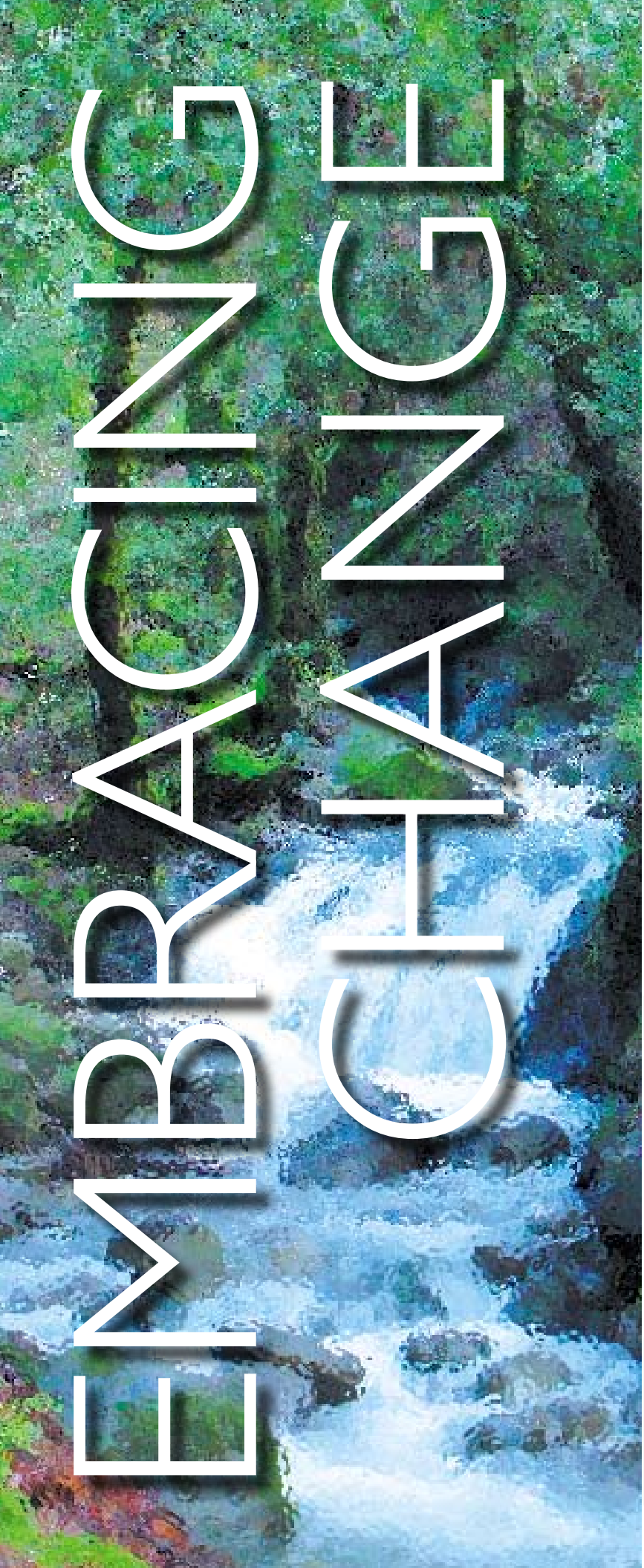

County of Santa Clara

Annual Report 2013

MISSION STATEMENT

THE MISSION OF THE COUNTY OF SANTA CLARA IS TO PLAN FOR THE NEEDS OF A DYNAMIC COMMUNITY, PROVIDE QUALITY SERVICES, AND PROMOTE A HEALTHY, SAFE AND PROSPEROUS COMMUNITY FOR ALL.

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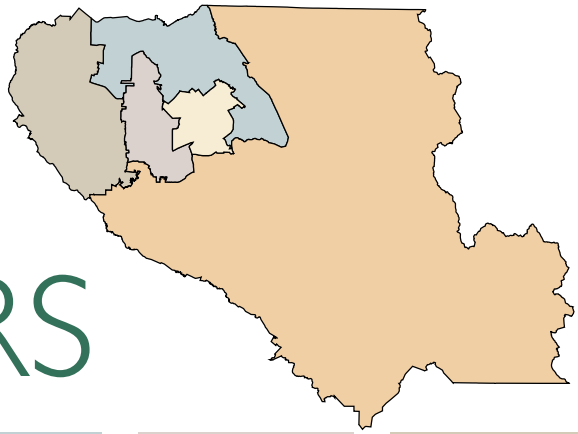
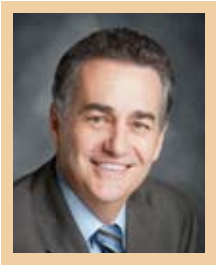
MESSAGE FROM THE

BOARD OF SUPERVISORS





Mike Wasserman
District 1

Cindy Chavez
District 2

Dave Cortese
District 3

Ken Yeager
District 4

S. Joseph Simitian
District 5

2013 was an important year for the County of Santa Clara. Several of the County's efforts were focused on the health and well-being of the community. Healthcare Reform is changing the way health care services are delivered in this nation, balancing disease treatment with disease prevention. In Santa Clara County, the new integrated health care services delivery system is focusing more on prevention. As the policy-making body for this organization, the Board is committed to providing guidance and support to keep our community healthy.

For the entire year, preparing for Health Care Reform was our most important challenge. And the organization met the challenge by "embracing change" and refining its service delivery strategies. In anticipation of the changes to Medi-Cal eligibility requirements, Santa Clara Valley Health and Hospital System ran a pilot project in advance of Medicaid expansion, automatically enrolling more than 19,000 people in Medi-Cal, offering health care coverage through Valley Health Plan. By the end of the year, more than 5,000 patients had signed up for My HealthLink Online, a component of HealthLink, the County's new electronic medical records system.

