Permits & Franchises	1,090,043	1,090,000	1,090,000	-
Fines, Forfeitures & Penalties	5,410,759	2,660,000	2,660,000	-
Revenue from Use of Money	2,135,875	2,077,477	2,090,455	12,978
Intergovernmental Revenue	39,815,816	40,703,173	43,139,798	2,436,625
Charges for Services	1,969,547	2,073,404	2,073,404	-
Miscellaneous Revenues	57,116	40,000	433,733	393,733
Other Financing Sources	3,170,341	2,908,424	2,908,424	-
<b>Total</b>	<b>\$ 164,340,482</b>	<b>\$ 169,038,478</b>	<b>\$ 170,935,703</b>	<b>\$ 1,897,225</b>

**Recommended Budget Adjustment:** Adjustments to the overall discretionary budget totaling a net increase of \$1,897,225 are recommended at mid-year. As additional months of revenue are posted further adjustments may be necessary, which will be addressed during the third quarter budget review.

### General Fund – Classification of Fund Balance

The five classifications of the fund balance of the General Fund are Non-spendable, Restricted, Committed, Assigned and Unassigned. Non-spendable, Restricted and Committed are the most restrictive categories and are legally or contractually obligated portions of fund balance. The Unassigned fund balance is the least restrictive and is technically available for any purpose. The Chief Executive Office has been authorized by the Board of Supervisors to assign portions of the Unassigned fund balance for specific purposes such as debt service, carryover appropriations, contingencies and budget balancing.

For the Non-spendable fund balance category, \$3,423,575 is included in the 2014-2015 General Fund Operating Budget appropriations for encumbrance carryover from prior year. As such, the budgeted use of the encumbrance carryover is projected to reduce the ending balance of the Non-spendable category to \$16,373,415 as indicated in the chart on the following page.

Under the Fund Balance – Restricted category, the only restricted account is for tax loss reserve, for which no changes are projected and it will be maintained at \$3,872,119.

In the Committed fund balance category, final budget adjustment strategies reduced this category by a total of \$158,807. As detailed in the chart on the following page under Other Adjustments, \$1,771,470 was committed for repayment of an internal borrowing from the 2006 Tobacco Endowment Fund. As a result, the Committed ending fund balance is projected as \$6,123,552.

For the Fund Balance-Assigned category, total assignments increased by \$12,715,986 as part of the Adopted Final Budget. Other adjustments following the adoption of the Final Budget reduced total assignments by a total of \$20,681,891, broken down as follows: \$73,109 was added to the Contingencies assignment as a post-closing entry, \$5,755,000 was released for the Coroner Facility debt repayment and \$15,000,000 was released to accelerate the long-term debt payoff for the Health Services Agency (HSA). Additionally, assumed use of carryover appropriations and encumbrances totaling \$3,151,146, net county cost savings of \$12,345,632 and budget balancing assignment of \$2,093,990 will reduce this category by \$17,590,768 to a projected year-end balance of \$67,610,013.

The effect of the Adopted Final Budget balancing strategies reduced the Unassigned fund balance by \$12,557,179 and adjustments after the adoption of the Final Budget mentioned above were a net transfer in of \$18,910,421 to the Unassigned fund balance, but had no effect to the total General Fund balance. Recommendations included in the Mid-year Financial Report along with the \$15,000,000 payment for HSA debt will reduce the Unassigned category by \$18,042,204 to a projected year-end balance of \$5,076,710.

In summary, the projected total General Fund 2014-2015 ending balance after the budget balancing strategies and other adjustments, mid-year recommendations and budgeted use of fund balance is estimated to be \$99,055,809 which is a net change of \$39,056,547 from the total beginning balance of \$138,112,356.

## GENERAL FUND – FUND BALANCE

GENERAL FUND	2014-2015 Beginning Fund Balance	2014-2015 Final Budget Adjustment Strategies	2014-2015 Other Adjustments	2014-2015 Mid-Year Recommendations	2014-2015 Budget Use of Fund Balance	Projected Ending Fund Balance 6/30/2015
<b>Fund Balance - Nonspendable:</b>						
Fund 100 - Fair value adjustment	\$ 850,101					\$ 850,101
Fund 105 - Fair value adjustment	8,298					8,298
Imprest Cash	91,935					91,935
Advances to other funds	100,000					100,000
Advances to other governments	372,069					372,069
Fund 105 - Economic Development advances	4,021,599					4,021,599
Teeter receivable	10,713,227					10,713,227
Prepaid items	216,186					216,186
Encumbrances (100)	3,420,538				(3,420,538)	-
Encumbrances (107)	3,037				(3,037)	-
<b>Total Nonspendable</b>	<b>\$ 19,796,990</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(3,423,575)</b>	<b>\$ 16,373,415</b>
<b>Fund Balance - Restricted:</b>						
Fund 106 - Tax Loss Reserve	\$ 3,872,119					\$ 3,872,119
<b>Total Restricted</b>	<b>\$ 3,872,119</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,872,119</b>
<b>Fund Balance - Committed:</b>						
Total Committed Other	\$ 2,336,076	\$ (800,689)			\$ -	\$ 1,535,387
Total Committed - Capital Acquisition	2,174,813	641,882	1,771,470			4,588,165
<b>Total Committed</b>	<b>\$ 4,510,889</b>	<b>\$ (158,807)</b>	<b>\$ 1,771,470</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,123,552</b>
<b>Fund Balance - Assigned:</b>						
Contingencies	\$ 12,320,892	\$ 426,642	\$ 73,109			\$ 12,820,643
Retirement Obligation	8,800,000					8,800,000
Teeter Plan	22,375,124					22,375,124
Carryover Appropriations (100)	3,130,289				(3,130,289)	-
Carryover Appropriations (107)	857				(857)	-
75% Carryover Appropriations (100)	14,762,332	(2,416,700)			(12,345,632)	-
Encumbrances-Econ Development (105)	45,024				(20,000)	25,024
Debt Service Reserve	12,410,000	256,797				12,666,797
Total Assigned Other	7,477,425	9,200,000	(5,755,000)			10,922,425
Budget Balancing	11,844,743	5,249,247	(15,000,000)		(2,093,990)	-
<b>Total Assigned</b>	<b>\$ 93,166,686</b>	<b>\$ 12,715,986</b>	<b>\$ (20,681,891)</b>	<b>\$ -</b>	<b>(17,590,768)</b>	<b>\$ 67,610,013</b>
<b>Fund Balance - Unassigned</b>						
General Fund (100)	\$ 14,928,591	\$ (12,557,179)	\$ 18,910,421	\$ (18,042,204)		\$ 3,239,629
Facility Maintenance (104)	176					176
Economic Development Bank (105)	515,187					515,187
Community Development Bank (107)	\$ 1,321,718					1,321,718
<b>Total Unassigned</b>	<b>\$ 16,765,672</b>	<b>\$ (12,557,179)</b>	<b>\$ 18,910,421</b>	<b>\$ (18,042,204)</b>	<b>\$ -</b>	<b>\$ 5,076,710</b>
<b>TOTAL FUND BALANCE</b>	<b>\$ 138,112,356</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(18,042,204)</b>	<b>(21,014,343)</b>	<b>\$ 99,055,809</b>

## **CASH REVIEW**

### **General Fund Overall Cash Position**

The beginning cash position for Fiscal Year 2014-2015 increased by \$24.2 million from the beginning of last fiscal year largely due to less cash used to cover cash deficits in departments such as Health Services Agency and Community Services Agency. As of mid-year, the General Fund cash balance is \$59.9 million compared to \$62.5 million for the same period last fiscal year, resulting in a decrease of \$2.6 million in cash from last fiscal year. The decrease in cash at Mid-Year is primarily due to the strategic use of General Fund funding to accelerate debt payments for the Health Services Agency deficit and to fully fund the Coroner project.

	<b>2013-2014</b>	<b>2014-2015</b>	<b>Difference</b>
<b>Beginning Balance</b>	<b>\$ 69,299,172</b>	<b>\$93,450,736</b>	<b>\$24,151,564</b>
<b>Mid-Year</b>	<b>\$ 62,499,359</b>	<b>\$59,927,248</b>	<b>\$ (2,572,111)</b>

### **Special Revenue Funds Overall Cash Position**

As of mid-year, the Special Revenue Fund cash is at \$123.2 million compared to \$111.5 million for the same period last fiscal year. The following is an explanation of the most significant variances when comparing this time period to the prior year.

- ◆ Behavioral Health and Recovery Services - Mental Health reflects a positive cash balance of \$16.7 million at mid-year compared to a positive cash balance of \$26 million for the same period last fiscal year. The \$9.3 million variance is the result of a transfer of cash from Mental Health into Managed Care and Public Guardian, to resolve long-standing negative cash balances.
- ◆ The Community Services Agency - Public Economic Assistance budget had a positive cash balance of \$11.6 million at mid-year compared to \$6.4 million for the same period last fiscal year. The increase is a result of an increase in State assistance revenues.
- ◆ The Alliance Worknet - StanWORKs budget experienced a \$2 million decrease primarily due to the timing of cash draw-down requests. Additionally, there was a posting error that was corrected in January 2015.
- ◆ The Environmental Resources budget reflects a positive cash balance of \$7.5 million at mid-year compared to a positive cash balance of \$6.1 million for the same period last fiscal year. The \$1.4 million increase is due to the timing of quarterly billings and the deposit of payments received, as well as an increase in prior year realignment revenue for vehicle license fees (VLF) and increase in revenue from well permit fees.
- ◆ The Health Services Agency - Indigent Health Care Program (IHCP) reflects a negative cash balance of \$5.7 million as of December 31, 2014, compared to a negative \$8 million for the same period last fiscal year. This is due to timing differences in payments to providers. It is anticipated that retroactive payments of \$6.2 million due to the Clinics and Ancillary Services budget from the State for past fiscal years are expected to materialize this fiscal year and will be used to satisfy the balance owed to IHCP. The remainder of the deficit should be covered by potential growth funds related to realignment and the remainder of County Match contributions for Fiscal Year 2014-2015.

- ◆ The Library had a significant increase of approximately \$1.1 million, attributed in large part to additional sales tax received from the dedicated 1/8 cent sales tax measure approved by County voters.
- ◆ Probation - Local Community Corrections fund had a positive cash balance of \$7.1 million at mid-year, compared to \$8.6 million the same time period last year. This variance is due to timely processing of payments to providers/contractors and the \$1.5 million increase in program costs for Community Corrections Phase 4 approved by the Board of Supervisors on July 1, 2014.
- ◆ The Public Works Road and Bridge fund experienced a \$2 million increase primarily due to the timing of receipt of State and Federal reimbursement for projects. In addition, the timing of road capital projects and their associated expenditures and revenues creates fluctuation in the cash balance. For Public Facilities Fee (PFF) projects, funds are transferred into the Road fund when contracts are awarded, which may result in significant variations in the cash position from one year to the next.

### **Capital Projects Funds Overall Cash Position**

As of mid-year, the Capital Projects Funds cash is at \$5.7 million compared to \$4.9 million for the same period last fiscal year. The variance is primarily attributable to the timing of transfer of cash of \$800,000 from the Criminal Justice Facilities Fund to fund a portion of the annual debt service payment for the 2013 Lease Refunding of \$800,000 approved by the Board of Supervisors in July 2013.

### **Enterprise Funds Overall Cash Position**

As of mid-year, the Enterprise Funds cash is at \$16.8 million compared to \$17.2 million for the same period last fiscal year. The variance is primarily attributable to the following:

- ◆ Health Services Agency - The Intergovernmental Transfer (IGT) payment in the Health Services Agency Clinics and Ancillary Services budget is outstanding contributing to a cash reduction of approximately \$3.2 million. It is anticipated that reimbursement from the California Department of Health Care Services will occur by the end of this fiscal year.
- ◆ Environmental Resources - The increase in expenditures associated with a State mandated expansion of the Geer Road Landfill gas system and the timing of the transfer of funds from the Geer Road post-closure fund to cover the necessary expenditures contributes a cash reduction of approximately \$540,000. At the Fink Road Landfill, there was an overall increase in revenue from rents/leases as well as an increase in tonnage received, generating an increase in cash of approximately \$3 million.
- ◆ Slight positive increases in cash balance for Transit and Inmate Welfare/Commissary comprise the balance of the cash for Enterprise funds.

### **Internal Service Funds Overall Cash Position**

As of mid-year, the Internal Service Funds cash is at \$41.3 million compared to \$34.2 million for the same period last fiscal year. The primary variance is due to the \$5.7 million positive cash balance in the Medical Self-Insured Fund. The increase is a result of cost containment measures in the Medical Self-Insurance Program resulting in lower expenditures and revenue increases due to the rate increase effective January 1, 2014. Additionally, the \$1.2 million increase in Worker's Compensation Insurance is directly related to the positive performance of the 2013-2014 budget which reflected lower than anticipated disability payments to injured employees.

## Net County Cost Savings

In the 2014-2015 Adopted Final Budget, departments that achieved savings in appropriations were able to carry forward 75% of their 2013-2014 net county cost savings and 100% of their unused net county costs savings balance from prior years. Net county cost savings of \$12,345,632 were added to department budgets as part of the Adopted Final Budget. As part of the Mid-Year Financial Report, General Fund departments were asked to identify their projected use of net county cost savings in the current fiscal year. Departments are projecting to use \$7.3 million of the total \$12.3 million allocated in Fiscal Year 2014-2015. Analysis of prior year projections suggests departments may perform better than originally anticipated at the mid-year point and, therefore, have a reduced reliance on the General Fund going into Budget Year 2015-2016. Updated projections of net county cost savings will be provided in the Third Quarter Financial Report with a greater level of confidence to include in our financial planning.

<b>General Fund Department</b>	<b>Net County Cost Savings Included in 2014-2015 Final Budget Amount</b>	<b>Department Projection for Savings/(Use) in Fiscal Year 2014-2015</b>	<b>Department Projection Available for Budget Year 2015-2016</b>
Area Agency on Aging/Veteran Services	\$ 21,826	\$ (21,826)	\$ -
Agricultural Commissioner	1,191,442	(187,673)	1,003,769
Auditor-Controller	342,837	(143,000)	199,837
Board of Supervisors	155,341	(20,000)	135,341
Chief Executive Office - Crows Landing Air Facility	24,675	(24,675)	-
Chief Executive Office - Operations	1,704,587	(150,000)	1,554,587
Chief Executive Office - Risk Mg	182,298	(15,000)	167,298
Chief Executive Office - Office of Emerg. Services	239,062	-	239,062
Clerk Recorder	-	-	-
Cooperative Extension	43,394	(39,294)	4,100
District Attorney	-	-	-
Parks and Recreation	546,470	(422,236)	124,234
Planning and Community Development	473,914	(223,421)	250,493
Probation	2,114,642	(1,614,642)	500,000
Public Defender	300,313	47,687	348,000
Sheriff	4,412,782	(4,412,782)	-
Treasurer/Tax Collector	592,049	(97,000)	495,049
<b>Total</b>	<b>\$ 12,345,632</b>	<b>\$ (7,323,862)</b>	<b>\$ 5,021,770</b>

## CHALLENGES AND OPPORTUNITIES

### Health and Human Services Issues

In the Community Services Agency (CSA), In Home Supportive Services (IHSS) Provider Wage and Benefits are anticipated to increase in overtime for in-home caretakers and increased administrative requirements was set to be effective January 1, 2015. Senate Bills (SB) 855 and 873 established limits on the number of authorized hours providers in the IHSS Program are permitted to work each week. However, on December 31, 2014, US District Judge Richard J. Leon issued a stay on the new regulations pending a hearing on January 15, 2015, in Washington DC. The State has suspended implementation of the overtime regulations until further notice from the Federal Court. The new program requirements increased activities regarding implementation and enforcement of the new overtime regulations. In an All County Letter issued by the California Department of Social Services, the State recognizes the potential need for additional staff to support all operational and administrative activities to effectively implement the new statute. At this time,

it is too early to fully assess the impacts related to these activities for Stanislaus County; however CSA will closely monitor and evaluate these Senate Bills for implementation and necessary budget adjustments.

## **Capital Projects**

AB 900 Phase II Public Safety Center (PSC) Expansion Project – On June 17, 2014, the Board of Supervisors approved three separate design-build construction contracts for Project One (Maximum Security Housing and Medical/Mental Health Facility), Project Two (Day Reporting Facility), and Project Three (Intake, Release, Transportation). The facilities are scheduled to be completed by the winter of 2016, with occupation by spring of 2017. The County has no obligation to immediately operate or staff the new facilities, so long as occupancy commences by March 31, 2017. A phased opening of the AB 900 Phase II PSC Expansion Project will be based on the County's fiscal recovery and the annual appropriations by the Board of Supervisors. General Fund Set-Aside of \$2.0 million in one-time funding, coupled with Community Corrections Plan (CCP) funding of \$3.0 million set aside in the adoption of the 2013-2014 CCP Plan will be instrumental for opening. First full year of operations is projected to be the 2017-2018 Budget Year. Actual operational costs will be dependent on the number of beds filled and the annual appropriation by the Board of Supervisors of the Sheriff's Detention budget. The total estimated cost including both sworn/non-sworn staff in today's dollars ranges from \$13.3 million in the Initial Model to \$14.6 million in the Optimal Model.

Re-Entry and Enhanced Alternatives to Custody (REACT Center Project) – On August 13, 2014, the State Public Works Board (SPWB) approved Stanislaus County's project scope, project schedule and project costs, which was a significant milestone that allows Stanislaus County to be the first county awarded under SB 1022 Adult Local Criminal Justice Facilities Construction Financing Program funding to initiate a SB 1022 project in the State of California. In accordance with the 2013 Updated Adult Detention Needs Assessment, the project will contain approximately 288 jail beds in adult detention transitional housing units with all associated support and program space, a security administration (control) center and circulation and common space. In addition, the REACT Center will provide services to the offender population under the Sheriff's jurisdiction, including post-release and out-of-custody/monitored release programs. The Stanislaus County Master Plan for the Sheriff's Adult Detention Facilities outlines a broad plan to centralize all the detention facilities at the County's Public Safety Center (PSC) site to increase efficiency, eliminate duplication costs associated with operating these facilities at multiple locations and improving staff and public safety. The REACT Center is intended to be a replacement detention facility for the antiquated Downtown Men's Jail by providing 288 replacement and transitional beds at the Public Safety Center site. The Men's Jail will no longer serve as a detention facility but remain operational as a court holding facility, due to its contiguous location to the main Courthouse. The staff required to operate the REACT Center will come from the existing staffing allocation at the Men's Jail and the Jail Alternatives Unit, allowing the county to populate this facility with no new staffing costs.

Sheriff's Coroner Facility Project at County Center III – On November 4, 2014, the Board of Supervisors awarded a design-bid-build construction contract to renovate 20,300 square feet of existing County owned property with additional square footage available for future expansion of the Sheriff-Coroner. The original financing plan used \$6.2 million from the 2006 Tobacco Endowment Fund through an internal note as has occurred on other Capital Projects to be financed over a 20-year period at an annual cost of \$487,182. The final project budget approved on November 4, 2014 included the use of Assigned fund balance totaling \$5,755,000 set aside in the 2014-2015 Final Budget as adopted by the Board of Supervisors to fund the project. As a result, there will be no annual debt obligation remaining for the new Sheriff Coroner's Facility. Construction is fully underway and the demolition work has been completed and the contractor continues installing under slab plumbing lines, electrical conduit and CMU block fencing. The project is currently under construction with completion scheduled in late Fall 2015.



Veterans Services Center Project – The Stanislaus County Board of Supervisors continues to support the development of a Veteran Services Center Facility in conjunction with the Veterans Advisory Commission (VAC). The Commission and the Board of Supervisors have adopted a Four Part Strategy to assist in the development of the one-stop Veteran’s Center. This Four Part Strategy includes; the creation of a Non-Profit Entity to Accept Contributions, Seek other Fund Raising and Grant Opportunities, Create a Sustainable Financial Model and Request Proposals to provide a Veterans Center. Recent progress to support the Four Part Strategy includes the hiring of a Professional Grant Writer to assist in identifying grant funding opportunities. In addition, the VAC has created an Ad Hoc Committee to create a Non-Profit Entity to accept contributions. This Ad Hoc Committee is comprised of Veteran’s Service Organizations, Veterans and community members. The County, in partnership with the VAC and other Veteran Service Organizations continues to support this effort to create a one-stop shop Veterans Center Facility. Staff continues to evaluate funding and space requirements for a one-stop shop Veterans Facility. City of Modesto staff has now joined the core team effort. The goal is to issue the request for proposals and secure a funding plan in 2015 to complete the mission of the one-stop Veterans Service Center.

