

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY**

DEPT: District Attorney

BOARD AGENDA: 6.B.1
AGENDA DATE: July 16, 2019

SUBJECT:

Approval of Fiscal Year 2018-2019 Year-End Budget Adjustments for District Attorney -
Real Estate Fraud Prosecution

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2019-0443

On motion of Supervisor DeMartini, Seconded by Supervisor Chiesa
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Berryhill, DeMartini, and Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended


2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION: This Item was removed from the consent calendar for discussion and consideration.

ATTEST:


ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: District Attorney

BOARD AGENDA:6.B.1
AGENDA DATE: July 16, 2019

CONSENT: ☒

CEO CONCURRENCE: YES

4/5 Vote Required: Yes

SUBJECT:

Approval of Fiscal Year 2018-2019 Year-End Budget Adjustments for District Attorney - Real Estate Fraud Prosecution

STAFF RECOMMENDATION:

1. Authorize the Chief Executive Officer and Auditor-Controller to increase Fiscal Year 2018-2019 appropriations for the District Attorney – Real Estate Fraud Prosecution budget.

DISCUSSION:

An analysis of actual revenues and expenditures of the District Attorney – Real Estate Fraud Prosecution budget has concluded a budget adjustment is needed to end Fiscal Year 2018-2019 in a positive position. The Real Estate Fraud Prosecution Unit is staffed with one prosecutor and one criminal investigator who is assigned to investigate state and federal crimes involving real estate and mortgage fraud. The investigator has built close relationships with other state and federal agencies that investigate mortgage fraud and submit cases to the Stanislaus County District Attorney's Office, the California Attorney General's Office and the United States Attorney's Office. Revenue generated from a fee charged for certain real estate documents filed within the County is to be used solely for the prevention, investigation and prosecution of real estate fraud and contributes to the funding of this budget unit. This revenue source has been declining over the last two fiscal years. The District Attorney's Office currently receives \$3 on certain recorded documents. In 2013, Senate Bill 1342 passed allowing the collection of a fee of up to \$10 per document to cover actual costs of the program. The Department is supportive of a potential future fee increase that would make the program self-funding.

In the 2018-2019 Midyear Financial Report, the Board approved a request to increase appropriations by \$123,243 for salary and benefit costs and reduce estimated revenue by \$8,714. These adjustments relied on an increased General Fund Contribution that was offset by a decrease of \$131,957 in appropriations authority and Net County Cost allocated to the Criminal Division budget, with no net impact to the General Fund. Since Midyear, additional salary and benefits costs have increased overall program costs in excess of current appropriations by \$8,886. Further, revenues totaling \$5,346 will not be realized in Fiscal Year 2018-2019. The combined impact will require \$14,232 in additional County General Fund support, which again will be offset by an equal reduction in appropriations and Net County Cost allocated to the Criminal Division.

POLICY ISSUE:

According to County Code 2.08.050, the Chief Executive Office is responsible for the evaluation of the annual budget adopted by the Board of Supervisors and County government expenditures and revenues to ensure they are consistent with the annual budget. All requests for changes in the annual budget shall first be submitted to the Executive Officer, who shall transmit them to the Board of Supervisors together with recommendations. Additionally, Government Code Section 29125 provides that transfers and revisions to the adopted appropriations may be made by an action formally adopted by the Board of Supervisors at a regular or special meeting by a 4/5 vote. The adjustment requested in this matter is required due to the Real Estate Fraud Program being its own legal budget unit, outside the Criminal Division budget, within the District Attorney's Office.

FISCAL IMPACT:

The recommended budget adjustment will increase appropriations by \$8,886 and decrease estimated revenue by \$5,346 in the District Attorney – Real Estate Fraud Prosecution budget, requiring a General Fund Contribution of \$14,232. To accommodate the adjustment, appropriations and associated Net County Cost will be reduced by an equal amount within the District Attorney – Criminal Division budget. There is no net impact to the County General Fund associated with this recommendation.

BOARD OF SUPERVISORS' PRIORITY:

Approval of the recommended actions supports the Board of Supervisors' priorities of *Delivering Efficient Public Services* and *Supporting Strong and Safe Neighborhoods* by ensuring sufficient appropriations are available to fund activities in the County's Real Estate Fraud Prosecution Program.

STAFFING IMPACT:

Existing staff will continue to manage the budget responsibilities covered by the recommended actions.

CONTACT PERSON:

Lori Denego, Fiscal Manager

Telephone: (209) 525-5505

ATTACHMENT(S):

1. Real Estate Fraud Year End Budget Journal

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Explanation: Increase appropriations in Real Estate Fraud Prosecution budget to cover actual costs and reduced revenue in Fiscal Year 2018-2019					
Increase is funded by a reduction in salaries and Net County Cost in DA Criminal Division that will result in an increase in Net County Cost via					
General Fund Contribution to Other Programs with no net impact to the General Fund and a transfer from services & supplies to salaries					
Requesting Department		CEO	Data Entry		Auditors Office Only
Lori Denego		Jewel Warr			Melody Bughi
Prepared by		Supervisor's Approval		Keyed by	Prepared By Approved By
7/1/2019		7/8/2019			7/9/2019
Date		Date		Date	Date