In May 2013, the *Community Health Existing Conditions Report* was finalized and issued, following a year-long joint community engagement process by the departments of Public Health and Planning and Development. The data gathered from the process will shape the new Health Element of the County of Santa Clara General Plan Update. The Health Element promotes a "health in all policies" approach, improved coordination among County agencies, departments, and other localities, and can serve as a model for other jurisdictions.

The passage of Measure A to increase the sales tax one-eighth cent made it possible to reaffirm the importance of the County's goal to ensure that children living here have health care coverage. In October, the Board of Supervisors authorized an additional $3 million from Measure A for Healthy Kids premiums. The County also raised the eligibility criteria to 400% of the federal poverty line for a family of four. Both of these actions represent an investment in the future health of youngsters in this county. This investment will go a long way toward the goal of 100% health-care coverage for children.

The County continued efforts to tackle childhood and adult obesity by educating families on the consequences of over-consumption of sugar-loaded beverages. Our Public Health Department teamed up with FIRST 5 Santa Clara County and the Santa Clara Valley Water District to launch the "Water to Go" program in Cesar Chavez Plaza, installing innovative water bottle filling stations and encouraging increased water consumption. Over the next three years, the program will install 100 water bottle filling stations at schools and public gathering spaces across the county.

And finally, in the wake of senseless gun violence around the country, the County also held two successful gun buy back events to reduce gun violence in our area. A total of 1,726 firearms were collected, including 64 assault weapons.

In the areas of health care delivery, social services, public safety, environmental stewardship, and general operations, County employees and community stakeholders are committed to providing purposeful services that continue to make Santa Clara County one of the nation's healthiest and most desirable communities.

MESSAGE FROM THE COUNTY EXECUTIVE

Jeffrey V. Smith
County Executive

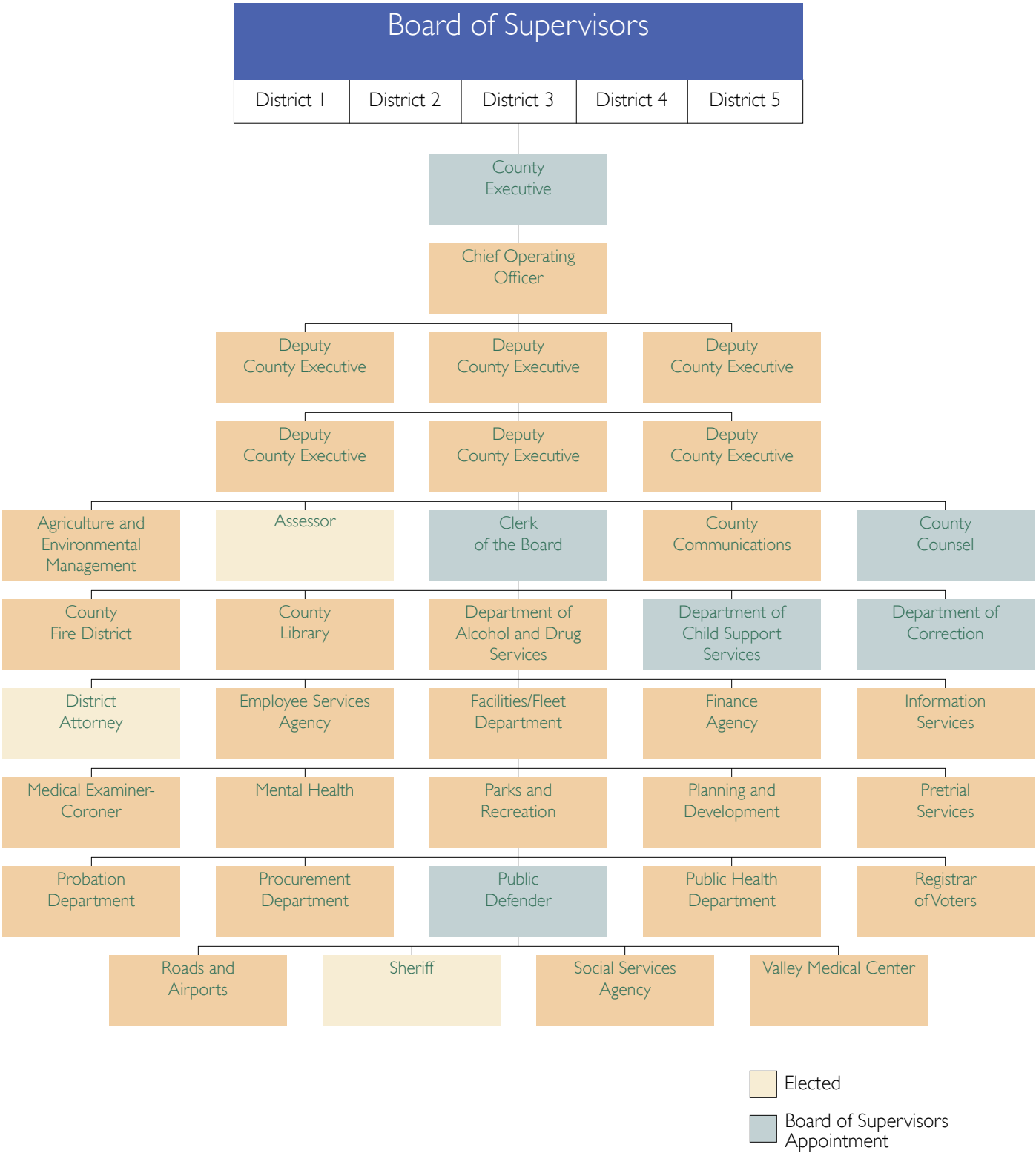
Challenged by the changing landscape of public services at every level of government, the County has continued its efforts to turn the lens inward to examine how we are stewarding tax payer dollars and whether or not we are adapting to current service needs in a way that supports sustainability. The County of Santa Clara stepped up to the challenge to implement the Affordable Care Act, strengthening our medical home model, moving to electronic medical records and exceeding state response times for Covered California referred calls. We also have had an exemplary record in implementing AB 109 Realignment, by providing re-entry support services.