### **Public Defender – Indigent Defense**

Similar to the 2013-2014 Fiscal Year at mid-year, the Public Defender - Indigent Defense budget projects to be short approximately \$700,000; a recommendation for this increase is part of the Mid-Year Financial Report. The rate of expenditures in the first few months of the fiscal year is higher than last fiscal year at this time. These increases are due to increased complexity of cases. At this time it is hard to predict the expenditures for the second half of the year and additional exposures for multi defendant cases exist. Staff will continue to monitor this budget and if needed, will bring any additional funding requests back with the Third Quarter Financial Report. Staff continues to explore alternative ways to reduce Indigent Defense costs.

### **State Budget Update**

The Governor released his 2015-2016 Proposed Budget to the legislature on January 9, 2015. The budget includes \$113 billion in General Fund spending, which is an increase of 4.9% over the 2014-2015 Budget. The budget also projects a nearly \$5 billion increase in tax/fee revenue.

The budget allocates \$1.2 billion for debt reduction and adds \$1.2 billion to “Rainy Day” reserves to bring reserves to a total of \$2.8 billion. The last of the State Economic Recovery Bonds should be paid off in this budget cycle. The bonds were approved by voters as Proposition 57 and have been referred to as the “triple flip.” The triple flip dedicates a quarter-cent of the local sales tax to paying off the state’s bonds, and then reimburses local government with a like amount of property taxes from schools via ERAF. At the end of the flip, the previously redirected quarter cent of the sales tax will begin returning to cities and counties and the property tax adjustment will reverse back to the State; a complicated process that will be revenue neutral to the County.

Of note, the budget includes a repayment of \$533 million to local governments for pre-2004 SB 90 mandate debt. About \$390 million is projected to go to counties with Stanislaus projected to receive approximately \$4.3 million. This number has the potential to increase based upon the actual revenue the State collects through the end of the current fiscal year. Analysis of program specific reimbursement is pending to determine the amount that will benefit the General Fund. A projection for mandate revenue will be factored at third quarter.

In the area of Social Services, a proposed increase of \$150 million statewide for County Medi-Cal administration to recognize the increase in caseload and manual work due to systems issues will likely

augment the local allocation. The State Budget assumes the phased elimination of the CalFresh Match Waiver over four years, decreasing 25% in 2015-2016; it is not anticipated that this reduced level of State funds will impact the program locally in this first year. Ongoing analysis of this phased elimination will be provided in future reports to the Board of Supervisors. Challenges with Statewide implementation of the Coordinated Care Initiative (CCI) are identified with the potential for the State to end the CCI thereby triggering the ending of the maintenance of effort (MOE) in the In-Home Supportive Services (IHSS) program. This could mean as much as a \$2.5 million increase to the county share of cost for IHSS beginning after Budget Year 2016-2017. The State remains committed to working towards CCI and no budget adjustments are needed at this time.

The Governor also begins to allocate Proposition 1 (water bond) funds with a \$532.5 million allocation for groundwater and safe drinking water. Through SB 678, he also proposes \$125 million for county probation efforts as incentives for keeping those on probation from reoffending. The Governor also approved a combination of one-time and ongoing funding of \$10 million for county fairs.



# A Safe Community

## COUNTY DEPARTMENTS

CEO-OES/Fire Warden

CEO-Capital Projects

CEO-County Operations

District Attorney

Grand Jury

Integrated Criminal Justice Information System

Probation

Public Defender

Sheriff

# A Safe Community

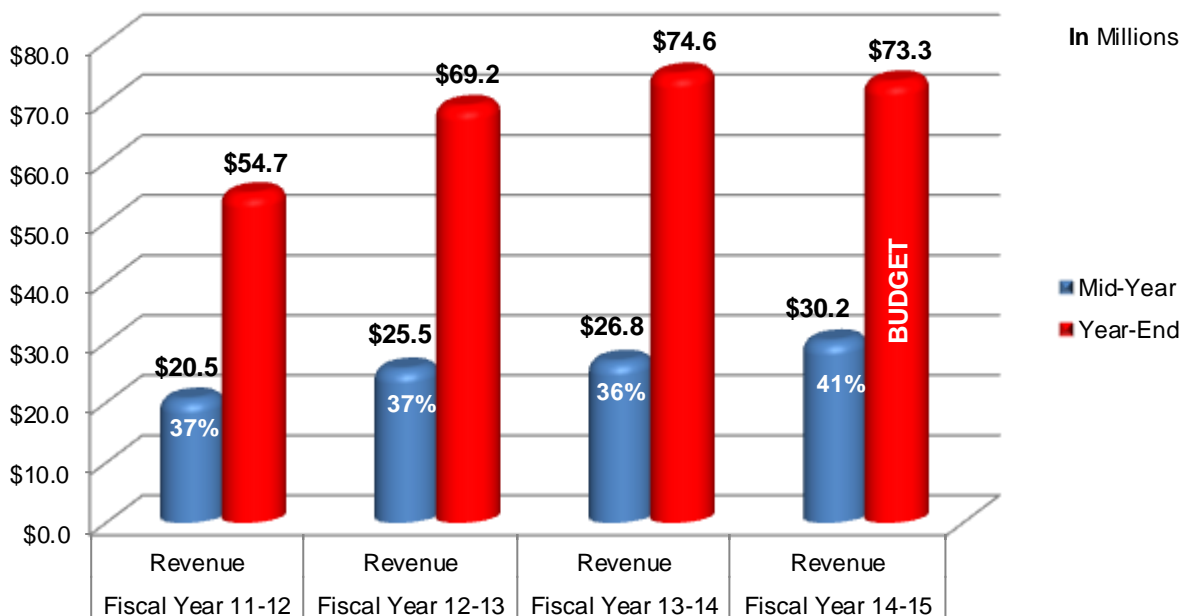
## OVERVIEW

Ensuring a safe community and protecting the safety of the residents of Stanislaus County continues to be a top priority of the Board of Supervisors. Departments assigned to the Board of Supervisors priority area of A Safe Community include: Chief Executive Office - Office of Emergency Services/Fire Warden, District Attorney, Probation, Public Defender and Sheriff. The revenue used to pay for these services comes primarily from local taxes such as property tax and sales tax, fees, franchises, charges for services, and a variety of other discretionary revenue sources. Public Safety Sales Tax revenue (Proposition 172) is also used to partially fund the District Attorney, Probation and Sheriff's Department budgets. These departments also receive dedicated funds for specific grant funded programs.

## DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors priority area of A Safe Community as of December 31, 2014, actual revenue collected is \$30.2 million, which represents 41% of the estimated annual revenue. This is above the range when compared to the mid-year point of the prior three years when collections ranged from 36% to 37% of the final actual revenue. This is primarily due to increased public safety realignment funding in Probation Community Corrections Partnership and in Sheriff – Detention.

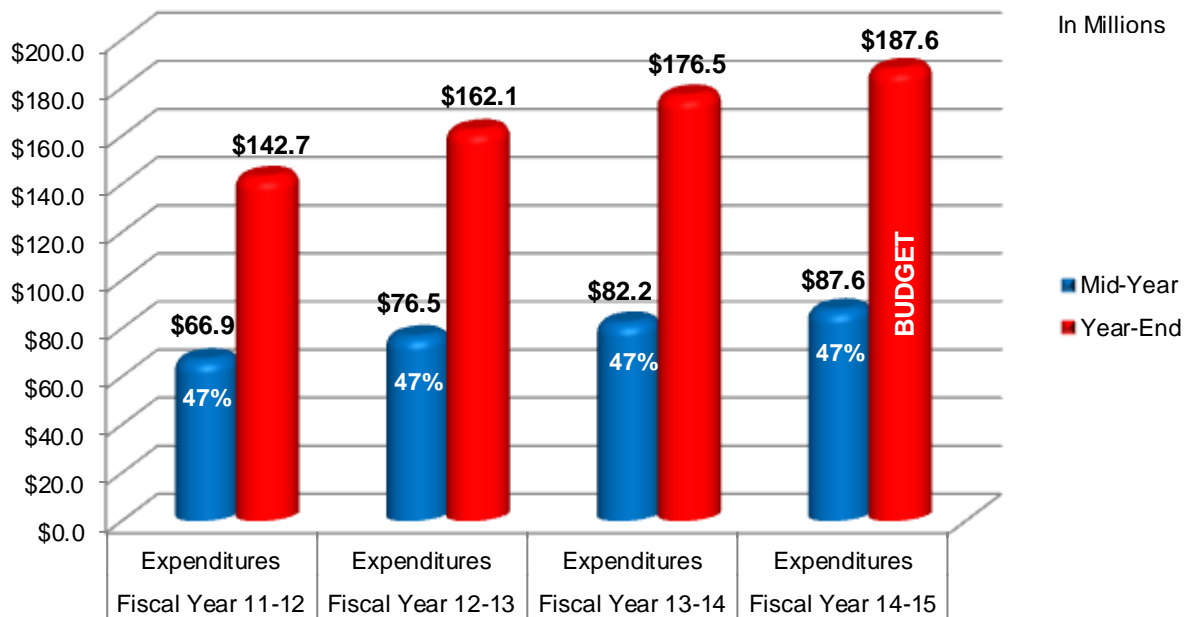
### A Safe Community Four Year Revenue Comparison



## DEPARTMENTAL EXPENDITURES

As of December 31, 2014, expenditures are \$87.6 million, representing 47% of the budgeted appropriations. Expenditures at the mid-year point of the prior three years were at 47% of the final actual expenditures, placing this year within the range.

### **A Safe Community Four Year Expenditure Comparison**



Overall, the departments within A Safe Community are on track to end the year within budget and in a positive fiscal position.

The recommendations contained in this report for A Safe Community will increase appropriations by \$4,492,981 and increase estimated revenue by \$440,892, with the remainder of the funding to be provided through transfer from Appropriations for Contingencies of \$3,862,195, \$40,000 from discretionary revenue, proceeds from the dissolution of the Modesto Regional Fire Authority and \$149,894 in departmental fund balance/retained earnings.

## PUBLIC SAFETY RESTORATION

Public Safety Restoration (PSR) is a top priority of the Board of Supervisors as identified in the Adopted Final Budget 2014-2015 which established \$2 million in Appropriations for Contingencies to support a phased plan, beginning at Mid-Year 2014-2015, to fund critical public safety services in four departments, the District Attorney, Public Defender, Probation and Sheriff. The PSR funding strategy is a multi-year plan to increase annually by \$2 million to a cumulative total of \$8 million in County General Fund support by Budget Year 2017-2018.

The four Public Safety Departments, primarily funded by County General Funds, experienced tremendous impact from the economic downturn in which loss of discretionary revenue required a reduction to County General Fund support for public safety services. This led to reductions-in-force and reduced services to the Community. Total position impacts from 2008-2009 to the 2014-2015 Adopted Final Budget reflect a loss

of 107 positions, a 9.5% reduction, across the four departments: District Attorney – 19; Probation – 1; Public Defender – 11; Sheriff - 76. The advent of Public Safety Realignment, AB 109, in 2011, masks the reduction impact in the above numbers, as AB 109 funds have added 92 positions during this same time period to address new mandated public safety services in these departments, leaving the deficit in base service reduction still negatively experienced in the Community. As discretionary revenue has improved, and local property and sales taxes demonstrated positive growth in just the past two years, beginning in 2013-2014, the Board of Supervisors has directed the first priority for service restoration to occur in the Public Safety Departments. The PSR recommendation includes services that must be supported within the General Fund Long Range Model (LRM) to ensure sustainability of services; this funding model will be reviewed and updated annually.

Analysis and development of the PSR recommendations began in September 2014 in a collaborative process in which the Departments were asked to provide desired community/customer outcomes for service restoration in a strategic five year plan. The initial Department requests for PSR funding identified service needs that totaled \$25.5 million, over three times the available funding at the 2017-2018 level. Over the past four months, Departments have worked to prioritize and scale the requested services for restoration. The analysis focused on the full allocation of \$8 million in the last year, Budget Year 2017-2018, subject to available resources, and built backwards. The allocation of the funding was analyzed through budget comparative factors, including: total budget; base budget; authorized positions; reduction impacts; composite rates using percentages of these categories. The final recommended allocation base was selected as mid-range and most logical with funding allocated to Departments in equal proportion to the Adopted Final Budget base net county cost (excludes net county cost carryover savings):

◆ District Attorney	14.565%
◆ Probation	17.474%
◆ Public Defender	5.565%
◆ Sheriff	62.396%

Individual plans with cost estimates were developed for each Department to fully use their allocated funds in priority order to best meet the needs of the Community. The following two tables summarize the funding allocation for the four fiscal years of PSR and the specific authorized position requests necessary to support the defined PSR services. It is recommended that the Board of Supervisors consider recommendations to support the PSR strategy in three phases. Given the timing of the mid-year request in March of 2015 and the desire to implement services improvements as quickly as possible through planned recruitments, staff recommends combining the recommendations for Fiscal Year 2014-2015 and Budget Year 2015-2016 into Phase I of the program to be considered with the 2014-2015 Mid-Year Financial Report. Recommendations in Phase II and Phase III will be considered in future years dependent upon continued growth and support of projected fiscal resources.

Proposed Allocation of Public Safety Restoration Funds:

Department	Phase I		Phase II	Phase III
	Fiscal Year 2014-2015	Budget Year 2015-2016	Budget Year 2016-2017	Budget Year 2017-2018
District Attorney	\$291,300	\$584,000	\$876,000	\$1,168,000
Probation	\$349,500	\$700,000	\$1,050,000	\$1,400,000
Public Defender	\$111,280	\$220,000	\$330,000	\$440,000
Sheriff	\$1,247,920	\$2,496,000	\$3,744,000	\$4,992,000
<b>Total</b>	<b>\$2,000,000</b>	<b>\$4,000,000</b>	<b>\$6,000,000</b>	<b>\$8,000,000</b>

Proposed Allocated Authorized Positions by Department (includes Probation leveraging):

Department	Phase I		Phase II	Phase III
	Fiscal Year 2014-2015	Budget Year 2015-2016	Budget Year 2016-2017	Budget Year 2017-2018
District Attorney	3	3	6	8
Probation	13	13	23	25
Public Defender	4	4	4	5
Sheriff	18	18	27	35
<b>Total*</b>	<b>38</b>	<b>38</b>	<b>60</b>	<b>73</b>

*\*Figures are cumulative and do not include one transfer position for the DA and 10 extra-help for the Sheriff*

Included within the proposed allocated authorized PSR positions is additional position authority for Probation to leverage restoration with available special revenue fund balance in two programs: Juvenile Justice Crime Prevention Act (JJCPA) and Youthful Offender Block Grant (YOBG). Both have accumulated a fund balance as part of Probation's strategic utilization of State/Federal resources to provide community services and reduce impact to the County General Fund during the economic downturn. Detailed analysis of the funds and current regulations support over four years of service in JJCPA and over five years of service through YOBG prior to any potential General Fund impact.

Also included within the proposed allocated authorized PSR positions is one Lieutenant for the Sheriff that will be jointly responsible for emergency disaster liaison with law enforcement and also for county wide security coordination.

The focus of PSR is to improve service to the community and ongoing reports to the Board of Supervisors will provide progress on restoration staffing, services and outcomes. The Accounting & Budget Model has been developed to support accountability to outcomes as approved authorized positions will be allocated to Departments with each initial fiscal year budget cycle while funding, both appropriations and additional net county cost, will be allocated to Departments the quarter following position(s) being filled. Full funding for each year will remain in contingency until the position(s) are filled. For Fiscal Year 2014-2015 the PSR funds have been established in the Appropriations for Contingencies budget. Beginning in Budget Year

2015-2016, the PSR funds will be established in each individual department within the appropriations for contingencies account. Authorization to make transfers from contingency appropriations will be requested up to the annual budgeted amount with authorization to the Chief Executive Office to complete the transfer as the positions come on board, one quarter in arrears. This process will ensure that participating departments will not be underfunded or overfunded at any time related to the resources allocated for PSR.

The PSR model is predicated on all net county cost (NCC) savings being used prior to any new County General Funds being allocated to Departments. Funds not used in any given fiscal year will be returned to the County General Fund. Departmental General Fund Base will be adjusted each fiscal year, for full funding of the value of the PSR positions added and filled during the prior fiscal year. PSR funds are not eligible for carry over between fiscal years; each fiscal year will be uniquely budgeted to the maximum PSR funding level available.

The mid-year recommendation to the Board of Supervisors includes PSR plans, developed jointly with Departments, for phased implementation beginning in Fiscal Year 2014-2015 and is described in the individual Department narratives that follow. Consistent with the initial \$2 million in PSR funding, the Mid-Year Budget request totals up to \$2 million: District Attorney \$291,300; Probation \$349,500; Public Defender \$111,280; Sheriff \$1,247,920. Both Probation and the Public Defender have identified the potential for their net county cost savings to support the PSR plans in the current fiscal year. Due to the uncertainty of net county cost savings and other demands on those funds that could arise, the PSR request will include Probation and Public Defender funding, subject to all NCC savings being used prior to any new County General Funds being allocated to departments for PSR.

Quarterly reports to the Board of Supervisors will provide updates on the status of restoration and the Long Range Financial Model will support decision-making on sustainable recommendations for PSR in future budget submissions.

## **PUBLIC SAFETY RESTORATION AND MID-YEAR ISSUES AND RECOMMENDATIONS**

### **DISTRICT ATTORNEY**

Annual funding of up to \$291,300 in Fiscal Year 2014-2015 and up to \$584,000 in Budget Year 2015-2016 is recommended for the District Attorney's Office in Phase I of Public Safety Restoration (PSR). The following is a summary of the recommended positions, estimated costs and service impacts to the community which have been prioritized by the District Attorney in Phase I of funding. The pro-rated position costs for three months of Fiscal Year 2014-2015 will not exceed the annual funding authorized by the Board of Supervisors.

#### **◆ Lieutenant**

The Investigations Unit at the District Attorney's Office oversees multiple programs and cases. In the last few years, cases have become more complex including multi-defendants, cold case homicides, public corruption, real estate fraud, high level drug and gang related prosecution, federal prosecution, arson/explosives and those relying heavily on DNA that require high level forensic knowledge. The addition of a Lieutenant will allow for a more effective span of control providing improved supervision and program management. The division of duties will provide the oversight necessary for efficient, thorough and effective investigations ensuring the successful prosecution of criminals, holding them accountable for the crimes they commit against County residents. The current annualized cost of the position is estimated to be \$157,000 with \$34,640 in anticipated one-time costs.



- ◆ **Criminal Investigator II**

Filling one Criminal Investigator position will allow the Investigations Bureau to conduct additional forensic investigative work and provide relief to the heavy caseload currently carried by general crimes/homicide investigators. Currently, staff is engaged in follow up investigative work required for prosecution of over 90 defendants pending murder charges. There are currently only two forensic investigators in the law enforcement agencies within the County and the proliferation of electronic devices to conduct criminal activity has made it a necessity to have additional law enforcement officers trained to analyze these devices. The current annualized cost of the position is estimated to be \$117,500 with \$34,640 in anticipated one-time costs.

- ◆ **Victim Advocate II**

In December 2014, 58% of the cases for which Victim Advocates provided services and support to crime victims were cases involving "special victims," including domestic violence, sexual assault, child molestation, stalking and restraining order violations. This Victim Advocate position will provide crime victims with a higher level of support and enable these vulnerable victims to more readily engage in the criminal justice system, holding offenders accountable for their crimes. This position is a transfer from another District Attorney budget for which no funding is currently available. The current annualized cost of the position is estimated to be \$67,500 with \$2,700 in anticipated one-time costs.