The County engaged in a number of initiatives that reflect an understanding that we must continue to examine and refine how we do business. The theme of this report is "*Embracing Change*." Featured are a number of transformation efforts - from the joint efforts of Social Services Agency and the Probation Department to create early warning signals and supports for children in the social welfare system at risk of becoming statistics in the juvenile justice system, integrating the Mental Health Department and the Department of Alcohol and Drug Services, customer-centered transformation underway in the Department of Planning and Development, offering programs and services to help former inmates reintegrate successfully into the community, to Pay for Success - the innovative new social innovation financing model.

These are just a few of the initiatives underway. Since its launch in 2010, the Center for Leadership and Transformation (CLT) has continued to be a source of inspiration. Over 48 cross-boundary teams have been formed and over 350 employees have been trained as part of CLT project teams or at executive CLT classes held at Stanford University. Through the unique cross-functional team training approach offered by CLT, teams of employees work together to develop process improvements to achieve desired program outcomes.

CLT serves as a vehicle to develop the talent and competencies of our employees. New programs, such as the one-stop approach used by the Reentry Resource Center, and the partnership between the Probation Department and the Social Services Agency in maximizing the local placement of juvenile delinquents so they can maintain contact with their families, are the result of reaching across departmental boundaries and taking time to explore employees' ideas. Throughout the report are examples of how the County leadership and employees are rising to meet challenges and truly *Embracing Change*.

COUNTY ORGANIZATION



Board of Supervisors Policy Committees

Children, Seniors and Families

- Employment and Benefit Services
- Family and Children's Services
- Aging and Adult Services
- Social Services Agency Office
- Child Support Services

Health and Hospital System

- SB 12/SB 855 Payments
- Public Health
- Mental Health
- Custody Health Services
- Alcohol and Drug Services
- Community Health Services
- Prop 99 Non-County Hospital and Physician Funds
- Valley Health Plan
- Santa Clara Valley Medical Center

Housing, Land Use, Environment and Transportation

- Planning and Development
- Agriculture and Environmental Management
- Environmental Health
- Vector Control District
- Parks and Recreation
- Roads
- Airports
- Santa Clara County Fire District
- Los Altos Hills County Fire District
- S. Santa Clara County Fire District
- Saratoga Fire District

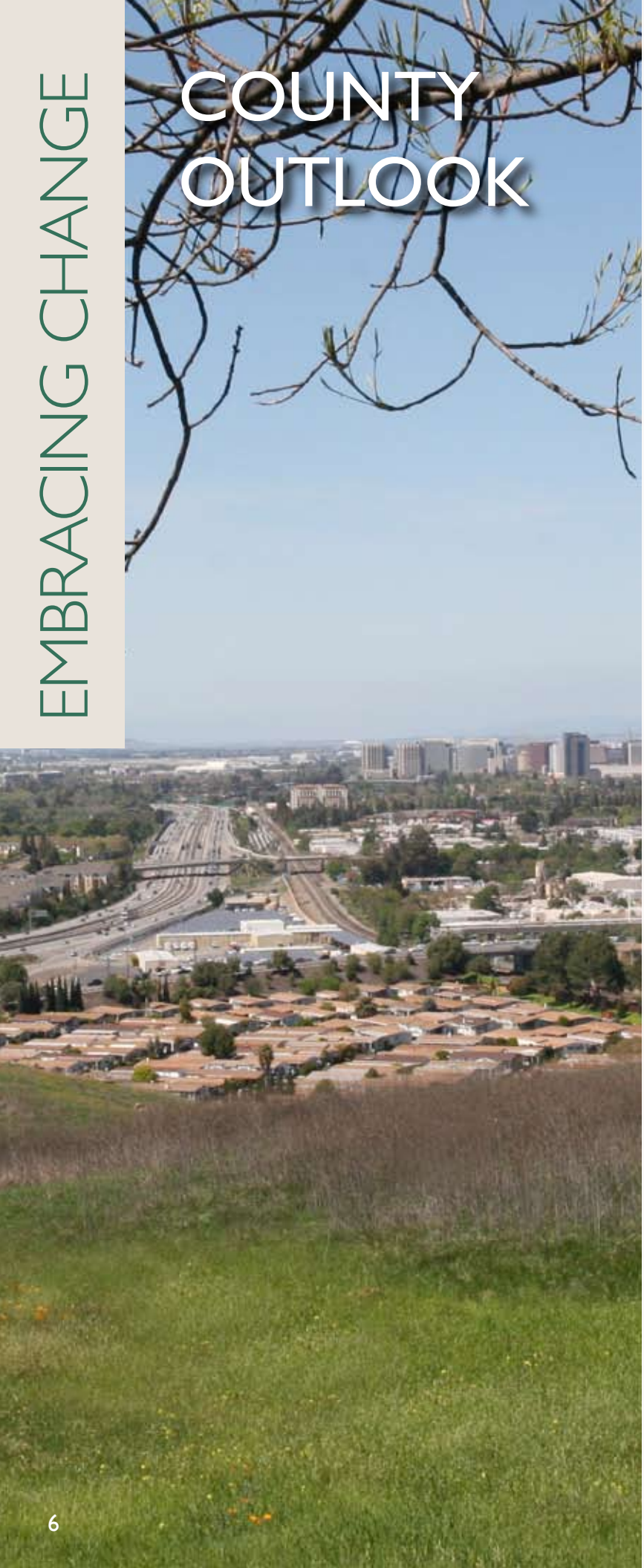
Public Safety and Justice

- Office of the District Attorney
- Public Defender
- Pretrial Services
- Office of the Sheriff
- Department of Correction
- Probation
- Medical Examiner Coroner
- Criminal Justice Systemwide Costs

Finance and Government

- Special Programs and Reserves
- Clerk of the Board
- Office of the County Executive
- Registrar of Voters
- Measure B Transportation Program
- Information Services
- County Counsel
- Assessor
- County Library
- Facilities/Fleet Department
- County Communications
- Procurement
- Employee Services Agency
- Finance Agency

COUNTY OUTLOOK



ABOUT SANTA CLARA COUNTY

The county's population of approximately 1.8 million is the sixth largest in California, and the largest of the nine Bay Area counties. There are 15 cities in the county including Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San José, Santa Clara, Saratoga and Sunnyvale. Each of the cities has its distinctive character. San José is the largest city in the county, with a population of one million, and is the administrative site of County government. A significant portion of the county's 1,315 square miles is unincorporated ranch and farmland. Ninety-five percent of the population lives in cities. The County also has direct jurisdiction over urban unincorporated areas.

Santa Clara County has a culture rich in history, ethnic diversity - over 100 languages and dialects spoken - artistic endeavors, sports venues and academic institutions. In sports and recreation, San José is home to the San José Giants, the San José Earthquakes, and the San José Sharks. Santa Clara will be the future home of the San Francisco 49ers. Numerous public and private golf courses are located throughout the county.

For education, the county is home to three major universities - San José State University, Santa Clara University and Stanford University - as well as excellent community colleges.

ECONOMIC PROSPECTS

In 2013, Santa Clara County was named best-performing metro economy in the nation by the closely watched survey conducted by the Santa Monica-based Milken Institute, a non-profit financial think tank. For the first time since 2001, the South Bay claimed the top spot.

The report, entitled *Silicon Valley Is Back* said that San Jose and its surrounding regions were top performers because of the income and wealth creation of Silicon Valley's remarkable technology sector. The Milken Institute described the San Jose metro area as the leading innovation and technology ecosystem in the world.

The South Bay's top ranking contrasts sharply with its position in 2011, when it was placed No. 51. However, in monthly reports by the U.S. Labor Department on the rates of job growth in the nation's major metro regions, Santa Clara County has consistently been at or near the top. For each job added to the technology industry, two professional positions and three nonprofessional jobs are created.

The latest technology wave is powered by social media, mobile devices, clean tech, and "big-data analytics," the report stated. It also stated that "Silicon Valley is still a powerhouse in Internet search, communications, networking, semiconductor and computer design, medical technology, telecom services, and data processing."

Santa Clara County At-A-Glance

County of Santa Clara – Established 1850
Annual Budget – Total $4.6 billion
General Fund $2.4 billion

Population*	
Total in county	1,842,254
Living within 15 cities	1,755,154
Living in unincorporated areas	87,100
Largest City (San José)	984,299
Smallest City (Monte Sereno)	3,420

Racial and Ethnic Background**	
White (Non Hispanic nor Latino)	35.2%
Asian	32.0%
Hispanic or Latino of any race	26.7%
Black or African American	2.4%
American Indian/Alaska Native	0.2%
Pacific Islander	0.3%
Two or more races	2.9%

Registered Voters***	
As of January 2014	794,485

*California Department of Finance:
Population Estimates for Cities, Counties and the State
**U.S. Census Bureau: U.S. Census Bureau: 2008-2012
American Community Survey (Margin of error: 0.1-0.2%)
***County Registrar of Voters

Santa Clara County is Silicon Valley's largest member community. The economic recovery also has a positive effect on County revenues. At the outset of budget planning, it was projected that County would experience a $90 million deficit in the winter of 2013. However, that amount was reduced by two-thirds due to better than expected property and sales tax projections.

The following economic prospects, some pointing to a long awaited recovery, were considered in the County's 2014 budget:

Venture capital investment, a leading indicator of innovation and long-term development, decreased for the first time since 2009, down 17% over the previous year to $6.5 billion. However, Silicon Valley and San Francisco regions, taken together, accounted for 37% of the national total and 70% percent of the state's total. Software attracted the largest funding, followed by biomedical/health and media.

Research and development (R&D), office, and warehouse space occupancy, which are leading indicators of economic activity, showed improved results compared to the past year. The vacancy rate for R&D space was 13% in June 2013 versus 13.7% a year ago. The office space vacancy rate was 12.4% in June 2013 compared to 13.1% in June 2012. The vacancy rate for warehouse space increased from 12.7% in 2012 to 13.5% in June 2013. With the exception of warehouse space, the vacancy rate is trending in the right direction.

The county's unemployment rate continues to improve as the rate for June 2013 was 6.8%. This is an improvement from June 2012 when the unemployment rate was 8.7%. In comparison, the statewide unemployment rate for June 2013 was 8.9%, a decrease of 1.8% from the prior year.

According to the *Silicon Valley Index* (SVI), published jointly by Joint Venture Silicon Valley and Silicon Valley Community Foundation to measure the strength of the economy, the region added 46,665 jobs in 2013, an increase of 3.4% over the prior year. California as a state, meanwhile, was still 2.2% below pre-recession jobs totals. The job growth is driven by computer hardware design, information services and the Internet industry, plus community infrastructure, health care, construction, and a range of other business services. The regional unemployment rate has continued its downward trend, reaching 5.8% in November 2013. While unemployment has declined among nearly all racial/ethnic groups in Silicon Valley since 2011, it is still over 10% for African-Americans, although as a group they comprise only 2.4% of the population.

Innovation and Investment

In 2012, patent registrations rose to 15,057, an 11% increase over 2011. The region's share of California and U.S. venture capital investments increased in 2013 to 77% and 39%, respectively. The region's share of angel investment in California increased to 87%. Silicon Valley had 20 initial public offerings (IPOs) in 2013, an increase of 3 over the previous year.