- ◆ **System Technician I**

The District Attorney's Office has engaged in a Strategic Technology Plan which will provide automation to the processes in the office. Also regarded as "paperless," the court is already engaged in various projects to streamline the court process by providing cases to the judges electronically. The addition of a Systems Technician will enhance prosecutors' abilities to use technology in the courtroom. Trained Information Technology (IT) staff will be readily available to provide support to relieve the prosecutors of this burden, make for more efficient use of prosecutors' time and will result in more productive case preparation. The current annualized cost of the position is estimated to be \$70,000 with \$2,700 in anticipated one-time costs.

Additional funding projections in Phase II and Phase III of the PSR program will support five additional positions for the District Attorney by Budget Year 2017-2018 to be considered through future Board action.

**Additional requests for the District Attorney at mid-year follows:**

Criminal Division: As part of the zero-base budget analysis that occurred during the Fiscal Year 2014-2015 Final Budget process, General Fund departments were not appropriated funds for vacation cashouts. Cashouts due to retirements, terminations and labor negotiations are expected to cost the Criminal Division approximately \$220,000. Offsetting this additional expense is approximately \$43,344 in Salary & Benefits savings resulting in a request for \$177,656 in appropriations. Additionally, the Department is requesting funds for the replacement of IT equipment. The air conditioning unit in the District Attorney's IT room experienced a failure in November which damaged critical equipment. The air conditioning unit was replaced and mitigating actions were taken to help ensure this type of failure does not reoccur. However, replacing the equipment was an unexpected cost and the Department is requesting additional General Fund support. The cost of replacing the equipment is estimated at \$33,000.

It is also recommended to increase appropriations and estimated revenue in the Criminal Division by \$75,600 for cost increases in the California Witness Relocation and Assistance Program (CAL WRAP). This is a state program where expenditures are reimbursed by the State with no impact on the General Fund. Additionally, it is recommended to transfer \$60,000 of appropriations out of Fixed Assets and into Services and Supplies to fund the planned purchase of computer supplies/equipment. The Department has

identified the potential for additional witness costs of approximately \$12,000; this exposure will be closely monitored and if necessary, may be requested during the Third Quarter Financial Report.

Auto Insurance Fraud Prosecution: As reported to the Board of Supervisors on December 9, 2014, the award amount from the California Department of Insurance for this grant is \$162,111, \$40,528 less than anticipated. Therefore, a \$40,528 decrease to estimated revenue is recommended to align the budget with the award amount. No adjustment to appropriations is needed as the revenue shortfall will be eliminated through the use of rollover funds which the California Department of Insurance has authorized and will be available in the budget's fund balance. These adjustments will result in a \$40,528 increased use of departmental fund balance. The fund balance as of December 31, 2014 is a negative \$66,149. This negative balance is tied to the timing of reimbursement revenue which will be realized by fiscal year end.

Consumer Fraud Prosecution Program: It is recommended to increase estimated revenue by \$296,200 and appropriations by \$193,660 resulting in a \$102,540 contribution to departmental fund balance. This budget received unanticipated forfeiture revenue and, due to staffing changes, is experiencing an increase in Salary and Benefit costs.

Real Estate Fraud Prosecution: Fee revenue collected is estimated to be lower than originally anticipated. This decrease in revenue is offset by savings in Services and Supplies. It is therefore recommended to decrease appropriations by \$44,458 and estimated revenue by \$18,593 resulting in a \$25,865 contribution to departmental fund balance.

Unserved/Underserved Victim Advocacy and Outreach: Grant funding from the California Governor's Office of Emergency Services is higher than anticipated while Salary & Benefits expenses are trending higher than budgeted. Therefore, it is recommended to increase appropriations by \$8,154 and estimated revenue by \$23,832 resulting in a \$15,678 contribution to departmental fund balance.

Victim Services Program: Salaries & Benefits expenditures are trending higher than originally budgeted. Therefore, it is recommended to increase appropriations by \$8,579 funded by \$8,579 in departmental fund balance. This adjustment will result in an \$8,579 increased use of departmental fund balance. The fund balance as of December 31, 2014 is a negative \$76,849. This negative balance is tied to the timing of reimbursement revenue which will be realized by fiscal year-end.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
DA - Criminal	\$75,600	\$75,600	\$0	\$0	Increase revenue/appropriations for additional witnesses (CAL WRAP).
DA - Criminal	\$0	(\$60,000)	\$0	(\$60,000)	Transfer appropriations out of Fixed Assets into Services and Supplies.
DA - Criminal	\$0	\$60,000	\$0	\$60,000	Transfer appropriations into Services and Supplies out of Fixed Assets.
DA - Criminal	\$0	\$177,656	\$0	\$177,656	Termination/retirement cash outs.
DA - Criminal	\$0	\$33,000	\$0	\$33,000	Replace damaged I.T. equipment as a result of an air conditioner unit failure.
DA - Criminal	\$0	\$291,300	\$0	\$291,300	Up to \$291,300 in Public Safety Restoration will be transferred as positions are filled.
DA - Auto Insurance Fraud Prosecution	(\$40,528)	\$0	\$40,528	\$0	Reduced award amount was received from the California Department of Insurance.
DA - Consumer Fraud Prosecution Program	\$296,200	\$193,660	(\$102,540)	\$0	Increase in salaries due to staffing changes and received unanticipated revenue.
DA - Real Estate Fraud Prosecution	(\$18,593)	(\$44,458)	(\$25,865)	\$0	Fee revenue is coming in lower than budgeted, which is offset by a decrease in Services and Supplies.
DA - Unserved/Underserved Victim Advocacy and Outreach	\$23,832	\$8,154	(\$15,678)	\$0	Grant funding from California Governor's Office of Emergency Services is higher than anticipated. Salaries & Benefits costs trending higher than budgeted.
DA - Victim Services Program	\$0	\$8,579	\$8,579	\$0	Salaries & Benefits expenditures are trending higher than originally budgeted.
<b>Total</b>	<b>\$336,511</b>	<b>\$743,491</b>	<b>(\$94,976)</b>	<b>\$501,956</b>	

**Staffing Requests:**

Criminal Division: In addition to the Public Safety Restoration (PSR) requests, as part of the 2013-2014 Proposed Budget, the Department requested a classification study to add a new Research Attorney classification. The Department has a need for direct supervision of the paralegal staff as well as the specialized skills of research and writing with the ability to sign off on the work of the paralegal staff. The addition of this new classification will ensure a more efficient operation of the District Attorney's Office. The classification study is complete and it is recommended to add a new classification of a block budgeted Research Attorney II. The classification will be assigned to the Attorneys Bargaining Unit for labor relations purposes. The salary will be equivalent to the Attorney II and Attorney III salary bands as illustrated below.

Classification	Salary Band	Step 1	Step 2	Step 3	Step 4	Step 5
Research Attorney I	2A (Attorney II)	\$34.06	\$35.76	\$37.55	\$39.43	\$41.40
Research Attorney II	3A (Attorney III)	\$38.92	\$40.87	\$42.91	\$45.06	\$47.31

Combined with the addition of a new classification, the Department is requesting to reclassify upward one vacant Paralegal III position to a block budgeted Research Attorney II. The additional salary costs associated with this recommendation will be absorbed within the existing budget appropriations.

The Department is also requesting a classification study of one Systems Engineer II position. The Department has a need for leadership of its IT division. It is recommended to study this position.

DISTRICT ATTORNEY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Criminal Division	1	7945	Criminal Investigator II	Restore unfunded position	Restore position
	1	NEW	Lieutenant	Add new position	Lieutenant
	1	NEW	Systems Technician I	Add new position	Systems Technician I
<b>DA CHANGES</b>	<b>3</b>				
Beginning Allocation	128				
Changes in Allocation	3				
Ending Allocation	131				

DISTRICT ATTORNEY TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Criminal Division	0	NEW	Research Attorney	Add new classification series	Research Attorney II-block budget Bargaining Unit 3: CAA Research Attorney I Salary Band 2A (\$34.06 - \$41.40) Research Attorney II Salary Band 3A (\$38.92 - \$47.31)
	1	794	Paralegal III	Reclassify upward	Research Attorney II-block budget
	1	7227	Systems Engineer II	Classification study	Study
	1	7174	Victim Advocate II	Transfer in	Transfer from Victim Services Program
Victim Services Program	-1	7174	Victim Advocate II	Transfer out	Transfer to Criminal Division

## Summary of Recommendations:

### Public Safety Restoration Recommendations

It is recommended to increase appropriations in the District Attorney – Criminal Division up to \$291,300 in the current fiscal year. This amount reflects the District Attorney’s proportionate share of total allocated funds for Public Safety Restoration in Fiscal Year 2014-2015 and will be transferred from Appropriations for Contingencies after the Department has successfully filled the requested positions.

Funding of up to \$584,000 will be allocated to support the approved positions in the Recommended Proposed Budget for Budget Year 2015-2016. This amount reflects the District Attorney’s proportionate share of total allocated funds for Public Safety Restoration in Budget Year 2015-2016. Funds will be included in the Department’s issued base budget or in department contingencies each year, subject to the timing of the Department’s ability to fill allocated positions.

### Additional Mid-Year Recommendations

It is recommended to increase appropriations by \$452,191 and increase estimated revenue by \$336,511 in the District Attorney’s budget, funded by an additional transfer of \$210,656 from Appropriations for Contingencies, resulting in a decrease in the use of departmental fund balance of \$94,976. It is further recommended that the staffing changes described and outlined in the table above be adopted.

## PROBATION

Annual funding of up to \$349,500, of which \$101,350 is for Probation – Administration and \$248,150 is for Probation – Field Services, in Fiscal Year 2014-2015 and up to \$700,000 in Budget Year 2015-2016 is recommended for the Probation Department in Phase I of Public Safety Restoration (PSR). The Probation Department has identified the potential for approximately \$500,000 in 2014-2015 Fiscal Year net county

cost savings which could be dedicated to restoring public safety services. As a result of these savings, it is anticipated that the Probation Department may not need an increase in appropriations or estimated revenue as part of Phase I of Public Safety Restoration (PSR). The following is a summary of the recommended positions, estimated costs and service impacts to the community which have been prioritized by Probation in Phase I of funding. The pro-rated position costs for three months of Fiscal Year 2014-2015 will not exceed the annual funding authorized by the Board of Supervisors.

◆ **Supervising Probation Officer**

This position will supervise a newly created unit of specialized officers that will be located at the Day Reporting Center. This will allow Probation to ensure the most effective approaches to recidivism are being implemented for all offenders under Probation's supervision. The Department will be able to expand the use of the Day Reporting Center and eventually increase the number of offenders from the number being seen at the temporary site. The current annualized cost of the position is estimated to be \$135,000 with \$2,000 in anticipated one-time costs.

◆ **Deputy Probation Officer III**

This position is a lead position that will enable the Probation Department to create a unit of officers located at the Day Reporting Center that are specifically and highly trained in administering risk/needs assessments, developing case plans that are specific to each offender's needs, and providing cognitive based effective programming, thereby improving offender outcomes. The current annualized cost of the position is estimated to be \$125,000 with \$2,000 in anticipated one-time costs.

◆ **Deputy Probation Officer I/II**

The Deputy Probation Officer I/II will be used to conduct assessments of offenders upon release from custody. Located at the Day Reporting Center, this position will complete specialized assessments and direct offenders into programming that fits within their individual needs assessment. This position will also function as the facilitator of the groups in the Day Reporting Center. The current annualized cost of the position is estimated to be \$117,000 with \$2,000 in anticipated one-time costs.

◆ **Manager II**

Currently, the Department's Human Resources Manager has responsibility for all department HR functions while also providing day-to-day management of the clerical division which includes 32 positions. Management and oversight of clerical staff was previously assigned to a dedicated Clerical Manager. The Clerical Manager position was merged with the HR Manager's position on a temporary basis in order to support budget reductions and in recognition of a reduction in recruitment and training activity over the last several years. Department recruitment and training activity has significantly increased and the department has prioritized the need to restore the Clerical Manager (Manager II) position to provide appropriate daily management and supervision of this division. The current annualized cost of the position is estimated to be \$90,000.

◆ **Systems Technician**

As the Department focuses on creating a unit of officers that are specifically and highly trained in improving offender outcomes, additional IT support is needed at the Day Reporting Center. This position will assist in the daily IT needs of the office by controlling production applications, monitoring systems resources and response times, and installation of computer hardware/software. The current annualized cost of the position is estimated to be \$62,000.

Additional funding projections in Phase II and Phase III of the PSR program will support six additional positions for Probation by Budget Year 2017-2018 to be considered through future Board action.

## **Probation Leveraging of Positions in Juvenile Justice Crime Prevention Act (JJCPA)**

The Department is requesting an increase in Juvenile Justice Crime Prevention Act (JJCPA) appropriations of \$131,454 funded by departmental fund balance as part of the public safety restoration process. Previously funded by the General Fund, but now part of the JJCPA program are two Deputy Probation Officers I/II, one Legal Clerk I/II/III and contract costs. The resulting General Fund savings will then be dedicated to fund three Deputy Probation Officer I/II positions that have been previously funded with Youthful Offender Block Grant (YOBG) funding. The Probation Department is requesting to add one new position based on leveraging JJCPA funds as follows:

- ◆ **Supervising Probation Corrections Officer**

The role of the supervisor is to increase oversight of evidence-based programs for juveniles participating in alternative to custody programs, including Home Detention and Electronic Monitoring. This position will monitor these programs which are currently supervised by Juvenile Hall staff. Dedicating a full time supervisor to these programs will support increased oversight and accountability of program outcomes, while allowing Juvenile Hall staff to focus on custodial functions for juveniles under institutional supervision. The current annualized cost of one position is estimated to be \$120,000

These adjustments result in a \$131,454 increased use of departmental retained earnings. The retained earnings balance as of December 31, 2014 was \$2,366,559. The Department has identified sufficient funding within JJCPA to support the recommended funding strategies through Budget Year 2018-2019.

## **Probation Leveraging of Positions in Youthful Offender Block Grant (YOBG)**

The Department is requesting an increase in Youthful Offender Block Grant appropriations of \$93,061 supported by departmental fund balance as part of the public safety restoration process. General Fund capacity created by the leveraging of JJCPA funds, described above, will be dedicated to fund three existing Deputy Probation Officer I/II positions that were previously supported with Youthful Offender Block Grant (YOBG) funding. This funding strategy will allow for seven new positions to be supported through the use of YOBG funds as follows:

- ◆ **Probation Corrections Officer III (two positions)**

One of these positions will provide direct programming support for youth under the custody and care of the Probation Department within Juvenile Hall and the Juvenile Commitment Facility. This will allow for implementation of vocational training, a comprehensive line of Career and Technical Education learning systems, tools, equipment, and supplies for Health Science, Construction, and Family and Consumer Science. Further benefits will be implementation of other evidenced-based programming such as Aggression Replacement Training, Cognitive Behavioral Therapy, and Thinking for a Change curriculum.

The other Probation Corrections Officer III position will be an institutional training officer with full-time responsibility for the Department's Field Training Officer (FTO) program within juvenile institutions. This role is currently assigned as a collateral assignment for a current supervisor who is also assigned full-time supervision duties within Juvenile Hall. The current annualized cost of each position is estimated to be \$108,000, with \$2,000 in anticipated one-time costs.

- ◆ **Probation Corrections Officer I/II (four positions)**

The addition of four Probation Corrections Officer I/II positions will enable the Department to provide enhanced levels of programming and service consistent with the intent of YOBG funding. These positions will facilitate group programs to implement improved vocational training services within

juvenile institutions. The addition of these positions will also allow shift relief for current staff and the ability to provide flexibility to the department's staffing model based on the operational demands of the juvenile population. The current annualized cost of one position is estimated to be \$96,200, with \$2,000 in anticipated one-time costs.

◆ **Crime Analyst**

This position will evaluate the effectiveness of juvenile programs in the Probation Department. The position will use Integrated Criminal Justice Information System (ICJIS) data to increase the Department's ability to report on program outcomes and support future efforts to pursue grant funding opportunities. The current annualized cost of the position is estimated to be \$75,000.

These adjustments result in a \$93,061 increased use of departmental retained earnings. The retained earnings balance as of December 31, 2014 was \$5,301,298. The Department has identified sufficient funding within YOBG to support the recommended funding strategies through Budget Year 2019-2020, including the potential to fund an additional six positions through YOBG to support the Department's compliance with regulatory changes impacting staffing ratios within juvenile institutions.

**Additional requests as part of the mid-year process is as follows:**

The Probation Department has requested that the Auditor-Controller and the Chief Executive Officer be given the authority to process requests to transfer appropriations among the four Probation budgets of Administration, Field Services, Juvenile Commitment Facility, and Institutions in order to ensure these budgets end the year in a positive position.

Corrections Performance Incentive Fund: The Department is requesting an increase of \$25,000 in appropriations funded from departmental fund balance, to accommodate the recently bargained increases for the Deputy Probation Officers that became effective November 15, 2014. Along with salary restoration, the Department saw increases due to salary step increases; armed pay, uniform allowance and holiday pay changes. These adjustments result in a \$25,000 increased use of departmental retained earnings. The retained earnings balance as of December 31, 2014 was \$1,051,206.

Youthful Offender Block Grant (YOBG): The Department is requesting an increase of \$21,615 in appropriations funded from departmental fund balance, to accommodate an increase in the Juvenile Assessment and Intervention System contract as well as the recently bargained increases for the Deputy Probation Officers that became effective November 15, 2014. Along with salary restoration, the Department saw increases due to salary step increases; armed pay, uniform allowance and holiday pay changes. These adjustments result in a \$21,615 increased use of departmental retained earnings. The retained earnings balance as of December 31, 2014 was \$5,301,298.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Probation - Corrections Performance Incentive Fund	\$0	\$25,000	\$25,000	\$0	Additional salary costs related to bargained differentials.
Probation - Juvenile Justice Crime Prevention Act	\$0	\$131,454	\$131,454	\$0	Public Safety Restoration leveraging.
Probation - Youthful Offender Block Grant	\$0	\$21,615	\$21,615	\$0	Additional contract and salary costs.
Probation - Youthful Offender Block Grant	\$0	\$93,061	\$93,061	\$0	Public Safety Restoration leveraging.
Probation - Administration	\$0	\$101,350	\$0	\$101,350	Up to \$101,350 as part of Public Safety Restoration will be transferred as positions are filled.
Probation - Field Services	\$0	\$248,150	\$0	\$248,150	Up to \$248,150 as part of Public Safety Restoration will be transferred as positions are filled.
<b>Total</b>	<b>\$0</b>	<b>\$620,630</b>	<b>\$271,130</b>	<b>\$349,500</b>	

**Staffing Requests:** In addition to the Public Safety Restoration (PSR) requests, the Department is requesting to reclassify upward six Probation Corrections Officer II positions. Each living unit in Juvenile Institutions is required to maintain a certain level of supervision based on the classification of the minors detained. Four units currently house high risk populations that require a higher level of supervision. The Department is currently paying lead pay to staff working in living units that do not have a lead on shift. It is recommended to study these positions.

PROBATION STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Administration	1	1788	Manager II	Restore unfunded position	Restore position
	1	NEW	Systems Technician II	Add new position	Systems Technician II-block budget
Field Services	1	11055	Deputy Probation Officer II	Restore unfunded position	Restore position
	1	NEW	Deputy Probation Officer III	Add new position	Deputy Probation Officer III
	1	NEW	Supv Probation Officer	Add new position	Supv Probation Officer
Institutional Services	0	494, 508, 541, 582	Probation Corrections Officer II	Restore unfunded positions; Transfer out	Restore positions; Transfer to YOBG
Juvenile Justice Crime Prevention Act	1	NEW	Supv Probation Corrections Officer	Add new position	Supv Probation Corrections Officer
Youthful Offender Block Grant	2	NEW	Probation Corrections Officer III	Add new positions	Probation Corrections Officer III
	4	494, 508, 541, 582	Probation Corrections Officer II	Transfer in	Transfer from Institutional Services
	1	NEW	Crime Analyst	Add new position	Crime Analyst
<b>PROBATION CHANGES</b>	<b>13</b>				
<b>Beginning Allocation</b>	<b>259</b>				
<b>Changes in Allocation</b>	<b>13</b>				
<b>Ending Allocation</b>	<b>272</b>				
PROBATION TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Institutional Services	6	6165, 6166, 6167, 6168, 6171, 6400	Probation Corrections Officer II	Reclassify upward	Study



## **Summary of Recommendations:**

### Public Safety Restoration Recommendations

It is recommended to increase appropriations up to \$101,350 in the Probation – Administration budget and up to \$248,150 in the Probation – Field Services budget, for a total of up to \$349,500 in the current fiscal year. This amount reflects the Probation Department's proportionate share of total allocated funds for Public Safety Restoration I Fiscal Year 2014-2015 and will be transferred from Appropriations for Contingencies after the Department has successfully filled the requested positions, and after all net county cost savings has been depleted.