Population

The region's population growth has accelerated over the last year due to a 52% increase in foreign immigration in 2013 over the previous year. The region's total population grew 1.31% last year compared to 0.88% across the state, and the net migration (13,766 people) has not been this high since 1997, when it reached a high of 14,515.

Income

The SVI also reports that the share of households in Silicon Valley earning more than $100,000 increased two percentage points to 45% in 2012, while the share of households earning $35,000 to $99,000 decreased two percentage points to 35%.

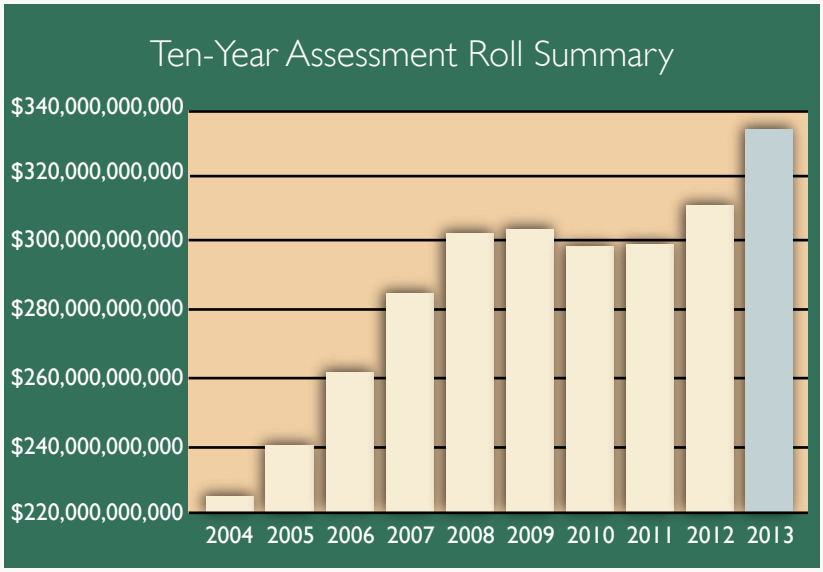
Although median household income has finally started to increase following a four-year decline (up $1,028 between 2011 and 2012), the increase in average annual rental expenses (up $1,526) is outpacing income gains. Income disparities persist between racial and ethnic groups. The lowest-earning racial/ethnic group earns 70% less than the highest earning group.

The real per capita income (a measure of wealth creation) as of June 2012 (most current available data) increased from $57,338 to $61,028. The real per capita income on a national level was $43,169, an increase of $1,645 from the prior year. These increases are signs of an improving economy.

Housing

Of concern, is the fact that Silicon Valley's housing market is becoming increasingly out of reach for first-time homebuyers. Fewer than half of Silicon Valley's first-time homebuyers can afford to purchase a median-priced home, compared to 59% throughout the state. And while the total number of home sales has picked up, median prices continue to climb. While 7,431 new residential units in building permits were issued in the first 11 months of 2013 – a high number compared with previous years – it is not enough to support the number of new residents.

After several years of declining valuations, the housing prices continued to grow for a second straight year. This was demonstrated by the median price for single family homes which increased to $750,000, up 17% from a year ago. This increase was fueled by tight inventory of homes for sale, ultra-low mortgage interest rates, and investor demand.



ASSESSMENT ROLL IMPACTS

In 2013, the net assessment roll for Santa Clara County increased 8.35%, from $309 billion to $335 billion – the highest roll growth since 2001. The $26 billion increase is nearly three times greater than the prior year, which followed four years of declining values. The increase also underscores the impact of the depth of the worst economic downturn since the Great Depression. Early reports from other counties indicate that Santa Clara County will lead the state in year-over-year percentage assessment roll growth.

The annual growth or decline in the assessment roll is due to a combination of factors including changes in ownership, assessed value increases for properties that had previously received a temporary reduction (Proposition 8), new construction, business property, exemptions, and the California Consumer Price Index (CCPI). It also includes institutional exemptions not reimbursed by the state.

When the market value of a property drops below the previously established assessed value, as it has for thousands of properties during the recession, Proposition 8 (passed by voters in 1978) requires the Assessor to temporarily reduce the assessment to reflect the lower market value for the current year. Just as Proposition 8 requires the Assessor to reduce assessments during an economic downturn, it also mandates that assessments be restored when the market recovers. For the first time in six years, assessed value restorations mandated by Proposition 8 accounted for 42% of the total assessment roll growth. The market is the sole determining factor in whether the assessed value of a property is reduced or restored.

Last year, 136,000 residential properties were assessed below their purchase price as a result of the collapse of the residential real estate market during the "Great Recession." This year, the market value of 47,000 of those properties has risen to the point that all the value lost has been fully restored, and the market value now exceeds the original purchase price. In addition, the assessed value of another 81,000 properties was partially restored to reflect the surging residential property market. Despite these positive market forces, 31% of all condominiums and 16% of all single family residential properties are currently assessed below their purchase price. The aggregate assessed value of commercial and industrial properties receiving a temporary

reduction fell for the second year by 22%, to $4.1 billion. The assessed value of the remaining 325,000 properties will be adjusted by the 2% limit required by Proposition 13.

In addition, the county experienced a dramatic increase in the number of changes in ownership and new construction. The change in the assessed value of individual properties is determined by the difference between the prior assessed value and the new market value. When a change in ownership or new construction occurs, the real property is assessed at fair market value. The newly established value is referred to as the "base year value." In calendar year 2012, the number of properties that transferred ownership and were reassessed at market value increased by 8%, accounting for 29% of the growth in the assessment roll. By comparison, in 2009 and 2010, assessed values created by changes in ownership actually declined by more than 50%. Similarly, there was a $2 billion increase in assessed values of new construction, a 70% jump over the prior year.