Funding of up to \$700,000 will be allocated to support the approved positions in the Recommended Proposed Budget for Budget Year 2015-2016. This amount reflects the Probation Department's proportionate share of total allocated funds for Public Safety Restoration in Budget Year 2015-2016. Funds will be included in the Department's issued base budget or in department contingencies each year, subject to the timing of the Department's ability to fill allocated positions.

### Recommendations for Leveraging Non-General Fund Resources

It is further recommended to increase appropriations by \$131,454 in the Probation – Juvenile Justice Crime Prevention Act budget and increase appropriations by \$93,061 in the Probation – Youthful Offender Block Grant budget, both funded by departmental fund balance.

### Additional Mid-Year Recommendations

Additionally, it is recommended to increase appropriations by \$46,615, of which \$25,000 is for Probation Corrections Performance Incentive Fund and \$21,615 if for Probation YOBG, funded by departmental fund balance. It is further recommended the staffing changes described and outlined in the table above be adopted.

## **PUBLIC DEFENDER**

Annual funding of up to \$111,280 in Fiscal Year 2014-2015 and up to \$220,000 in Budget Year 2015-2016 is recommended for the Public Defender's Office in Phase I of Public Safety Restoration (PSR). The Public Defender has identified approximately \$348,000 in 2014-2015 Fiscal Year net county cost savings. As a result of these savings, it is anticipated that the Public Defender may not need an increase in appropriations or estimated revenue as part of Phase I of Public Safety Restoration (PSR). It is anticipated the Department will be able to absorb three of the requested PSR positions using net county cost carryover savings and one of the positions by allocating funding from previously contracted services.

The following is a summary of the recommended positions, estimated costs and service impacts to the community which have been prioritized by the Public Defender in Phase I. The pro-rated position costs for three months of Fiscal Year 2014-2015 will not exceed the annual funding authorized by the Board of Supervisors.

### ◆ **Manager II**

This position will manage the Investigations Unit in the Public Defender's Office. As a budget balancing strategy during the economic downturn, the Public Defender relied on outside resources to provide almost all defense investigation needs to support the duties of the Public Defender. The Department has identified the restoration of internal investigation resources as the top need for the department in Phase I of Public Safety Restoration. Investigation services are a critical component to

the quality and efficiency of legal defense services and will support improved processing of cases administered through the Public Defender. The current annualized cost of the position is estimated to be \$82,355 with \$1,500 in anticipated one-time costs.

- ◆ **Special Investigator II**

This position will provide direct investigation services in support of restoring the Investigation Unit and improving the quality and efficiency of services provided through the Public Defender's Office. The Special Investigator II position will be funded using net county cost savings for the three months of Fiscal Year 2014-2105 and Budget Year 2015-2016. The current annualized cost of one position is estimated to be \$70,914 with \$1,500 in anticipated one-time costs.

- ◆ **Attorney V**

The addition of an Attorney V position will provide increased staffing resources to support the distribution and alignment of cases assigned to each individual attorney. Improved caseload distribution will result in faster processing of matters within the criminal justice system as a whole. The current annualized cost of the position is estimated to be \$99,368 with \$1,500 in anticipated one-time costs.

Additional funding projections in Phase II and Phase III of the PSR program will support one additional position for the Public Defender by Budget Year 2017-2018 to be considered through future Board action.

### **Shifting of General Fund Resources**

- ◆ **Special Investigator II**

In addition to the above recommendations to support restoring investigation services within the Public Defender's Office, the Department has requested adding one additional Special Investigator II position to be funded through existing General Fund resources that are currently used to purchase contracted investigation services. The current annualized cost of one Special Investigator II position is estimated to be \$70,914 with \$1,500 in anticipated one-time costs.

Upon approval of these recommendations, the Investigations Unit of the Public Defender's Office will consist of four positions:

- ◆ Manager II (new position funded by PSR)
- ◆ Special Investigator II (new position funded by PSR)
- ◆ Special Investigator II (new position funded by existing General Fund allocation)
- ◆ Special Investigator II (existing position already funded in the Department's budget)

### **Additional requests as part of the mid-year process is as follows:**

Public Defender – Indigent Defense: The Department is requesting a total increase of \$700,000 in appropriations in the Indigent Defense budget. This budget includes fixed funding for contracts with two firms, Conflicts I and Conflicts II, who provide representation to indigent individuals because of a legal conflict of interest, as well as funding for expenses associated with attorneys assigned by the courts.

Conflicts II has a shortfall in funding to meet the increased number of assigned murder cases. Currently Conflicts II has been assigned 30 murder cases by the Stanislaus County Superior Court; this is 20 above the average pending murder cases for Conflicts II. Conflicts II has requested an additional \$20,000 above their original contract in order to obtain additional Counsel to assist with the assigned murder cases for the remainder of the 2014-2015 Fiscal Year.

At mid-year the Public Defender-Indigent Defense budget has been depleted at a faster than projected rate. The budget is currently projected to end the year \$680,000 over budget. The projection by the Department treats a portion of the experienced expenditures as one-time costs and all others as ongoing. The rate at which funds are expended from this budget varies each month depending on how many hourly cases there are, how complicated the matters are, and whether the matters proceed to jury trial. The growth in the expenditures is a result of an increased amount being paid out in attorney fees and related costs for the hourly matters. These charges have increased in part because of several large multiple defendant murder cases that are being prosecuted in Stanislaus County at this time.

Two multiple defendant matters that are pending in Stanislaus County currently have resulted in approximately \$207,000 in attorney fees during the first six months of the fiscal year and an estimated \$50,000 in investigation and related expenses. The amount budgeted for expenses other than the fixed contracts this fiscal year is approximately \$203,000 per month. These noncontract expenses have been averaging approximately \$256,500 per month during the first half of the fiscal year. If the rate of expenditure remains constant over the rest of the fiscal year the total shortfall could be as great as \$850,000. The shortfall will not be as great if the rate of expenditure slows because the more expensive matters settle or are concluded short of trial.

The Chief Executive Office has identified several potential initiatives to support improved efficiencies and tracking of indigent defense costs going forward. Staff will work with the courts over the next several months to consider the development of contract standards and improved billing and reporting procedures for Appointed Attorneys. Staff will also initiate a Request for Proposal to explore the option of establishing a new Conflicts III contract to be considered for implementation in the next six to nine months.

Indigent Defense costs will be closely monitored and reported back to the Board of Supervisors at the Third Quarter Financial Report should any other adjustments be required to end the year in a positive position.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Public Defender	\$0	\$111,280	\$0	\$111,280	Up to \$111,280 as part of Public Safety Restoration will be transferred as positions are
Public Defender - Indigent Defense	\$0	\$20,000	\$0	\$20,000	Additional appropriations needed to fund Conflicts II.
Public Defender - Indigent Defense	\$0	\$680,000	\$0	\$680,000	Additional appropriations needed to fund increased appointed attorney and investigation costs.
<b>Total</b>	<b>\$0</b>	<b>\$811,280</b>	<b>\$0</b>	<b>\$811,280</b>	

**Staffing Requests:** In addition to the Public Safety Restoration (PSR) requests, the Department is requesting a classification study of one Chief Deputy Public Defender position to Assistant Public Defender. It is recommended to study this position.

PUBLIC DEFENDER STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Public Defender	1	NEW	Manager II	Add new position	Manager II
	1	7704	Attorney V	Restore unfunded position	Restore position
	1	8219	Special Investigator II	Restore unfunded position	Restore position
	1	NEW	Special Investigator II	Add new position	Special Investigator II-block budget
<b>PUBLIC DEFENDER CHANGES</b>	<b>4</b>				
<b>Beginning Allocation</b>	<b>38</b>				
<b>Changes in Allocation</b>	<b>4</b>				
<b>Ending Allocation</b>	<b>42</b>				
PUBLIC DEFENDER TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Public Defender	1	1548	Chief Deputy Public Defender	Reclassify upward	Study

### Summary of Recommendations:

#### Public Safety Restoration Recommendations

It is recommended to increase appropriations in the Public Defender's Office up to \$111,280 in the current fiscal year. This amount reflects the Public Defender's proportionate share of total allocated funds for Public Safety Restoration in Fiscal Year 2014-2015 and will be transferred, if needed, from Appropriations for Contingencies after the Department has successfully filled the requested positions and exhausted all net county cost savings. It is anticipated that the Public Defender's Department will not require an increase in appropriations for Public Safety Restoration in Fiscal Year 2014-2015, with three positions funded by net county cost savings and one position funded by shifting General Fund resources.

Funding of up to \$220,000 will be allocated to support the approved positions in the Recommended Proposed Budget for Budget Year 2015-2016. This amount reflects the Public Defender's proportionate share of total allocated funds for Public Safety Restoration in Budget Year 2015-2016, and may or may not be used dependent upon the Department's balance of net county cost savings entering Budget Year 2015-2016.

#### Additional Mid-Year Recommendations

Additionally, it is recommended to increase appropriations by \$700,000 to be funded by a transfer from Appropriations for Contingencies. It is further recommended the staffing changes described and outlined in the table above be adopted.

### SHERIFF

Annual funding of up to \$1,247,920 in Fiscal Year 2014-2015 and up to \$2,496,000 in Budget Year 2015-2016 is recommended for the Sheriff's Department in Phase I of Public Safety Restoration (PSR). The following is a summary of the recommended positions, estimated costs and service impacts to the community which have been prioritized by the Sheriff in Phase I of funding. The pro-rated position costs for three months of Fiscal Year 2014-2015 will not exceed the annual funding authorized by the Board of Supervisors.

- ◆ **Deputy Sheriff (sixteen positions)**

The Sheriff's Department has placed the restoration of Deputy Sheriff positions as the top priority in Phase I of Public Safety Restoration, with a goal of increasing the presence of Deputy Sheriffs in the community and reducing average wait times for calls for service. Adding 16 Deputy Sheriff positions will allow the Department to re-establish up to seven Community Resource Deputy positions patrolling unincorporated communities throughout the County. The remaining recommendations will allow the Department to restore up to eight positions in General Crime Investigations and one position to the Stanislaus County Auto Theft Task Force. These recommendations will allow the Department to devote more hours to solving crimes which will increase the rate at which cases can be investigated and closed successfully. The current annualized cost of each position is estimated to be \$122,000 with \$20,028 in anticipated one-time costs.

It is important to note that the projected increases in community services will occur as positions are filled and new Deputy Sheriff's complete field training programs over the next 6-18 months. The Sheriff's Department has developed a staffing strategy to fill new positions in a phased approach during this time.

- ◆ **Lieutenant (Watch Commander)**

The Department previously had four Lieutenants assigned as Patrol Watch Commanders, one for each patrol shift. Due to reductions in force, that number was reduced to two Watch Commanders. One of the two current Watch Commanders also serves 33% of the time as the Hughson Chief of Police Services. In a reorganization effort, the Department will be combining the assignment of the Hughson Chief of Police Services with management and supervision responsibilities of County Parks, Reservoirs, and the Special Vehicle Off Road Unit. The ability to restore one Lieutenant position to the Operation Division as a full-time Watch Commander will provide leadership and supervision on a full time basis to the increased number of Deputy Sheriffs on patrol. The current annualized cost of the position is estimated to be \$154,348 with \$2,500 in anticipated one-time costs.

- ◆ **Lieutenant (CEO-Office of Emergency Services and County Security)**

The Sheriff's Department is requesting to restore a Lieutenant position to the Operations Division to be assigned to CEO-Office of Emergency Services. Fifty percent of this position will be used to restore a law enforcement leadership presence within CEO-Office of Emergency Services (OES) for Stanislaus County, which was previously assigned to OES on a full-time basis. This position will have direct responsibility for emergency management activities involving the Sheriff's Department and will serve as an active member of the County's Emergency Management Team. The position will also facilitate risk assessments and school safety plans for local school districts; coordinate legally mandated search and rescue operations within the local region; conduct incident command training for Sheriff personnel; participate in Federal/State Threat Assessment Centers and manage the inventory and maintenance of critical emergency management equipment assigned to the Sheriff's Department.

Fifty percent of the OES Lieutenant position will be assigned to support development of a new County Security Program in coordination with the Chief Executive Office. This position will provide direct support for potential threats to County operations which impact the safety and security of County employees and customers. The Lieutenant will also work closely with CEO leadership to facilitate contracted services to evaluate the safety of County facilities and to identify opportunities to improve the security of County operations.

This position will be funded with proceeds from the dissolution of the Modesto Regional Fire Authority (MRFA) for the remainder of Fiscal Year 2014-2015. In Budget Year 2015-2016, MRFA dissolution funds will continue to fund 50% of the position for the Sheriff's portion of the assigned job duties, with

the remaining 50% funded through a General Fund budget contribution from CEO-Office of Emergency Services to support the County Security Program. Beginning in Budget Year 2016-2017 and thereafter, this position will be funded 50% Sheriff Public Safety Restoration and 50% funding from CEO-Office of Emergency Services. The current annualized cost of the position is estimated to be \$154,348.

◆ **Deputy Sheriff Intern (up to 10 extra-help positions)**

The ability to create 10 Deputy Sheriff Intern positions will allow the Department to place qualified candidates into the recruitment and training process much earlier with the goal of increasing the Department's long-term retention efforts for public safety positions. This program is designed to reduce the cost of putting a Deputy Sheriff candidate through the academy, yield a well-rounded Deputy with experience in both operations and custody, invest in local personnel and bring interested parties into the Sheriff's organization up to three years earlier than previous programs. Initial funding for the program will support up to 10 Deputy Sheriff Intern positions at any one time, however this number will be reduced as necessary based on the recruitment needs of the Department and the overall funding available each year under the Public Safety Restoration program. The current annualized cost of each position is estimated to be \$14,000 with \$2,957 in anticipated one-time costs.

Additional funding projections in Phase II and Phase III of the PSR program will support 17 additional positions for the Sheriff by Budget Year 2017-2018 to be considered through future Board action.

**Additional requests as part of the mid-year process is as follows:**

The Sheriff's Department has requested that the Auditor-Controller and the Chief Executive Officer be given the authority to process requests to transfer appropriations among the four Sheriff budgets of Administration, Detention, Operations, and Contract Cities in order to ensure these budgets end the year in a positive position.

Sheriff – Detention: During the 2014-2015 Final Budget process, \$431,569 in net county cost was inadvertently not included in the Sheriff-Detention budget. The Department is requesting a technical adjustment by decreasing estimated revenue by \$295,266 and increasing appropriations by \$136,303 to resolve this error.

It is also recommended to increase the Detention budget by \$519,970 to fund the recently bargained increases for the Custodial Deputy Sheriffs Bargaining Unit that became effective November 15, 2014. The General Fund portion of increased costs for the 3% salary restoration and 1% base salary increase was not known at the time the 2014-2015 Final Budget was approved by the Board of Supervisors, and therefore not included in the base salary for the Custodial Deputy Sheriffs.

Sheriff – Court Security: The Department is requesting an increase in estimated revenue of \$399,647 and an increase in appropriations of \$375,387, resulting in a contribution to departmental fund balance of \$26,260. The Court Security costs are increasing due to the multi-defendant trial held in Department 26, an additional court department temporarily added for capacity. The Department anticipates estimated revenue to be sufficient to cover the additional expenses that have occurred so far. If however, there is an additional trial held in Department 26 the Department will need to use additional fund balance to balance the budget; an update will be provided at the Third Quarter Financial Report if additional budget authorization is needed at that time.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Sheriff - Detention	\$0	\$519,970	\$0	\$519,970	Increase staffing costs as a result of negotiated salary increase.
Sheriff - Detention	(\$295,266)	\$136,303	\$0	\$431,569	Technical Adjustment
Sheriff - Court Security	\$399,647	\$373,387	(\$26,260)	\$0	Increase Intergovernmental Revenue for Trial Court Security and Increase Salaries and Benefits to cover additional costs from Multidefendant trial.
Sheriff - Operations	\$0	\$1,247,920	\$0	\$1,247,920	Up to \$1,247,920 as part of Public Safety Restoration will be transferred as positions are filled.
<b>Total</b>	<b>\$104,381</b>	<b>\$2,277,580</b>	<b>(\$26,260)</b>	<b>\$2,199,459</b>	

### Staffing Requests:

CAL ID Program: In addition to the Public Safety Restoration (PSR) requests, the Department is requesting a classification study for one Systems Technician I position. It is recommended to study this position.

SHERIFF STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Operations	2	NEW	Lieutenant	Add new positions	Lieutenant
	16	NEW	Deputy Sheriff	Add new positions	Deputy Sheriff
<b>SHERIFF CHANGES</b>	<b>18</b>				
Beginning Allocation	602				
Changes in Allocation	18				
Ending Allocation	620				
SHERIFF TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
CAL ID Program	1	8999	Systems Technician I	Reclassify upward	Study

### Summary of Recommendations:

#### Public Safety Restoration Recommendations

It is recommended to increase appropriations in the Sheriff's Department up to \$1,247,920 in the current fiscal year. This amount reflects the Sheriff's proportionate share of total allocated funds for Public Safety Restoration in Fiscal Year 2014-2015 and will be transferred from Appropriations for Contingencies after the Department has successfully filled the requested positions.

Funding of up to \$2,496,000 will be allocated to support the approved positions in the Recommended Proposed Budget for Budget Year 2015-2016. This amount reflects the Sheriff's proportionate share of total allocated funds for Public Safety Restoration in Budget Year 2015-2016. Funds will be included in the Department's issued base budget or in department contingencies each year, subject to the timing of the Department's ability to fill allocated positions.

### Additional Mid-Year Recommendations

It is also recommended to increase estimated revenue by \$104,381 and appropriations by \$1,029,660, funded by \$951,539 transfer from Appropriations for Contingencies and a contribution to departmental fund balance of \$26,260. It is further recommended the staffing changes described and outlined in the table above be adopted.





# A Healthy Community

## **COUNTY DEPARTMENTS**

Area Agency on Aging/Veterans' Services

Behavioral Health and Recovery Services

Child Support Services

Children and Families Commission

Community Services Agency

Health Services Agency

# A Healthy Community

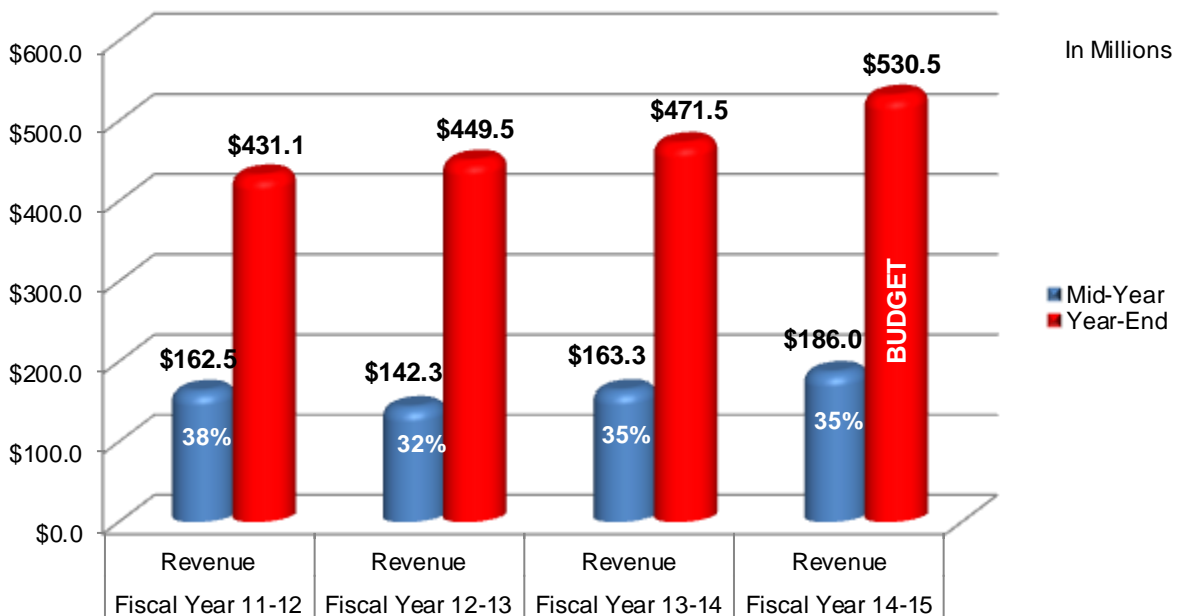
## OVERVIEW

The Board of Supervisors priority area of A Healthy Community is vital to the quality of life for County residents. The departments assigned to this priority area are focused on protecting and promoting the health and well-being of County residents including preventing disease, disability and death. Protecting emotional safety focuses on the social problems that include homelessness, incarceration and fragmented families with financial and emotional needs. The departments assigned to this priority area include: Area Agency on Aging and Veterans' Services, Behavioral Health and Recovery Services, Child Support Services, Children and Families Commission, the Community Services Agency and the Health Services Agency. The major funding sources for these programs include Federal and State funding and, where required, local discretionary funds are used primarily to match other governmental funding in support of these programs.

## DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors priority area of A Healthy Community, as of December 31, 2014, actual revenue collected is \$186.0 million, which represents 35% of the estimated annual revenue. This is within the range when compared to the mid-year point of the prior three years when collections ranged from 32% and 38% of the final actual revenue.

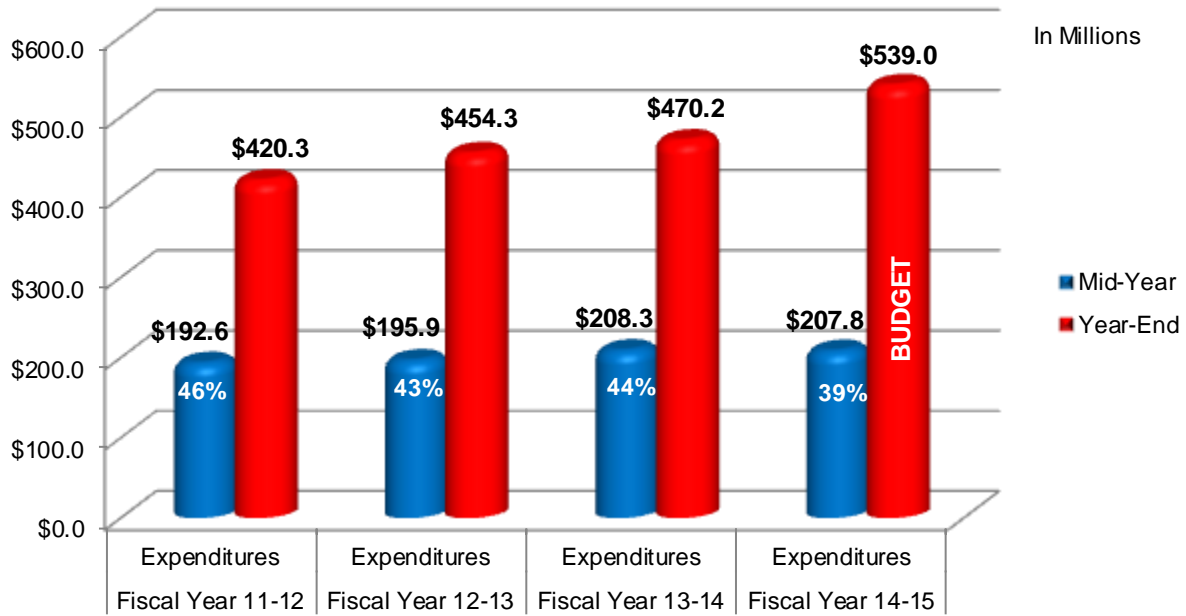
### **A Healthy Community Four Year Revenue Comparison**



## DEPARTMENTAL EXPENDITURES

As of December 31, 2014, expenditures are \$207.8 million, representing 39% of the budgeted appropriations. Expenditures at the mid-year point of the prior three years ranged from 43% to 46% of the final actual expenditures, placing this year below the range. This is primarily due to receipt of timing of invoices for contracted services, and as a result of fewer medically indigent adults.

### **A Healthy Community Four Year Expenditure Comparison**



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

The recommendations contained in this report for A Healthy Community include an increase in appropriations by \$1,591,716 and estimated revenue by \$1,270,520 increasing the use of departmental fund balance/retained earnings by \$321,196.

## MID-YEAR ISSUES AND RECOMMENDATIONS

### **AREA AGENCY ON AGING SERVICES**

The Department is requesting an increase in appropriations and revenue due to a one-time funding augmentation from the California Department of Aging (CDA). This increase will assist the Department in providing additional services to seniors, primarily in the Congregate and Home Delivered Meals Programs. The majority of the one-time funds will be used for one-time purposes such as equipment purchase; however, the funding increase will result in the provision of approximately 4,100 additional Congregate Meals and approximately 2,700 additional Home Delivered Meals during this fiscal year.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Area Agency on Aging	\$128,897	\$128,897	\$0	\$0	Increase in appropriations and revenue due to a one-time funding from the California Department of Aging
<b>Total</b>	<b>\$128,897</b>	<b>\$128,897</b>	<b>\$0</b>	<b>\$0</b>	

**Summary of Recommendations:** It is recommended to increase appropriations and estimated revenue by \$128,897.

## BEHAVIORAL HEALTH AND RECOVERY SERVICES

Alcohol and Drug: Behavioral Health and Recovery Services (BHRS) is required to enter into, administer and monitor contracts with local providers of Narcotic Replacement Therapy (NRT) services. As a result, the Department contracts with Aegis Treatment Center, LLC for NRT services. It is anticipated that the level of services provided by Aegis will exceed the current contract maximum. Therefore, it is requested to increase appropriations by \$674,789 and estimated revenue by \$353,593 funded from Drug Medi-Cal reimbursements, for a contract increase with Aegis Treatment Center, LLC for increased demand for narcotic treatment services. This will increase the use of departmental fund balance by \$321,196. The departmental fund balance as of December 31, 2014 was \$446,583.

Additionally, the Department anticipates increased demand for NRT services provided by the Department's Genesis program and requests an increase in appropriations and estimated revenue of \$50,000 funded from Drug Medi-Cal reimbursements and increased realignment revenue to support the Genesis program increase.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Behavioral Health and Recovery Services - Alcohol & Drug	\$353,593	\$674,789	\$321,196	\$0	Increase contract with Aegis Treatment Centers, LLC due to increased demand for narcotic treatment services, funded from Drug Medi-Cal reimbursements and departmental fund balance.
Behavioral Health and Recovery Services - Alcohol & Drug	\$50,000	\$50,000	\$0	\$0	Increase in costs for Genesis program due to increased demand for narcotic treatment services, funded from Drug Medi-Cal reimbursements and realignment revenue.
<b>Total</b>	<b>\$403,593</b>	<b>\$724,789</b>	<b>\$321,196</b>	<b>\$0</b>	

**Staffing Requests:** The staffing requests are summarized below by budget.

Behavioral Health and Recovery Services: The Department is requesting to add one new Administrative Clerk II position for Turlock Recovery Services to convert a temporary staff position to full-time. This position provides administrative support to assist in the scheduling of appointments and transportation for clients and perform data entry to maintain the electronic health records. This position will be funded with Medi-Cal revenue and Mental Health Realignment funds.

The Department is also requesting one new block-budgeted Mental Health Clinician II position to provide Medi-Cal assessment services. This position is being requested due to a 70% increase in the Medi-Cal eligible population currently seeking services in the past year, primarily as a result of the Affordable Care Act. The number of clients being assessed for treatment services is expected to increase by 25%. BHRS has a State requirement, based on federal guidelines, to ensure clients are being assessed with a set number of days from first contact with the Department. The Department's current standard is 30 days. The Department was recently audited by a federally-mandated External Quality Review Organization that was hired by the State to examine quality of services. During this audit, BHRS was informed the federal guidelines will change to require the assessment to be completed no later than 15 days from initial contact. There are currently two Medi-Cal Assessment Team (MAT) assessors. These two assessors currently have difficulty meeting the 30 day deadline due to the increase of clients. The additional position will allow the Department to meet the 15 day requirement. This position will be funded with Medi-Cal funds and State 1991 Realignment funds.

The Department is also requesting to add two new Staff Services Coordinator positions. One position is requested for the Business Office to allow them to expand administrative services due to the expansion of the Mental Health Services Act and the implementation of the Affordable Care Act. With the implementation of the Electronic Health Record, the Business Office assumed responsibility for functions previously performed by a Software Developer/Analyst III position. The other Staff Services Coordinator position is to provide additional supervision support to the Contracts Unit and manage the increased workload as a result of the expansion of the Mental Health Services Act and Affordable Care Act. Since Fiscal Year 2009-2010, the number of contracts the unit is responsible for has increased 40% without any additional staff members to assist in this growth. It is recommended to study both requests.

The Department is further requesting to reclassify downward one Associate Director position to Assistant Director in Administrative Services. This position has been under-filled with an Assistant Director since 2009, and this action will correctly classify the position.

The Department is requesting a classification study of one Confidential Assistant II position in the Human Resources Division based on the current duties and responsibilities of the position. It is recommended a classification study be conducted.

Mental Health Services Act: The Department is requesting to add one Behavioral Health Advocate position in Mental Health Services for the Adverse Childhood Experience Intervention program to provide support and navigation services for families with children and youth who are experiencing the onset of psychosis. The position will be funded primarily by the Community Mental Health Services Block Grant (MHBG) to promote the development of an integrated Coordinated Specialty Care (CSC) program for transition-age youth who are experiencing First Episode Psychosis (FEP). Additional costs associated with this position will be paid with Mental Health Services Act (MHSA) funds.

The Department is requesting to add one new Clinical Services Technician II position in Mental Health Services to replace an extra-help position and provide supportive services for youth and families in the Aggressive Replacement Training (ART) program to help educate the community on aggressive behavior and effective strategies to support youth in reducing aggressive behavior. This position will be funded with Mental Health Services Act Prevention and Early Intervention Plan funding.

As part of the 2013-2014 Third Quarter Report, the Department requested a classification study of a Recreation Therapist position. The study has been completed. Based on the results of the classification study, it is recommended to reclassify this position upward to a Staff Services Analyst.

Public Guardian: As part of the 2013-2014 Third Quarter Report, the Department requested a classification study of a Stock Delivery Clerk I position. The study has been completed. Based on the results of the classification study, it is recommended the reclassify this position upward to a block-budgeted Stock Delivery Clerk II.

BEHAVIORAL HEALTH & RECOVERY SERVICES STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Behavioral Health & Recovery Services	1	NEW	Administrative Clerk II	Add new position	Administrative Clerk II
	1	NEW	Mental Health Clinician II-block budget	Add new position	Mental Health Clinician II-block budget
Mental Health Services Act	1	NEW	Behavioral Health Advocate	Add new position	Behavioral Health Advocate
	1	NEW	Clinical Services Technician II-block budget	Add new position	Clinical Services Technician II-block budget
<b>BHRS CHANGES</b>	<b>4</b>				
<b>Beginning Allocation</b>	<b>401</b>				
<b>Changes in Allocation</b>	<b>4</b>				
<b>Ending Allocation</b>	<b>405</b>				
BEHAVIORAL HEALTH & RECOVERY SERVICES TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Behavioral Health and Recovery Services	2	New	Staff Services Coordinator	Add new positions	Study
	1	1540	Associate Director	Reclassify downward	Assistant Director
	1	8751	Confidential Assistant II	Classification study	Study
Mental Health Services Act	1	232	Recreational Therapist	Reclassify upward	Staff Services Analyst
Public Guardian	1	8987	Stock Delivery Clerk I	Reclassify upward	Stock Delivery Clerk II-block budget

**Summary of Recommendations:** It is recommended to increase appropriations by \$724,789 and estimated revenue by \$403,593 resulting in the use of \$321,196 of departmental fund balance, for additional alcohol and drug program agreements. It is further recommended the staffing changes described and outlined in the table above be adopted.

## CHILD SUPPORT SERVICES

The Department of Child Support Services is requesting an increase in estimated revenues and appropriations of \$475,705. Following the adoption of the 2014-2015 Final Budget, the Department was notified by the State of a \$145,302 reduction in Electronic Data Processing and Maintenance and Operations (EDP, M&O) funding. In addition, confirmation was also received of allowable carryover funding for the federal Child Support Parent Employment Demonstration (CSPED) Pathways to Self Sufficiency grant in the amount of \$621,007. The increase in CSPED funding will facilitate grant partners to address the child support, employment and parenting needs of the growing pool of grant participants. To date, 763 parents have been enrolled into the grant program, with the goal of 1500 participants, half of which receive enhanced services.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Child Support Services	\$621,007	\$621,007	\$0	\$0	Increase in revenue due to the unspent funding from the prior year Pathways to Self Sufficiency Grant and increase in appropriations to cover delivery of services of grant program.
Child Support Services	(\$145,302)	(\$145,302)	\$0	\$0	Decrease in revenue and appropriations due to the funding cut of the Electronic Data Processing (EDP).
<b>Total</b>	<b>\$475,705</b>	<b>\$475,705</b>	<b>\$0</b>	<b>\$0</b>	

**Staffing Requests:** The Department is requesting to reclassify upward one Administrative Clerk I position to a block-budgeted Administrative Clerk II. This will allow the Department to assign necessary work at a higher clerical level. The cost difference will be absorbed within the Department's existing budget.

CHILD SUPPORT SERVICES TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Child Support Services	1	7159	Administrative Clerk I	Reclassify upward	Administrative Clerk II-block budget

**Summary of Recommendations:** It is recommended to increase appropriations and estimated revenue by \$475,705. It is further recommended the staffing change described and outlined in the table above be adopted.

## COMMUNITY SERVICES AGENCY

The Community Services Agency has completed a thorough review of all programs based on actual experience through December 2014. At this time the Department is requesting an overall budget increase in estimated appropriations and revenue of \$262,325, which would increase the total Department budget to \$321.3 million.

**Services and Supports:** The Department is recommending to reallocate \$450,000 of existing appropriations from salaries and benefits to Electronic Data Processing (EDP) Fixed Assets. This reallocation is necessary for the Department to purchase 48 Cisco 3850 switches and a Tapeless Back Up System. The new switches will replace 48 Cisco 3750 switches that are at their end of-life and no longer being supported by the vendor. The new switches will increase the speed of data transferred from 100 mbps to 1000 mbps and allow for upgrading of the Cisco VOIP phones. The Tapeless Back Up System is necessary for back-up of data as the current system is insufficient to support the Department's need. The County's share of this fixed asset is approximately \$19,800 or 4.4% of the purchase over the five year depreciation period.

The Department is recommending a Transfer-out to the Chief Executive Office Mandated Match budget of \$186,622 of County Match Savings and 1991 Realignment Growth from the Services and Support budget.

**Public Economic Assistance:** The Department is requesting an increase in estimated revenue of \$586,024 due to 1991 Realignment Growth from Fiscal Year 2012-2013. In addition, the Department is requesting to decrease appropriations of \$635,122 in Foster Care due to lower caseloads and associated decrease of \$393,689 in estimated revenue for a projected County share savings of \$241,433. Furthermore, the

Department is requesting an increase of \$69,990 in appropriations and estimated revenue due to increased caseloads in the KinGAP services program.

The Department is also requesting an increase in appropriations of \$827,457 to transfer the one-time (\$586,024) 1991 Social Services Realignment Growth revenue received in November 2014 and County Match savings of (\$241,433) to the Chief Executive Office Mandated Match budget.

#### Final State Budget Impacts for Fiscal Year 2014-2015

The Community Service Agency's Third Quarter 2014-2015 Budget will include a request for a 5% General Assistance (GA) COLA effective July 1, 2015. In accordance with Welfare and Institutions Code 17000.5 and reinforced by litigation, counties throughout the State align General Assistance grant increases with State legislated increases in the CalWORKs program, one fiscal year in arrears. The State mandated April 1, 2015 CalWORKs COLA will lead to a July 1, 2015, General Assistance COLA, with the potential for ongoing annual COLAs tied to annual CalWORKs grant reviews/increases possible by the State.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
CSA - Services & Support	\$0	(\$450,000)	(\$450,000)	\$0	Decrease in Salaries/Wages appropriations - transfer of appropriations to increase Fixed Assets for Cisco switches and tapeless backup system.
CSA - Services & Support	\$0	\$450,000	\$450,000	\$0	Increase in PC & Equipment appropriations - transfer of appropriations to increase Fixed Assets for Cisco switches and tapeless backup system.
CSA - Services & Support	\$0	(\$186,622)	(\$186,622)	\$0	Decrease in Salaries/Wages appropriations - transfer of appropriations to increase Other Operating Transfer Out.
CSA - Services & Support	\$0	\$186,622	\$186,622	\$0	Increase in Other Operating Transfer Out appropriations.
CSA - Public Assistance	\$586,024	\$0	(\$586,024)	\$0	Increase in 1991 Social Services Realignment Revenue in Fiscal Year 2012-2013 to transfer appropriations to other Operating Transfer Out.
CSA - Public Assistance	(\$393,689)	(\$635,122)	(\$241,433)	\$0	Decrease in Foster Care appropriations due to lower caseloads trends and associated decrease in revenues.
CSA - Public Assistance	\$69,990	\$69,990	\$0	\$0	Increase in KinGAP appropriations due to increased caseloads and associated increase in revenues.
CSA - Public Assistance	\$0	\$827,457	\$827,457	\$0	Increase in Other Operating Transfer Out to County General Fund.
<b>Total</b>	<b>\$262,325</b>	<b>\$262,325</b>	<b>\$0</b>	<b>\$0</b>	

#### **Staffing Requests:**

Services and Support: The Department is requesting to add two new Social Worker Supervisor II positions to meet the State's mandate for the Child Welfare Services (CWS) Case Record Reviews. These positions will be responsible for planning, coordinating and implementing a monitoring and accountability system to ensure compliance with this new mandated review process. The new CWS Case Record Reviews process will include an extensive ongoing online review of cases and in-depth interviews with individuals involved in the case plan. These reviews are necessary for the purpose of examining practices and ensuring conformity with Title IV-E and Title IV-B requirements. These positions will be funded by Federal Title IV



funding, State General Fund up to \$85,197 and 1991 Realignment; there is no cost impact to the County General Fund.

As part of the 2014-2015 Adopted Final Budget, the Department requested a classification study of one Accountant III position. The study has been completed. Based on the job duties and responsibilities, it is recommended to reclassify upward this position to a Staff Services Coordinator.

Also, as part of the 2014-2015 Adopted Final Budget, the Department requested a classification study of one Administrative Clerk II position. The study has been completed. Based on the job duties and responsibilities, it is recommended to reclassify upward this position to an Administrative Clerk III.

Additionally, as part of the 2014-2015 Adopted Final Budget, the Department requested a classification study of three Accountant I positions. The study has been completed. Based on the job duties and responsibilities, it is recommended to reclassify and block budget these positions to an Accountant II.

COMMUNITY SERVICES AGENCY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Services and Support	2	NEW	Social Worker Supervisor II-block budget	Add new positions	Social Worker Supervisor II-block budget
<b>CSA CHANGES</b>	<b>2</b>				
<b>Beginning Allocation</b>	<b>1051</b>				
<b>Changes in Allocation</b>	<b>2</b>				
<b>Ending Allocation</b>	<b>1053</b>				
COMMUNITY SERVICES AGENCY TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Services and Support	3	1749, 3058, 9416	Accountant I	Reclassify upward	Accountant II-block budget
	1	2955	Administrative Clerk II	Reclassify upward	Administrative Clerk III
	1	9822	Accountant III	Reclassify upward	Staff Services Coordinator

**Summary of Recommendations:** It is recommended to increase appropriations and estimated revenue by \$262,325. It is further recommended the staffing changes described and outlined in the table above be adopted.