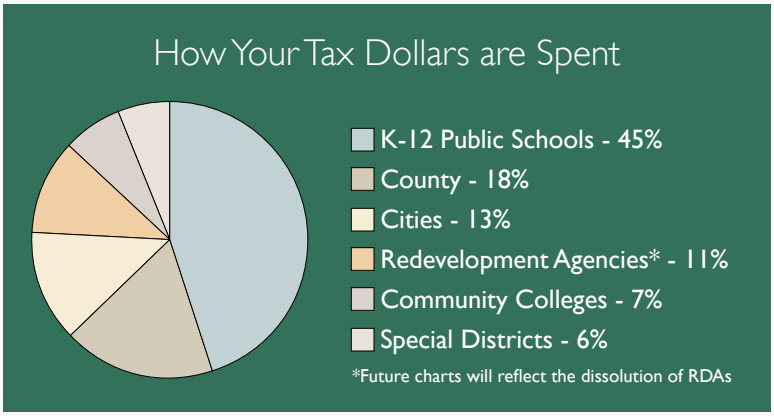
Proposition 13 limits the annual increase of a property's assessed value to 2% or the California Consumer Price Index (CCPI), whichever is lower. For the first time in three years the CCPI exceeded the 2% threshold. Only seven times, since the voters approved Proposition 13 in 1978, has the CCPI been less than 2%.

Perhaps the best indicator that the economy has recovered is the very solid increase in the assessed value of property owned by businesses including machinery, equipment, computers and fixtures. The gross taxable value of business property increased 6.38%, to $33.59 billion. The purchase of business property is directly related to record job growth, new office construction, and companies expanding in response to the improving economy.

Business property growth in 2013, however, is far from the peak during the "dot-com boom," when business personal property grew by 23.67% in 2001. Perhaps most interesting is the continued meteoric growth in the value of Apple Computer's business property. In 2013, the company's assessed value of business property jumped 78%. This year, Apple recorded the second-highest value of business property on the list of the top 25 companies. Ten years ago Apple was not on the list.

COUNTY BUDGET

The FY 2014 Countywide budget is $4.6 billion. Of that amount, the General Fund Budget is $2.4 billion, and covers all discretionary and many mandated services for the fiscal year beginning July 1, 2013, including a 5% contingency reserve.



COUNTY REVENUES

The County's largest discretionary revenue source, secured property taxes, increased by $8.6 million due to increase in assessed value. The unsecured personal property value increased by 6.6% with a tax increase of $18.5 million. The property tax delinquencies on secured property decreased from 1.2% in FY 2012 to 0.8% in FY 2013. Property transfer tax revenues increased by $4.6 million due to an increase in real estate transactions. Supplemental tax revenues decreased by $0.5 million due to prior year roll corrections. The FY 2014 budget assumes a 5.1% increase in secured property assessed values, which corresponds to an increase of $32.9 million in property tax revenue.

COUNTY RESERVES

The County has set aside $104.3 million in contingency reserves for fiscal year 2014. Operating reserve designations and the strategic reserve designations are part of the financial resources that are available to address unanticipated revenue shortfalls or unforeseen expenditures. These designations provide a primary defense against deficit spending and help maintain liquidity when budgeted drawdowns become necessary.

CREDIT RATING

For its outstanding debt, the County's rating from Standard & Poor's (S&P) has maintained an AA rating on County's lease revenue bonds and pension obligation bonds. S&P has also maintained the County's general obligation bonds rating of AA+. In July 2012, Moody's Investor Service lowered the credit ratings on County's lease revenue bonds from Aa2 to A1 and upgraded the County's general obligation bonds ratings from Aa1 to Aa2. In March 2013, Moody's also lowered the County's pension obligation bonds from Aa2 to A1. S&P recently revised their rating criteria and is systematically re-evaluating all counties that maintain an S&P rating. Part of the revised criteria involves assigning more weight to the strength of the local economy as compared to their old criteria. In December 2013, S&P updated the County's general obligation bonds rating to AAA, which is the highest long-term rating and updated the County's lease revenue bonds and pension obligation bonds to AA+.

CHILDREN, SENIORS & FAMILIES

SOCIAL SERVICES

One-Stop Shop for Health Care

On October 1, the Department of Employment and Benefit Services (DEBS) launched the Health Care Reform (HCR) Call Center to implement the Affordable Care Act. Under the mandate, approximately 40,000 new county residents are anticipated to be eligible for health care either by taking advantage of newly expanded Medi-Cal rules or by purchasing subsidized health care through the Covered California exchange marketplace.

The Social Services Agency developed a single point of contact, allowing residents to apply by phone, mail, online, or in person. The Call Center operated extended hours from 8 a.m. to 8 p.m., Monday through Saturday, accepting calls forwarded by the State exchange call center, Covered California. The Health Care Reform team demonstrated significant flexibility, speed, and persistence as they implemented the new business model and met the Act's performance measures.

To date, the stellar HCR team has met or exceeded 100% of the performance measures with levels of productivity unparalleled in California counties. During the month of November, phone agents averaged answering calls transferred from Covered California within 8 seconds; well below the 30 second performance measure requirement.

Increasing CalFresh Participation with Technology

In Santa Clara County, over 65,000 eligible individuals are not participating in CalFresh. To address the issue of underutilization, DEBS has committed to increasing the local CalFresh participation rate by 20% each year for the next three years. If all individuals in Santa Clara County who are eligible for CalFresh apply, residents would receive an estimated $96.1 million in additional federally funded nutrition benefits each year.

In support of this goal, DEBS has established a collaborative strategy with community partners, adopted innovative technology, and streamlined business processes. Santa Clara County launched a Central Client Service model which allows multiple ways - phone, mail, online, or in-person - for applicants and existing clients to access benefits. It also simplifies the process for maintaining benefits.