## HEALTH SERVICES AGENCY

The staffing requests are summarized below by budget.

Administration: The Department, in conjunction with the Chief Executive Office has been working on creating a classification series for employees performing the medical billing function for the Agency's Medical Clinics. Currently employees performing the medical billing function are placed in the Account Clerk III classification. Due to the increasingly specialized duties of the medical billers there is a need for a classification series that recognizes these duties. Additionally, employees performing these duties now have the ability to earn one or more certifications in coding. This certification demonstrates the incumbent knows how to submit claims in accordance with government regulations and private payer policies, follow-up on claim statuses, resolve claim denials, submit appeals, post payments and adjustments, and manage collections. The certification is difficult to obtain but allows those who have the certification to work at a higher technical level. As a result, the recommendation is to create a block-budgeted Medical Biller II classification series. This classification will be assigned to the AFSCME Technical Services Bargaining Unit for labor relation purposes. The Medical Biller I will be at the same classification level as the Account Clerk

III and the Medical Biller II will require additional experience and coding certification. The recommended salary bands are below:

	Step 1	Step 2	Step 3	Step 4	Step 5
<b>Medical Biller I (Account Clerk III)</b>	<b>\$17.30</b>	<b>\$18.17</b>	<b>\$19.08</b>	<b>\$20.03</b>	<b>\$21.03</b>
<b>Medical Biller II</b>	<b>\$18.27</b>	<b>\$19.18</b>	<b>\$20.14</b>	<b>\$21.15</b>	<b>\$22.21</b>

The Department is requesting to reclassify upward seven Account Clerk III positions to block-budgeted Medical Biller II. Incumbents will be assigned based on qualifications.

Additionally, the Department is requesting to reclassify upward one Accounting Supervisor to Staff Services Coordinator in the Business Office. This position will provide supervision and leadership to the staff assigned to both Medical Billing and the Cashiers Office.

The Department is also requesting to reclassify upward one Manager II position assigned to materials management. It is recommended to study this request.

Clinics and Ancillary Services: The Department is requesting to restore two Nursing Assistants and one Staff Nurse II position. The Department plans to transfer one physician from the Paradise Medical Office and add two new physicians to the Pediatric Clinic. The additional staff will provide support to additional providers assigned to the Pediatric Clinic. The additional positions will be supported by clinic revenue.

Indigent Health Care Program: The Department is requesting to restore one unfunded Staff Services Analyst position from the Indigent Health Care Program and transfer out to Public Health in order to provide support for the new Case Management system.

Public Health: The Department is requesting to transfer into Public Health one restored Staff Services Analyst position from the Indigent Health Care Program and to restore one Administrative Clerk II and reclassify upward to Administrative Clerk III. The Staff Services Analyst position is needed to coordinate the implementation of the new Electronic Case Management and Targeted Case Management software (Persimmony) and then maintain the system once it is implemented. The Administrative Clerk III position will be assigned to California Children's Services and will provide assistance to Public Health nurses in managing caseloads. These positions will be funded with State and Federal Funding.

Additionally, the Department is requesting to reclassify upward one Health Educator position in order to more closely align the duties of the position to the duties the department needs to be performed. It is recommended to study this request.

HEALTH SERVICES AGENCY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Clinics and Ancillary	1	2033	Staff Nurse II	Restore unfunded position	Restore position
	2	957, 10155	Nursing Assistant	Restore unfunded position	Restore positions
Indigent Health Care Program	0	2299	Staff Services Analyst	Restore unfunded position; Transfer out	Restore position; Transfer to Public Health
Public Health	1	12027	Administrative Clerk II	Restore unfunded position; Reclassify upward	Restore position; Reclassify upward to Administrative Clerk III
	1	2299	Staff Services Analyst	Transfer in	Transfer from IHCP
<b>H.S.A. CHANGES</b>	<b>5</b>				
Beginning Allocation	459				
Changes in Allocation	5				
Ending Allocation	464				

HEALTH SERVICES AGENCY TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Administration	1	1510	Manager II	Reclassify upward	Study
	0	NEW	Medical Biller	Add new classification series	Medical Biller II-block budget Bargaining Unit B: AFSCME- Technical Services Medical Biller I Salary Band 20L (\$17.30 - \$21.03) Medical Biller II Salary Band 31B (\$18.27 - \$22.21)
	7	2914, 3193, 3244, 3255, 3325, 3607, 6312	Account Clerk III	Reclassify upward	Medical Biller II-block budget
	1	2157	Accounting Supervisor	Reclassify upward	Staff Services Coordinator
Public Health	1	573	Health Educator	Classification study	Study

**Summary of Recommendations:** It is recommended the staffing changes described and outlined in the table above be adopted.



# A Strong Local Economy

## COUNTY DEPARTMENTS

Alliance Worknet  
CEO-Economic Development Bank  
Library

# A Strong Local Economy

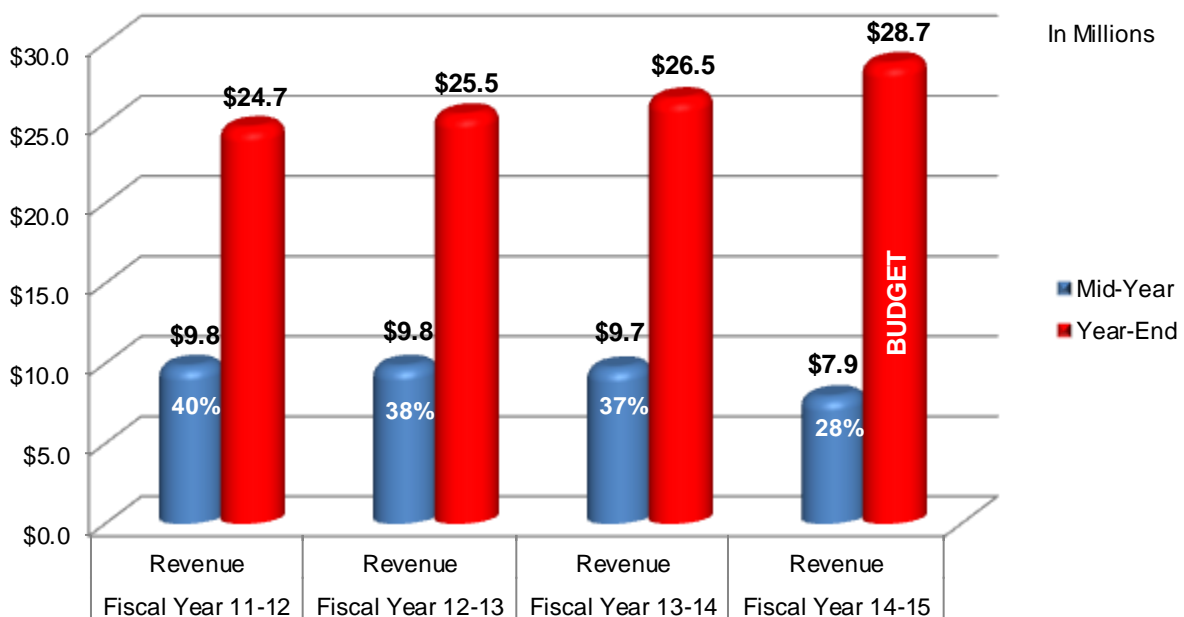
## OVERVIEW

The Board of Supervisors priority area of A Strong Local Economy recognizes the critical role that County government can play in supporting a local economy that promotes, protects, and sustains our agricultural economies while providing for more diversified economic opportunities that will strengthen our local economy and provide for a better, more stable, quality of life for our residents. Supporting job creation, providing a wide range of employment and training services, and educational resources, are key aspects of A Strong Local Economy. Departments and programs assigned to this priority area include: Alliance Worknet, Chief Executive Office - Economic Development Bank, and the Library. The Alliance Worknet's major funding source is Federal funds (Workforce Investment Act), while the Library is supported by a special 1/8 cent sales tax and a contribution from the General Fund.

## DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors priority area of A Strong Local Economy as of December 31, 2014, actual revenue collected is \$7.9 million, which represents 28% of the estimated annual revenue. This is below the range when compared to the mid-year point of the prior three years when collections ranged from 37% and 40% of the final actual revenue. This is due to reduced costs in the StanWORKs welfare-to-work services which generate less revenue for AWN, along with the timing of revenue receipt which is generally one quarter in arrears, resulting in the significant decline in revenue collected at Mid-year. AWN StanWORKs services are funded through 100% reimbursement from the Community Services Agency, leaving no exposure to the County General Fund.

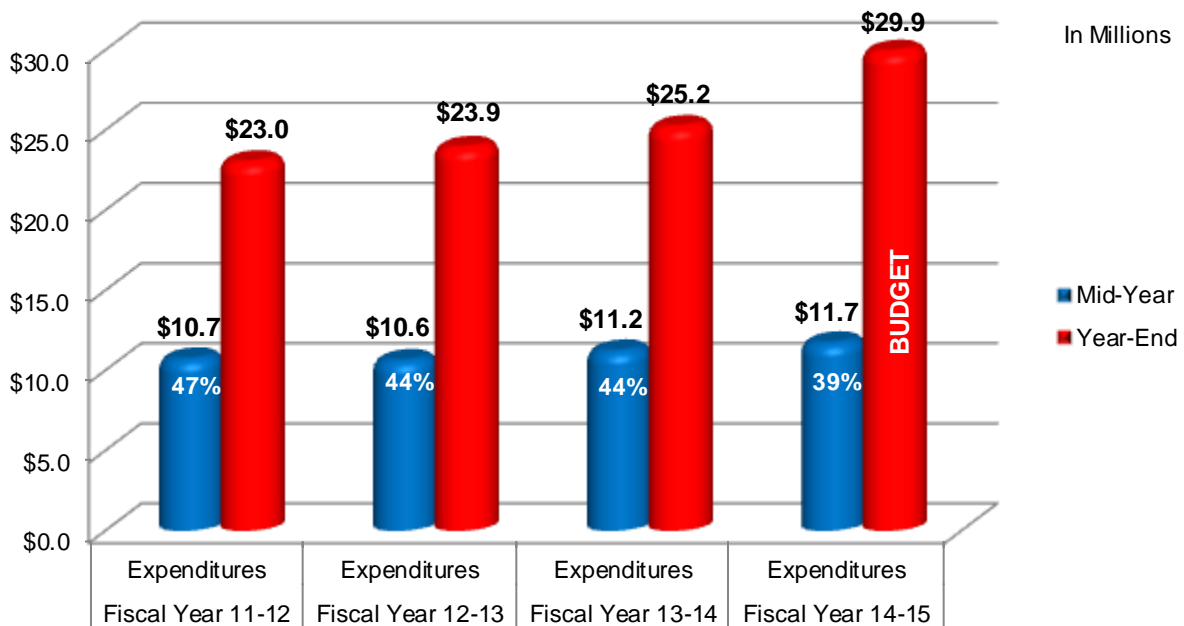
## **A Strong Local Economy Four Year Revenue Comparison**



## DEPARTMENTAL EXPENDITURES

As of December 31, 2014, expenditures are \$11.7 million, representing 39% of the budgeted appropriations. Expenditures at the mid-year point of the prior three years ranged from 44% to 47% of the final actual expenditures, placing this year below the range. This is primarily due to delays in implementation of Expanded Subsidized Employment, leading to lower costs in contracted employment services. In addition, Alliance Worknet reduced their expenditures due to declining grant revenue.

### **A Strong Local Economy Four Year Expenditure Comparison**



Overall, the departments within A Strong Local Economy are on track to end the year within budget and in a positive fiscal position.

The recommendations contained in this report for A Strong Local Economy include an increase in appropriations of \$748,896 which is funded by an increase of \$612,610 in estimated departmental revenue and an increase in the use of \$136,286 in departmental fund balance/retained earnings.

## MID-YEAR ISSUES AND RECOMMENDATIONS

### **ALLIANCE WORKNET**

The Department is requesting an increase in estimated revenue of \$201,686 primarily due to a new Job-Driven National Emergency Grant from the State. This new grant provides services for dislocated workers and veterans. In addition, the Department is requesting an increase in appropriations of \$375,464 due to increases in service contracts as a result of available youth funds rolled over from Fiscal Year 2013-2014. These two Federal funding sources are specific to Alliance customer populations outside of the StanWORKs program area. The adjustments will result in an increased use of \$173,778 in departmental fund balance. As of December 31, 2014, the Department's available fund balance was \$1,486,034.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Alliance Worknet	\$201,686	\$375,464	\$173,778	\$0	Increase estimated revenue for new State Job-Driven National Emergency Grant. Increase appropriations resulting from rightsizing of service contracts.
<b>Total</b>	<b>\$201,686</b>	<b>\$375,464</b>	<b>\$173,778</b>	<b>\$0</b>	

**Summary of Recommendations:** It is recommended to increase appropriations by \$375,464 and estimated revenue by \$201,686 in the Alliance Worknet budget. This will result in an increase in the use of departmental fund balance by \$173,778.

## LIBRARY

The Department is requesting to increase appropriations by \$373,432 to fund increased salary costs for the restoration of a Librarian II position, additional extra-help funding, salary restorations, the expansion of library books, eBooks, music and DVDs, and an increase in adult literacy services through Learning Quest. The Library also requests an increase in estimated revenue of \$410,924 for increased current and prior year sales tax collections, one-time funding from the California Library Literacy Services, and a number of recently awarded mini-grants; offset by a decrease in estimated passport revenues due to delays in implementing passport application services at two branches. The recommended adjustments will result in the decreased use of \$37,492 of departmental fund balance.

Additionally, the Department is requesting to transfer \$156,440 in appropriations within the Fixed Assets accounts for computer software and equipment purchases. The Department is moving towards a new virtual technology model and will be purchasing a centralized server, storage units, and new software. While the costs are higher upfront, the on-going maintenance costs are much lower.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Library	\$410,924	\$0	(\$410,924)	\$0	Increase estimated revenue for current and prior year Sales tax receipts, State Intergovernmental Revenue and Miscellaneous Revenue offset by a decrease to estimated Charges for Services revenue.
Library	\$0	\$373,432	\$373,432	\$0	Increase appropriations for Salaries, Services & Supplies, and Other Charges.
Library	\$0	\$65,800	\$65,800	\$0	Transfer between Fixed Assets funds for Computer Software purchases.
Library	\$0	(\$65,800)	(\$65,800)	\$0	Transfer between Fixed Assets funds for Computer Software purchases.
Library	\$0	\$90,640	\$90,640	\$0	Transfer between Fixed Assets funds for Computer Equipment purchases.
Library	\$0	(\$90,640)	(\$90,640)	\$0	Transfer between Fixed Assets funds for Computer Equipment purchases.
<b>Total</b>	<b>\$410,924</b>	<b>\$373,432</b>	<b>(\$37,492)</b>	<b>\$0</b>	

**Staffing Requests:** The Department is requesting to restore one unfunded Librarian II position. An unmet needs assessment has been completed and results show that the majority of the 13 library branches need bilingual outreach and children and family literacy assistance. This position will focus on fulfilling these

unmet needs by providing bilingual presentations and outreach to families, adults, children and students throughout Stanislaus County. This position will be funded with Library Sales Tax growth revenues.

The Department is also requesting a classification study for one Application Specialist II position. A reclassification will allow the Virtual Services Manager to better delegate and manage the more technical Information Technology (IT) tasks amongst the staff and provide critical backup functions of the Systems Engineer. The cost difference will be funded with Library Sales Tax growth revenues. It is recommended a classification study be conducted.

LIBRARY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Library	1	7387	Librarian II	Restore unfunded position	Restore position
<b>LIBRARY CHANGES</b>	<b>1</b>				
<b>Beginning Allocation</b>	<b>71</b>				
<b>Changes in Allocation</b>	<b>1</b>				
<b>Ending Allocation</b>	<b>72</b>				
LIBRARY TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Library	1	9239	Application Specialist II	Classification study	Study

**Summary of Recommendations:** It is recommended to increase appropriations by \$373,432 and estimated revenue by \$410,924 in the Library budget. This will result in a decreased use of fund balance in the amount of \$37,492. It is also recommended to transfer appropriations in the amount of \$156,440 within the Fixed Assets accounts. It is further recommended the staffing changes described and outlined in the table above be adopted.





# **A Strong Agricultural Economy/Heritage**

**COUNTY DEPARTMENTS**

Agricultural Commissioner  
Cooperative Extension

# A Strong Agricultural Economy/Heritage

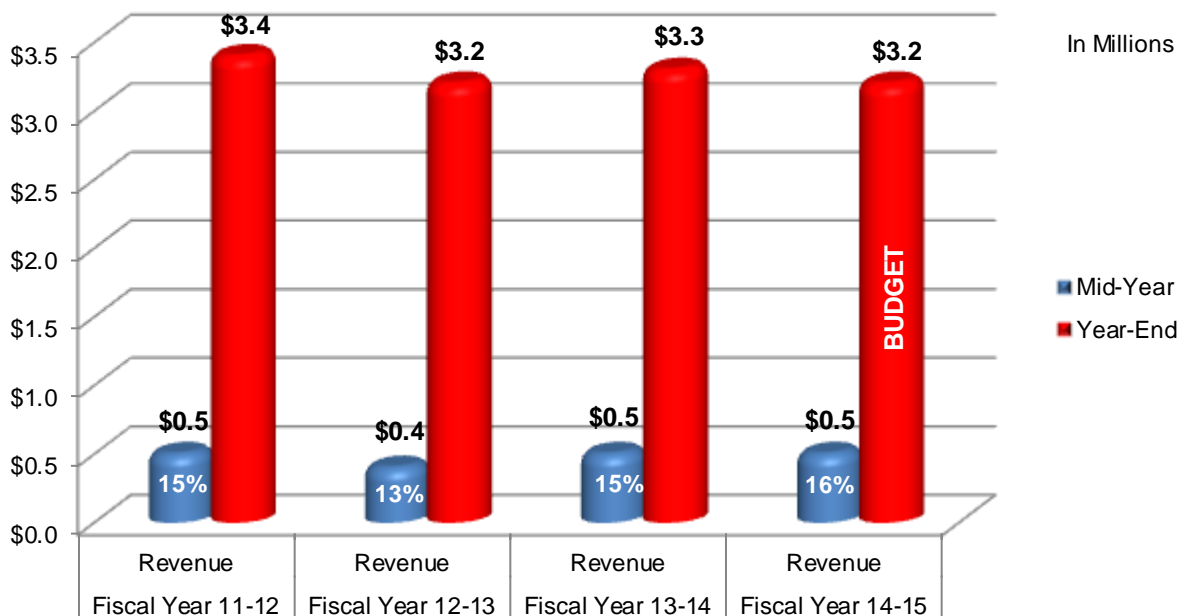
## OVERVIEW

The Board of Supervisors priority area of A Strong Agricultural Economy/Heritage recognizes the vital role of the County's number one industry which generates approximately \$3.7 billion a year for County residents. Farmland conversion, air pollution, soil salinity and drainage, agricultural water supply and water quality, and preservation of our unique agriculture heritage are key aspects of A Strong Agricultural Economy/Heritage. Departments assigned to this priority area include: Agricultural Commissioner's Office and Cooperative Extension. The major funding source for these County budgets includes contributions from the General Fund. The Agricultural Commissioner receives State funding for a number of programs as well as charges for specific services. While not part of the County budget, Cooperative Extension's University of California advisors are funded through the University of California system.

## DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors priority area of A Strong Agricultural Economy/Heritage as of December 31, 2014, actual revenue collected is \$546,675 which represents 16% of the estimated annual revenue. This is slightly above the range when compared to the mid-year point of the prior three years when collections ranged from 13% to 15% of the final actual revenue.