- Santa Clara County residents can apply for CalFresh and access their accounts via www.mybenefitscalwin.org, the online web application or mobile application. Residents can also access information about their benefits through the 24-hour automated information phone line: 1-877-962-3633.
- A video on how to apply for CalFresh has been launched on the Social Services Agency website and shared with the community partners.
- Monthly, automated, outbound calls are sent to CalFresh recipients reminding them to return the recertification forms to continue receiving CalFresh benefits.

The results of these strategies have been impressive. From January to August 2013, a total of 28,561 new CalFresh applications were received, which is a 53% increase compared to the same period last year. Even with the increase of the applications for this year and the previous, DEBS achieved the highest CalFresh accuracy rate in the State -- 99.19% for federal fiscal year 2012. This is the third consecutive year the County has achieved the highest CalFresh accuracy rate in California.

Expanded Subsidized Employment Program

CalWORKs Employment Services (CWES) received a State budget augmentation and was able to expand its subsidized employment program and implement the new Employment Connection (EC) Works Program.

The EC Works program is designed to build strong partnerships with local employers to provide full and part-time subsidized employment opportunities for CalWORKs families. CalWORKs participants are matched with prospective employers and provided with comprehensive training that will facilitate a transition into a permanent position within the employers' organizations. As an incentive for providing valuable on-the-job training and work experience, employers are offered a wage reimbursement throughout the temporary training period. Through EC Works, CalWORKs families will have a direct connection to hiring employers and an avenue to gaining their self-sufficiency.

EC Works will support the County in meeting the challenge as a top performer in the State's CalWORKs Work Participation Rate (WPR). The County's current WPR rate is 66.67%, and for FY13-14, EC Works expects to place 150 participants into subsidized positions and the contributions of these families will positively impact Santa Clara County.

Technological and Efficiency Gains for In-Home Supportive Services

In Santa Clara County, the Department of Aging and Adult Services In-Home Supportive Services (IHSS) program serves over 18,000 clients and processes payroll for over 16,400 home care providers every two weeks. For these home care providers, being compensated for their services in a timely and accurate manner is crucial. In May 2013, Santa Clara County was a leader among California counties in implementing the Case Management, Information and Payroll System II (CMIPSII) to increase the speed of payroll processing and customer response. The new system provides modern web-based case management functionality and sophisticated processing of payroll.

With the implementation of CMIPS II, there were significant changes for the IHSS providers, including a new timesheet that is now mailed to a statewide Timesheet Processing Facility (TPF) rather than to the County Social Services Agency office. When timesheets arrive at the TPF they are scanned into CMIPS II, which allows the County to view them to assist providers with resolving any issues, decreasing response time for provider questions and increasing efficient use of staff resources.

Collaboration to Create an Age-Friendly Community

It is estimated that by 2030, one in four residents of Santa Clara County will be over the age of 60, with the fastest growing population being over the age of 80. The County adopted a strategic plan in December 2012, following an 18-month planning effort, to begin to address the future needs of the rapidly growing population of older adults.

In March, a Seniors' Agenda Project Manager was hired to begin implementation of the strategic plan. The collaboration that led to its development and is supporting its implementation includes more than 150 individuals from 68 organizations. Together they created a shared vision and plan for how best to prepare for an aging society.

The Department of Aging and Adult Services' leadership began implementing the Seniors' Agenda through six work teams. Their goal is to collectively impact the creation of an age-friendly community. These community based organizations and public agencies have made significant progress in the areas of need: transportation, volunteerism and civic engagement, information and assistance, education and outreach, policy and funding, and housing.

The Seniors' Agenda has begun to achieve results. The group's collaborative effort resulted in the County restoring $250,000 in funding to non-profit organizations serving the elderly. The County's aging services contract awards have been modified to align with the priorities of the Seniors' Agenda. Increasing the stock of affordable housing for seniors has been identified as one priority and is now being included in the update of the County of Santa Clara General Plan and Housing Element. The General Plan's Health Element was also updated to include pedestrian safety needs near senior centers and senior housing facilities.

This year a Seniors Policy Council (SPC) was formed. The SPC is made up of knowledgeable executive leaders who can help to remove barriers and advocate for changes in policies to support the Seniors' Agenda. SPC is made up of the executive level staff from: Office of County Executive, Mental Health Department, Public Health Department, Primary Care Department/Valley Medical Center, County Planning, Aging and Adult Services; City of San Jose, Cities Managers' Association of Santa Clara County, Sourcewise, Santa Clara County Housing Authority, Santa Clara Valley Transportation Authority, and Aging Services Collaborative of Santa Clara County, as well as a an ex officio representative from the County Board of Supervisors.

To increase outreach and information to the county's seniors, leadership from the Seniors' Agenda aligned resources so that the AGEnts for Change brochure *A Good Place to Start* could be translated, printed and distributed. Through the sponsorship of OUTREACH, DAAS and Sourcewise, over 7,000 copies of the *A Good Place to Start* brochure has been distributed in English, Spanish, Vietnamese, and Chinese, providing seniors with information on community services and resources. The Santa Clara County Fire Department has included the brochure in its senior resource packet given to elderly residents. This example is one of the many ways the Seniors' Agenda is collaborating for positive outcomes to address the growing needs of the community.

High Risk Youth: Promoting Safety, Health, and Positive Change

The Department of Family and Children's Services is responsible under federal and state law for the safety, permanence and well-being of children and youth at risk of or experiencing child abuse, neglect and exploitation. Many youth involved in child welfare services also experience interaction with the juvenile justice system because of criminal violations. At the same time, the juvenile justice system is responsible for the safety of the community against juvenile delinquency or public safety concerns.