### A Strong Agricultural Economy/Heritage Four Year Revenue Comparison

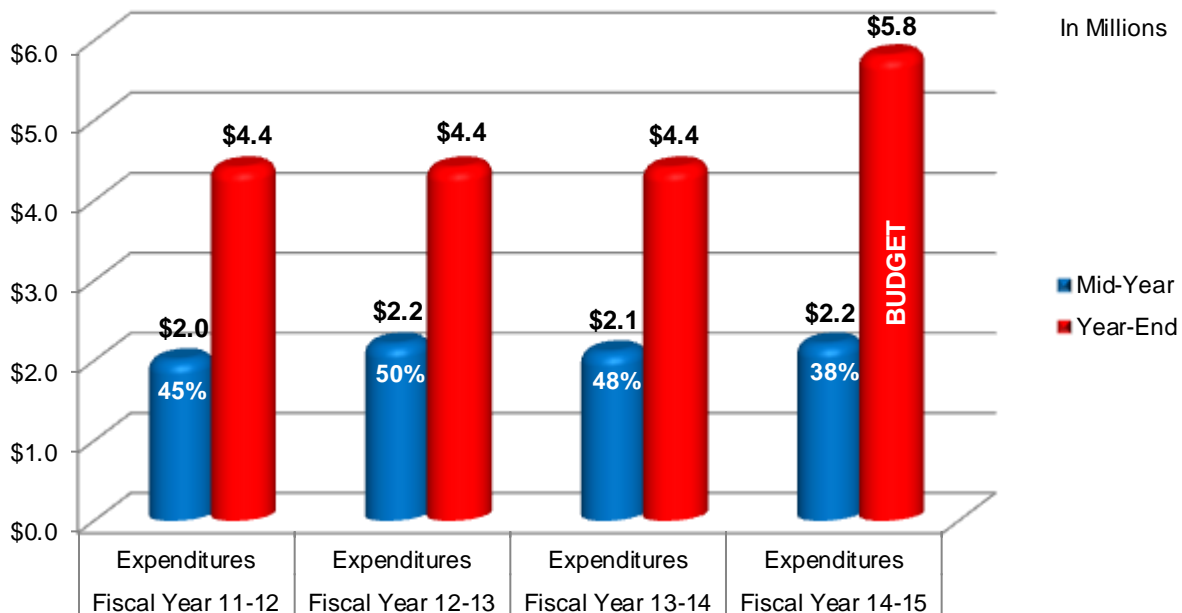


## DEPARTMENTAL EXPENDITURES

As of December 31, 2014, expenditures are \$2.2 million, representing 38% of the budgeted appropriations. Expenditures at the mid-year point of the prior three years ranged from 45% to 50% of the final actual expenditures, placing this year below the range, which is consistent with departments in this priority who have carried over net county costs savings at fiscal year-end in anticipation of funding future increases for salary, health and retirement costs.

### **A Strong Agricultural Economy/Heritage Four Year Expenditure Comparison**

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Overall, the departments within A Strong Agricultural Economy/Heritage are on track to end the year within budget and in a positive fiscal position. There are no recommended budget changes for this priority area.

## MID-YEAR ISSUES AND RECOMMENDATIONS

### **AGRICULTURAL COMMISSIONER**

**Staffing Requests:** The Department is requesting to add one Software Developer II position to support several software development projects and ongoing maintenance. These projects will focus on eliminating manual data entry, improving efficiencies, reducing input errors, and improving customer service. This position will also create documentation for existing software programs and provide end user manuals. The Department has increased the use of existing software applications for field inspections. These applications, while creating efficiencies in the field, require ongoing support. This position will also create and maintain a Department website and enhance its social media presence. This position will be funded within existing appropriations and prior net county cost savings, through Budget Year 2017-2018.

AGRICULTURAL COMMISSIONER STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Agricultural Commissioner	1	NEW	Software Developer II	Add new position	Software Developer II
<b>AGRICULTURAL COMMISSIONER CHANGES</b>	<b>1</b>				
<b>Beginning Allocation</b>	<b>35</b>				
<b>Changes in Allocation</b>	<b>1</b>				
<b>Ending Allocation</b>	<b>36</b>				

**Summary of Recommendations:** It is recommended the staffing change described and outlined in the table above be adopted.



# A Well Planned Infrastructure System

## COUNTY DEPARTMENTS

Environmental Resources  
Parks and Recreation  
Planning and Community Development  
Public Works

# A Well Planned Infrastructure System

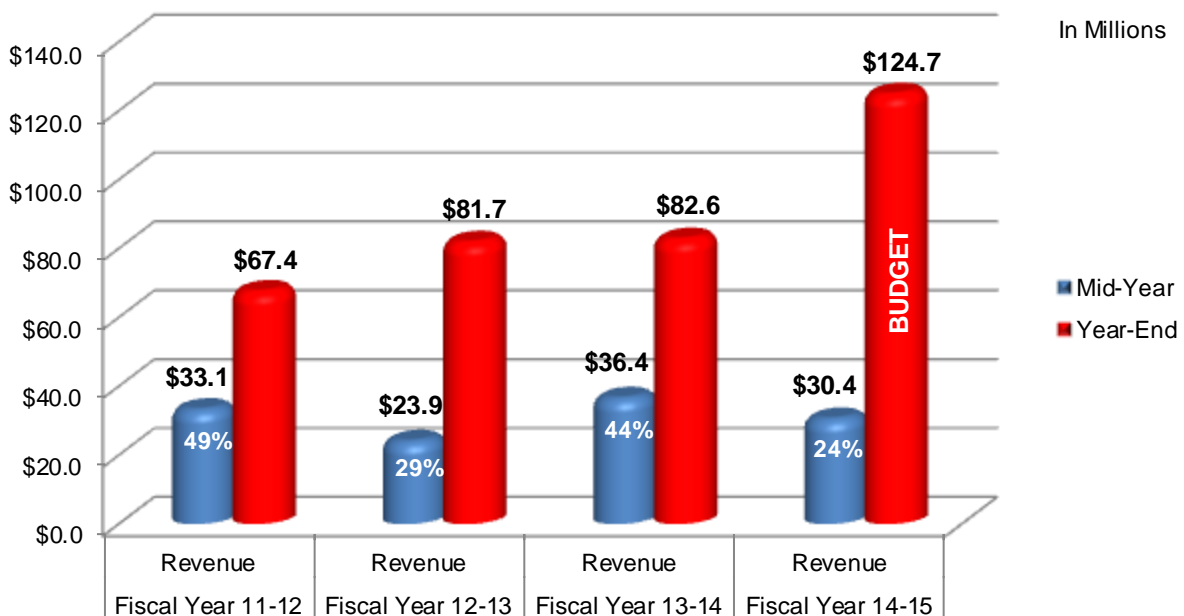
## OVERVIEW

The Board of Supervisors priority area of A Well Planned Infrastructure System is essential to the quality of life for the residents of Stanislaus County and to the maintenance and expansion of a robust economy. Water quality, effective liquid and solid waste disposal, recreational opportunities, and regional approaches to transportation circulation are critical to A Well Planned Infrastructure System. Departments assigned to this priority area include: Environmental Resources, Parks and Recreation, Planning and Community Development, and Public Works. The major funding sources for these departments are supported through State and Federal funding, fees and Charges for Services, the General Fund, special revenue grants and tax increment payments.

## DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors priority area of A Well Planned Infrastructure System as of December 31, 2014, actual revenue collected is \$30.4 million, which represents 24% of the estimated annual revenue. This is below the range when compared to the mid-year point of the prior three years when collections ranged from 29% to 49% of the final actual revenue. The lower percentage of the range is primarily due to the timing of two large projects: SR99/Kiernan Interchange Project and Claribel Road Widening. Anticipated revenues for these projects are received as reimbursements, therefore will track with expenditures.

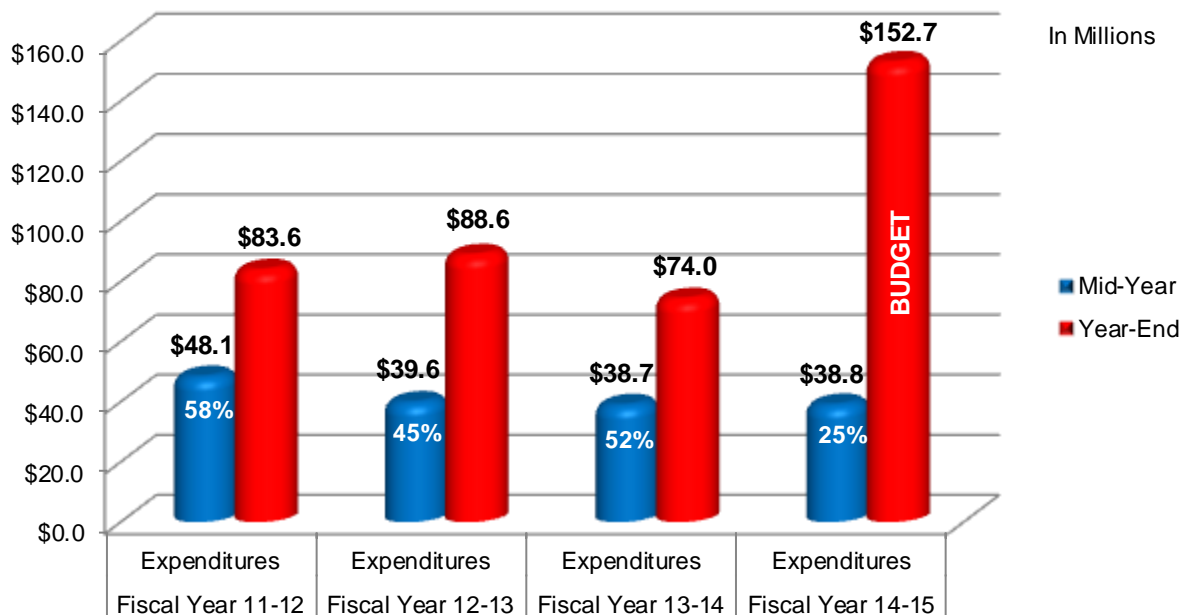
## **A Well Planned Infrastructure System Four Year Revenue Comparison**



## DEPARTMENTAL EXPENDITURES

As of December 31, 2014, expenditures are \$38.8 million, representing 25% of the budgeted appropriations. Expenditures at the mid-year point of the prior three years ranged from 45% to 58% of the final actual expenditures, placing this year below the range. The lower percentage at mid-year compared to the same time last year is primarily due to two large projects: SR99/Kiernan Interchange Project and Claribel Road Widening. The size and scope of these projects results in the expenditures occurring over a few years, while appropriations are needed for the entire project in the current year. The SR 99/Kiernan Interchange Project is scheduled for completion in the spring of 2016 and the Claribel Road Widening Project is scheduled for completion in the spring of 2015.

### **A Well Planned Infrastructure System Four Year Expenditure Comparison**



Overall, the departments within A Well Planned Infrastructure System are on track to end the year within budget and in a positive fiscal position. There are no recommended budget changes for this priority area.

## MID-YEAR ISSUES AND RECOMMENDATIONS

### **ENVIRONMENTAL RESOURCES**

**Staffing Requests:** The Department is requesting to restore one unfunded Environmental Health Specialist III position. The Environmental Health Division is one of the primary training areas within the Department. The turnover and transfer rate is relatively high and the volume of work has increased over the last two years to a level that is no longer manageable by utilizing extra-help alone to assist with the increasing workload. This position will add some stability with the turnover and assist with the demanding workload. The position will be funded with existing appropriations.

ENVIRONMENTAL RESOURCES STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Environmental Resources	1	9260	Environmental Health Specialist III	Restore unfunded position	Restore position
<b>DER CHANGES</b>	<b>1</b>				
<b>Beginning Allocation</b>	<b>82</b>				
<b>Changes in Allocation</b>	<b>1</b>				
<b>Ending Allocation</b>	<b>83</b>				

**Summary of Recommendations:** It is recommended the staffing change described and outlined in the table above be adopted.

## PLANNING AND COMMUNITY DEVELOPMENT

**Staffing Requests:** The Department is requesting to restore one unfunded Manager III position and reclassify downward to Accountant II. This position is necessary to perform critical tasks that affect the financial management system. The duties are currently being performed by the Chief Building Official, Plan Check Engineers, and Planners. These tasks require a certain level of expertise that is best found in an Accountant. The Accountant II position will assist the Department to become compliant with the mandates for processing transactions with Generally Accepted Accounting Principles and ensure that revenue is being properly and fully collected. This position will be funded with net county cost savings for the remainder of this fiscal year and through Budget Year 2015-2016.

PLANNING AND COMMUNITY DEVELOPMENT STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Planning and Community Development	1	1492	Manager III	Restore unfunded position; Reclassify downward	Restore position; Reclassify downward to Accountant II
<b>PLANNING CHANGES</b>	<b>1</b>				
<b>Beginning Allocation</b>	<b>31</b>				
<b>Changes in Allocation</b>	<b>1</b>				
<b>Ending Allocation</b>	<b>32</b>				

**Summary of Recommendations:** It is recommended the staffing change described and outlined in the table above be adopted.

## PUBLIC WORKS

**Staffing Requests:** The Department is requesting classification studies of one Lead Equipment Mechanic position and one Heavy Equipment Mechanic position for the Morgan Shop Division. The Department is also requesting to add one new Staff Services Coordinator position for the Transit Division to develop and monitor compliance service plans to meet mandated requirements of the Americans with Disabilities Act (ADA), Federal Transit Administration (FTA), and Disadvantaged Business Enterprise (DBE). It is recommended to study these requests.

PUBLIC WORKS TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Morgan Shop	1	3916	Lead Equipment Mechanic	Classification study	Study
	1	3896	Heavy Equipment Mechanic	Classification study	Study
Local Transit System	1	NEW	Staff Services Coordinator	Add new position	Study

**Summary of Recommendations:** It is recommended the staffing changes described and outlined in the table above be adopted.





# Efficient Delivery of Public Services

## COUNTY DEPARTMENTS

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

# Efficient Delivery of Public Services

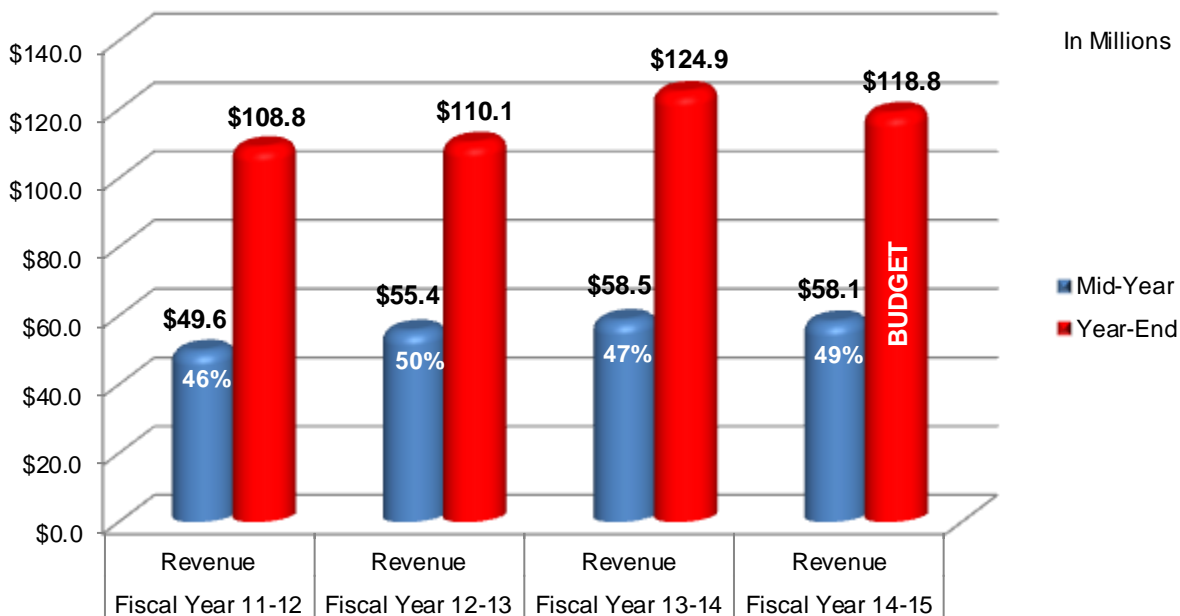
## OVERVIEW

The public expects government to be responsive to their needs and to conduct business efficiently. County departments provide services to a diverse customer base and to serve these customers efficiently, it is important to consistently understand and review how to improve County services. Departments assigned to the Board of Supervisors priority area of Efficient Delivery of Public Services include: Assessor, Auditor - Controller, Board of Supervisors, Chief Executive Office, Clerk-Recorder/Elections, County Counsel, General Services Agency, Strategic Business Technology and Treasurer-Tax Collector. The revenue used to pay for the majority of these services comes from local taxes such as property tax and sales tax, fees, franchises, charges for services, and a variety of other discretionary sources. A large portion of the Clerk-Recorder is funded through charges for services provided. The General Services Agency and Strategic Business Technology's primary funding source is charging other County departments for the services they provide.

## DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors priority area of Efficient Delivery of Public Services as of December 31, 2014, actual revenue collected is \$58.1 million, which represents 49% of the estimated annual revenue. This is within the range when compared to the mid-year point of the prior three years when collections ranged from 46% to 50% of the final actual revenue.

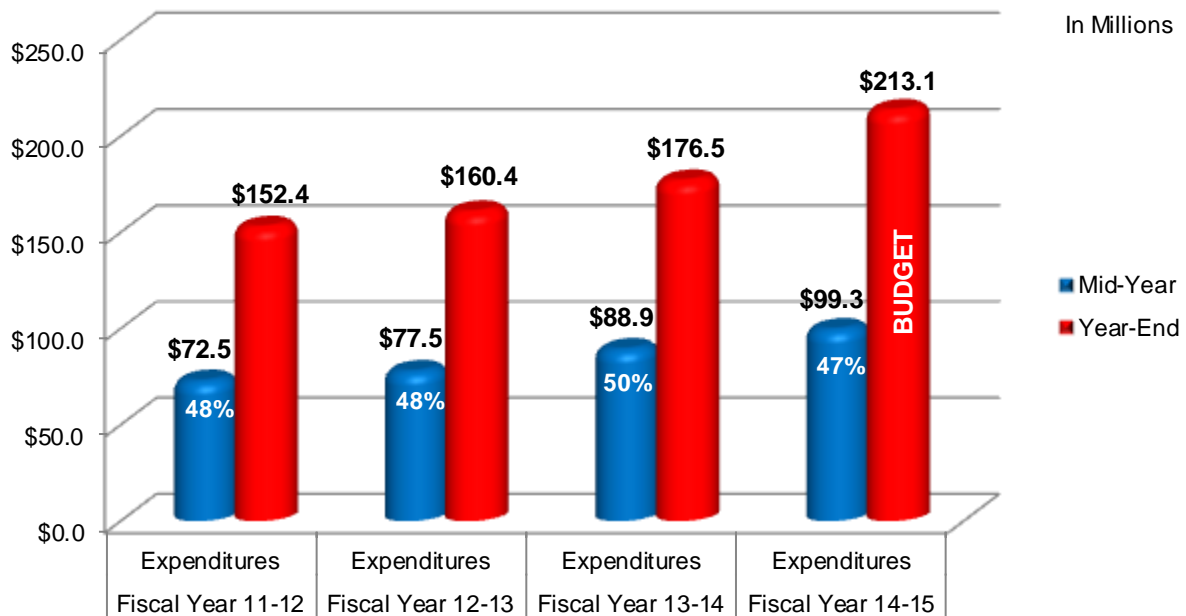
### Efficient Delivery of Public Services Four Year Revenue Comparison



## DEPARTMENTAL EXPENDITURES

As of December 31, 2014, expenditures are \$99.3 million, representing 47% of the budgeted appropriations. Expenditures at the mid-year point of the prior three years ranged from 48% to 50% of the final actual expenditures, placing this year below the range. The lower percentage of expenditures at mid-year compared to budget is partially attributable to the Chief Executive Office – Plant Acquisition Budget. As of December 31, 2014 only \$1.2 million of its \$4.6 million operating budget has been expended. In the Fiscal Year 2014-2015 Adopted Final Budget this budget was increased \$1.9 million to fund various projects for which many of these costs have not been incurred. Similarly, the majority of this budget is allocated to Deferred Maintenance Projects and there is a delay in the timing of the billing of several projects approved that are currently in progress. It is projected that all expenditures in the Plant Acquisition budget will occur and given the timing of these projects, consistent with past practice, a year-end Auditor’s Encumbrance may be requested at fiscal year-end. Additionally, the lower percentage of expenditures at mid-year compared to budget can be partially attributable to the CEO-Risk Management Medical Self-Insurance budget. As of December 31, 2014 only \$24 million of its \$57 million budget has been expended. At the time Final Budget was developed an 8 percent rate increase was assumed to take affect January 1, 2015. However, this increase was less than 1 percent.

### Efficient Delivery of Public Services Four Year Expenditure Comparison



Overall, the departments within Efficient Delivery of Public Services are on track to end the year within budget and in a positive fiscal position.

The recommendations contained in this report for Efficient Delivery of Public Services include a net increase in appropriations of \$3,058,486 after transfers from Appropriations for Contingencies of \$3,936,195. Recommended total increased appropriations of \$6,994,681 are funded by an increase in estimated revenue of \$6,062,681, an increase in net county cost of \$74,000 and an increased use of departmental fund balance of \$858,000. The use of up to \$3,936,195 from Appropriations for Contingencies is recommended to fully fund vacation and termination cashouts in the District Attorney and County Counsel budgets, to replace I.T. equipment in the District Attorney’s Office, to fund a shortfall in Public

Defender – Indigent Defense, to fund deletion of revenue and increased Salaries & Benefits costs in the Sheriff – Detention budget, and for public safety restoration.

## **MID-YEAR ISSUES AND RECOMMENDATIONS**

### **AUDITOR-CONTROLLER**

Included in the Fiscal Year 2014-2015 Adopted Final Budget was the reestablishment of the Auditor-Controller’s Internal Audit Division. This included the restoration of one Manager IV and two new Accountant III positions. To help support the Internal Audit’s staff and objectives there is a need to update the software application the Division uses. The current version of the audit software is outdated and in order for efficiencies and support to be fully realized the application requires an investment in resources. Existing net county cost savings will fund the cost of \$38,000; however, a technical adjustment is needed to transfer these appropriations from Salaries & Benefits to Fixed Assets.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Auditor-Controller	\$0	\$38,000	\$0	\$38,000	Transfer appropriations into Fixed Assets out of Salaries & Benefits to purchase Internal Audit software.
Auditor-Controller	\$0	(\$38,000)	\$0	(\$38,000)	Transfer appropriations out of Salaries & Benefits into Fixed Assets to purchase Internal Audit software.
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

**Summary of Recommendations:** It is recommended to transfer appropriations in the amount of \$38,000 to Fixed Assets from Salaries & Benefits in the Auditor-Controller budget to purchase Internal Audit software.

**Staffing Requests:** As part of the 2014-2015 First Quarter Financial Report, the Department requested a new Manager II position for the Property Tax Division, with a plan to unfund an Accountant III position in a future budget cycle. It was recommended to study this request. The study has now been completed and it is recommended to reclassify an existing Accountant III position and incumbent upward to Manager II. The California Property Tax System is highly complex and unique and to acquire a comprehensive understanding of the system requires several years of experience. A Manager IV position currently oversees the Property Tax Division and needs appropriate high level back-up support, particularly due to the impact the Property Tax Division provides to local government entities that receive property tax revenue. The Manager II position will also provide administrative management support over the Property Tax Division. The additional salary cost will be funded within the Department’s existing appropriations in the current year, and by net county cost savings, General Fund contribution and department revenue in future years.

<b>AUDITOR CONTROLLER TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION</b>					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Auditor Controller	1	12032	Accountant III	Reclassify upward	Manager II

**Summary of Recommendations:** It is recommended the staffing change described and outlined in the table above be adopted.

## CHIEF EXECUTIVE OFFICE – OPERATIONS AND SERVICES

**Staffing Requests:** The Department is requesting to restore one unfunded Manager IV position to act as the Community Development and Empowerment Manager. This position will provide dedicated assistance to the Board of Supervisors in support of the Municipal Advisory Councils (MAC) as well as the County's prevention efforts. This position will initially be funded with net county cost savings earned from prior years through Budget Year 2015-2016 as well as charges to non-General Fund departments.

CHIEF EXECUTIVE OFFICE STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Operations and Services	1	1669	Manager IV	Restore unfunded position	Restore position
<b>CEO CHANGES</b>	<b>1</b>				
<b>Beginning Allocation</b>	<b>63</b>				
<b>Changes in Allocation</b>	<b>1</b>				
<b>Ending Allocation</b>	<b>64</b>				

**Summary of Recommendations:** It is recommended the staffing change described and outlined in the table above be adopted.

## CHIEF EXECUTIVE OFFICE – COUNTY OPERATIONS

Appropriations for Contingencies: Appropriations for Contingencies serves as a contingency fund for the County to provide sufficient funding for emergencies and unanticipated expenses. Transfers from this fund require a four-fifths vote of the Board of Supervisors. The 2014-2015 Adopted Final Budget included a total of \$11,020,864 in appropriations: \$4,420,864 in base funding for unexpected fiscal and program financial exposures or emergencies which may occur as a result of the economic decline, reductions in Federal and State revenues, or other program and community needs; and an additional \$6.6 million for additional program exposures and opportunities, including negotiated labor costs, public safety restoration, improved security, cash-out expenses and Focus on Prevention.

Through December 31, 2014, transfers from Appropriations for Contingencies were approved by the Board of Supervisors totaling \$232,000, which included \$122,000 to fund expert consultants for groundwater mapping, database development and hydrological CEQA services in the Department of Environmental Resources and \$110,000 to support activities around the Stanislaus County Focus on Prevention. As a result of these transfers, the 2014-2015 available contingency balance is \$10,788,864.

At this time, it is requested that appropriations be decreased by a total of \$3,936,195, as follows:

- ◆ \$74,000 to fund retirement cash-out costs in County Counsel;
- ◆ \$177,656 to fund District Attorney cash-out costs;
- ◆ \$33,000 to fund District Attorney server room equipment replacement;
- ◆ Up to 291,300 to fund District Attorney public safety restoration positions – funding will be transferred at the time positions are filled;
- ◆ Up to \$101,350 to fund Probation Administration public safety restoration positions – funding will be transferred at the time positions are filled;
- ◆ Up to \$248,150 to fund Probation Field Services public safety restoration positions – funding will be transferred at the time positions are filled;
- ◆ Up to \$111,280 to fund Public Defender public safety restoration positions – funding will be transferred at the time positions are filled;
- ◆ \$700,000 to fund Public Defender Indigent Defense costs associated with multi-defendant cases;

- ◆ \$431,569 to fund Sheriff Detention costs as a technical adjustment to correct an omission at Final Budget;
- ◆ \$519,970 to fund Sheriff Detention costs of negotiated labor increases; and
- ◆ Up to \$1,247,920 to fund Sheriff Operations public safety restoration positions – funding will be transferred at the time positions are filled.

These actions require a four-fifths vote by the Board of Supervisors. If the requested use of \$3,936,195 is approved, a remaining balance of \$6,852,669 would be available for use through June 30, 2015.

General Fund Match Vehicle License Fee: This budget receives and distributes 1991 Vehicle License Fee realignment revenue and is used to fund Stanislaus County Public Health, Mental Health and Social Services programs and is a major funding source for County health and social services programs. There is no impact to the County's General Fund as a result of this pass-through budget.

As part of the enacted State Budget for Fiscal Year 2013-2014, Assembly Bill (AB) 85 detailed budget adjustments for health and human services. Included in AB 85 was the redirection of funds out of County health programs back to the State, as part of Health Care Reform. The State then uses the redirected funds to support social services programs administered locally, including CalWORKs. AB 85 further revised the allocation of Vehicle License Fee realignment revenue between the Health Subaccount and the Social Services subaccount.

As a result, it is recommended to increase appropriations and estimated revenue by \$5,849,267 to reflect the increased funding for social services programs administered by the Community Services Agency.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
CEO - Appropriations for Contingencies	\$0	(\$74,000)	\$0	(\$74,000)	Transfer to County Counsel for retirement cash-out costs.
CEO - Appropriations for Contingencies	\$0	(\$177,656)	\$0	(\$177,656)	Transfer to District Attorney for cash-out costs.
CEO - Appropriations for Contingencies	\$0	(\$33,000)	\$0	(\$33,000)	Transfer to District Attorney for server room equipment replacement.
CEO - Appropriations for Contingencies	\$0	(\$291,300)	\$0	(\$291,300)	Transfer to District Attorney as needed at the time Public Safety Restoration positions are filled.
CEO - Appropriations for Contingencies	\$0	(\$101,350)	\$0	(\$101,350)	Transfer to Probation Administration as needed at the time Public Safety Restoration positions are filled.
CEO - Appropriations for Contingencies	\$0	(\$248,150)	\$0	(\$248,150)	Transfer to Probation Field Services as needed at the time Public Safety Restoration positions are filled.
CEO - Appropriations for Contingencies		(\$111,280)	\$0	(\$111,280)	Transfer to Public Defender as needed at the time Public Safety Restoration positions are filled.
CEO - Appropriations for Contingencies	\$0	(\$700,000)	\$0	(\$700,000)	Transfer to Public Defender Indigent Defense for increased costs of multi-defendant cases.
CEO - Appropriations for Contingencies	\$0	(\$431,569)	\$0	(\$431,569)	Transfer to Sheriff Detention for technical adjustment to correct omission at Final Budget.
CEO - Appropriations for Contingencies	\$0	(\$519,970)	\$0	(\$519,970)	Transfer to Sheriff Detention for approved salary and benefits increases.
CEO - Appropriations for Contingencies	\$0	(\$1,247,920)	\$0	(\$1,247,920)	Transfer to Sheriff Operations as needed at the time Public Safety Restoration positions are filled.
CEO - General Fund Match Vehicle License Fee	\$5,849,267	\$5,849,267	\$0	\$0	Increase in 1991 realignment revenue for social services programs as a result of AB 85 changes
<b>Total</b>	<b>\$5,849,267</b>	<b>\$1,913,072</b>	<b>\$0</b>	<b>(\$3,936,195)</b>	

**Summary of Recommendations:** It is recommended appropriations be increased by \$1,913,072 funded by an increase in estimated revenue of \$5,849,267 and a transfer from Appropriations for Contingencies of \$3,936,185.

### CEO-RISK MANAGEMENT SELF-INSURANCE FUNDS

Dental Self-Insurance: Beginning in calendar year 2015, the new Dental Buy-Up program was introduced. Expenses and rates for the Buy-Up program are higher than those in the Core program, therefore it is estimated that revenue and expenses for this program will be higher than budget. To account for this, it is recommended to increase appropriations and estimated revenue by \$150,000.

General Liability Self-Insurance: Expenditures are expected to exceed appropriations at year-end due to increased defense and settlement costs for the cases currently in the General Liability Program. As a result, it is recommended to increase appropriations by \$450,000 in this budget. Excess revenue that was originally planned to pay down the retained earnings deficit will fund these additional costs. Therefore, the year-end deficit is expected to remain unchanged at approximately \$970,000.

Medical Self-Insurance: This budget is expected to end the year under budget for both estimated revenue and expenses due to changes in the Medical Self-Insurance Program that were implemented in 2015. A decline in estimated revenue is based upon several factors. First, the higher-cost Anthem Blue Cross and Kaiser plans were eliminated as options beginning in 2015. Only members who live outside of the Stanislaus County Partners in Health (SCPH) service area are enrolled in Anthem Blue Cross, and the rates for both plans are identical in 2015. Previously, rates for Anthem Blue Cross and Kaiser were significantly higher than the SCPH plan, resulting in additional revenue to the program from members in those plans. Because those plans are not offered in 2015, the additional revenue will not be realized. Second, the Fiscal Year 2014-2015 Adopted Final Budget assumed a rate increase of 8 percent effective January 1, 2015. Actual rates came in at less than one percent for the Stanislaus County Partners in Health Plan, which accounts for a decrease in revenue estimates. Finally, Special Districts are no longer part of the County's Medical Program as of January 2015. The result of this is an expectation that revenue will be approximately \$3 million below budget by year-end.

Additionally, due to cost containment measures in the Stanislaus County Partners in Health Plan, the budget has outperformed original estimates. After analyzing trends over the past three years and factoring in known administrative rate increases for 2015, it is estimated that year-end expenses will be \$6.1 million below budgeted appropriations. The result is that by year-end, an estimated \$5.1 million of the retained earnings deficit will be paid back.

The current positive budget projections represent the best available information that is known at this time. Due to the volatile nature of the program there is no recommendation to adjust the budget in the Mid-Year Financial Report.

Other Employee Benefits: Estimated revenue for this budget will not be achieved, therefore it is recommended to decrease estimated revenue by \$30,000 offset by the use of additional retained earnings. This decrease in revenue is a reflection of a decrease in administrative fee revenue generated from the health benefit program due to the loss of special district participants, fewer early retiree participants, and the loss of COBRA and early retiree participants who were enrolled in Anthem Blue Cross and Kaiser plans. This adjustment will result in a \$30,000 increased use of departmental retained earnings. The retained earnings balance as of December 31, 2014 was \$459,563.

Professional Liability Self-Insurance: On October 1, 2014, the County transitioned from a self-insured program to a fully-insured program through CSAC-Excess Insurance Authority (CSAC-EIA). As part of this transition, there is a need to fund coverage for medical malpractice claims that have been incurred but not reported prior to October 1, 2014. In order to do this, an increase in appropriations of \$350,000 funded by retained earnings is being recommended. The additional appropriations along with savings will be used to fund a \$596,502 premium to be paid to CSAC-EIA to fund "tail" coverage. A claimant has one year from the time the injury occurred (or was discovered) to file a claim. Because of this, several years can pass before the injury is discovered and reported. Purchasing the "tail" coverage ensures the County has continuous coverage without any breaks.

This action represents a strategic change in the Professional Liability Program. By transitioning to a fully-insured program and funding the tail premium in the current fiscal year, this budget will be reduced by approximately \$275,000 per year beginning in Budget Year 2015-2016. This savings will be transferred directly to the departments covered by this program. This adjustment will result in a \$350,000 increased use of departmental retained earnings. The retained earnings balance as of December 31, 2014 was \$1,173,366.



Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Dental Self-Insurance	\$150,000	\$150,000	\$0	\$0	Increase appropriations and revenue to reflect participation in the new Dental Buy-Up program.
General Liability Self-Insurance	\$0	\$450,000	\$450,000	\$0	Increase appropriations due to increase in defense and settlement costs for cases currently in the General Liability program.
Other Employee Benefits	(\$30,000)	\$0	\$30,000	\$0	Decrease in Administrative Fee revenue due to the loss of various groups of participants.
Professional Liability Self-Insurance	\$0	\$350,000	\$350,000	\$0	Increase in appropriations to fund the CSAC-EIA premium as part of the transition to a fully-insured program.
<b>Total</b>	<b>\$120,000</b>	<b>\$950,000</b>	<b>\$830,000</b>	<b>\$0</b>	

**Summary of Recommendations:** It is recommended appropriations be increased by \$950,000 funded by an increase in estimated revenue of \$120,000 and \$830,000 in retained earnings in the CEO-Risk Management Self-Insurance Funds budget.

## COUNTY COUNSEL

County Counsel is requesting to increase appropriations in the amount of \$74,000 to fund the retirement cashout of the Assistant County Counsel. This exposure was first identified in the Adopted Final Budget; however, it was decided to delay any recommended adjustments until the Department had a better understanding of the true need. It is recommended Appropriations for Contingencies fund this increase in appropriations. Year-to-date revenue is currently trending higher than budgeted; therefore the effect on the General Fund may be less by year-end.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
County Counsel	\$0	\$74,000	\$0	\$74,000	Increase in appropriations to fund retirement cashout to be funded from Appropriations for Contingencies.
<b>Total</b>	<b>\$0</b>	<b>\$74,000</b>	<b>\$0</b>	<b>\$74,000</b>	

**Summary of Recommendations:** It is recommended to increase appropriations by \$74,000 in the County Counsel budget to be funded by a transfer from Appropriations for Contingencies.

## GENERAL SERVICES AGENCY

Facilities Maintenance: The Department is requesting to increase appropriations by \$28,000 for costs associated with the second year implementation of the Municipal Separate Storm Water System National Pollutant Discharge Elimination Systems permit. Additionally, the Department is requesting an increase in estimated revenue and appropriations of \$26,500 to fund an existing vacant Maintenance Engineer III position for the remainder of the fiscal year. One Maintenance Engineer III will be assigned to support Capital Projects in the public safety construction team. This position is identified in the approved Operating and Staffing plan for the Public Safety Center expansion project. These adjustments result in a \$28,000 increased use of departmental retained earnings. The retained earnings balance as of December 31, 2014 was \$1,062,432.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
GSA - Facilities Maintenance	\$26,500	\$26,500	\$0	\$0	Capital Projects use of a Maintenance Engineer III; department to fill vacant position .
GSA - Facilities Maintenance	\$0	\$28,000	\$28,000	\$0	Implementation costs of the Storm Water year two permit.
<b>Total</b>	<b>\$26,500</b>	<b>\$54,500</b>	<b>\$28,000</b>	<b>\$0</b>	

**Staffing Requests:** The Department is requesting to delete one vacant Equipment Service Technician in Fleet Services.

GENERAL SERVICES AGENCY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Fleet Services Division	-1	3971	Equipment Service Technician	Delete vacant position	Delete position
<b>GSA CHANGES</b>	<b>-1</b>				
<b>Beginning Allocation</b>	<b>59</b>				
<b>Changes in Allocation</b>	<b>-1</b>				
<b>Ending Allocation</b>	<b>58</b>				

**Summary of Recommendations:** It is recommended to increase appropriations by \$54,500 and estimated revenue by \$26,500 in the General Services Agency Facilities Maintenance budget. This will result in an increase in the use of departmental retained earnings by \$28,000. It is further recommended the staffing change described and outlined in the table above be adopted.

## TREASURER-TAX COLLECTOR

**Revenue Recovery:** A technical adjustment is requested in the Treasurer-Tax Collector – Revenue Recovery budget to increase both appropriations and estimated revenue by \$66,914. This increase is due to the restoration of two Account Clerk III positions that occurred as part of the Fiscal Year 2014-2015 Adopted Final Budget as well as additional salary and benefit costs that were a result of labor negotiations. These additional costs will be funded by an increase in departmental revenue generated by enhanced collections.

Budget Unit	Recommended				Description
	Revenue	Appropriations	Fund Balance/ Retained Earnings	Net County Cost	
Treasurer-Tax Collector - Revenue Recovery	\$66,914	\$66,914	\$0	\$0	Technical adjustment to increase appropriations and estimated revenue to account for two additional positions added at Final Budget and for additional costs due to labor negotiations.
<b>Total</b>	<b>\$66,914</b>	<b>\$66,914</b>	<b>\$0</b>	<b>\$0</b>	

**Staffing Requests:** The Department is requesting a classification study for one Manager III position. It is recommended to study this position.

TREASURER-TAX COLLECTOR TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION					
BUDGET UNIT	POSITIONS	POSITION NUMBER	CLASSIFICATION	REQUEST	RECOMMENDATION
Treasurer-Admin/Taxes	1	1505	Manager III	Classification study	Study

**Summary of Recommendations:** It is recommended to increase appropriations and estimated revenue by \$66,914 in the Treasurer-Tax Collector – Revenue Recovery budget. It is further recommended the staffing change described and outlined in the table above be adopted.

**BUDGET SCHEDULE**

The following schedule is recommended for the 2014-2015 Third Quarter Financial Report, and the 2015-2016 Proposed Budget:

- ◆ February 26, 2015                                 Issue 2014-2015 Third Quarter Budget Instructions
  
- ◆ March 6, 2015                                     Issue 2015-2016 Proposed Budget Instructions
  
- ◆ March 30, 2015                                 Departments’ Third Quarter Budget Submittals due to Chief Executive Office
  
- ◆ April 6, 2015                                     Departments’ 2015-2016 Proposed Budget Submittals due to Chief Executive Office
  
- ◆ May 5, 2015                                     Third Quarter Financial Report to the Board of Supervisors
  
- ◆ June 9, 2015                                     2015-2016 Proposed Budget Public Hearing