There are approximately 176,000 youth ages 10-17 in Santa Clara County. There are approximately 10,000 arrests and 2,000 bookings of youth into juvenile hall each year. The Department of Family and Children's Services (DFCS), responds to over 12,000 referrals annually and a one day snapshot shows 1,825 total open cases of children in the child welfare system. In both systems, there is an over-

representation of youth of color from the African American and Latino communities.

When youth involved with the child welfare system become also involved in juvenile justice, there has been a historical lack of integration between the two systems on how to best address the issues, despite long standing protocols between the systems.

In 2012 the juvenile court system, child welfare and juvenile justice systems came together to apply for a grant with the MacArthur Foundation aimed at better serving youth who are involved in both the child welfare and juvenile justice system. Key issues of the grant were to address the historical lack of integration between the two systems, the poor outcomes of youth served by both systems, and the need for greater community involvement in serving the population. For a full discussion of this initiative, see the Youth at Risk: Embracing Change feature on page 14.

CHILD SUPPORT SERVICES

The Department of Child Support Services (DCSS) is responsible for establishing and enforcing court orders for paternity, medical support and child support on behalf of minor children. An active participant in improving the financial well-being of children and the self-sufficiency of families, the department assists those most affected by the downturn in the economy. The child support program, along with the Earned Income Tax Credit and the Supplemental Nutrition Assistance Program (SNAP), is one of the big three anti-poverty programs. Twenty six percent of all children in America live in single parent households and child support provides 40% of the income of low-income families that receive support. Child support can mean the difference between poverty and self-sufficiency. Services are provided to approximately 40,000 families throughout the community. DCSS assists all families requesting services and any family receiving public assistance. DCSS child support professionals collect child support payments totaling over $90 million per year and constantly strive to improve performance, collections and program awareness as well as encourage the involvement of both parents in the lives of their children.

The department focused on key program areas this past year to better serve members of the community and to improve program performance:

Early Intervention

The Early Intervention initiative focuses on building relationships with parents and educating them on the child support program in the early stages of their case, with the goal of encouraging active participation, reducing defaults, preventing the accumulation of child support arrears and establishing good payment habits. Early intervention is done at case opening, throughout the process of establishing an order and continues once an order is obtained. Pre-order early intervention focuses on ensuring the correct financial and child timesharing information is obtained from each of the parents so the result is a fair, reasonable and collectable order. Post-order early intervention focuses on familiarizing parents with the enforcement process with the goal of promoting timely payment of support. Customers are encouraged to contact DCSS with any new information on their case and they can phone or come into the office if they need to see their caseworker. Child support professionals are actively conducting early intervention interviews by telephone, in person at the DCSS office and at the courthouse.

The early intervention court outreach program was established to assist non-custodial and custodial parents in understanding the court's orders and instructions. Due to the many cases on the court's calendar, the pace of the hearings and an unfamiliarity with the court process, many litigants walk out of the courtroom wondering what just happened. Early intervention at the courthouse attempts to address that confusion. After the hearing, the unrepresented party is served with the court order or judgment and referred to a DCSS child support professional who reviews the court documents with him or her. The child support officers provide information on making payments and answer questions. Each party is provided an informational folder to keep a record of payments and court orders.

The early intervention program has helped strengthen relationships with DCSS customers and their case workers and encourages communication with the department when there is a change in circumstances that may affect the child support order or timely payments. Those cases monitored in the early intervention program have a higher rate of consistent payments than cases in which there was no early intervention.

Compromise of Arrears Program (COAP)

The California State Department of Child Support Services, as directed by California Family Code Section 17560, developed a Compromise of Arrears Program (COAP) that is administered by the local child support agency. Patterned after the taxing authorities "offer in compromise," this program allows a parent with outstanding obligations to settle their child support debt owed to the government (child support owed directly to the custodial parent is not compromised) for an amount that could be less than the full amount owed. Each case is considered based upon its unique set of facts and circumstances. This program was established to increase support collected for families, to reimburse the State general fund for welfare costs, to reduce child support arrears owed to the State and to increase performance measures on current support and the collection of arrears.

The COAP program is important as it allows obligors a chance to reduce their arrearages by borrowing funds and making a lump sum payment or by making larger, consistent monthly payments. It ensures that current support payments, if still due, are made timely in accordance with the compromise agreement. It also allows the department to manage otherwise uncollectable arrears. A successful compromise of arrears agreement takes place when the amount offered represents the most that could be expected to be collected within a reasonable period of time after having explored all other payment options. Many customers have been able to resolve their past due support through the use of this program. Santa Clara County DCSS is one of the highest counties statewide in collections received through the compromise of arrears program. Nearly half a million dollars was collected in fiscal year 2013 by Santa Clara County through this program.

New Developments

State DCSS launched a mobile application for child support services in October 2013. Customers can download the free application and access their case-specific information from their mobile device. Customers can use this App to check their account for upcoming appointments, amounts owed and payments received. A link connects them to the State Disbursement Unit where electronic payments can be made or the option to enroll to receive direct deposits is available. Information on local child support agencies including phone numbers, addresses, websites and directions can be easily accessed. A link to resources and frequently asked questions also provide helpful information to customers.

New Legislation

Senate Bill 274, affecting child support, went into effect on January 1, 2014. Under California law through 2013, a child could only legally have two parents. This bill amends California's parentage laws to allow courts, under limited circumstances, to recognize more than two people as the parents of a child when not doing so would be detrimental to the child. This legislation recognizes that in recent years society has experienced dramatic changes in how families are structured. The challenge is to develop policies that recognize the changing American family and continue to help parents overcome barriers to providing support while encouraging increased positive engagement with their children. The goal is to support the rearing of happy, healthy children that grow up to be self-sufficient and self-supporting in the future.

SOCIAL SERVICES AGENCY AND PROBATION WORK TO PROVIDE SAFETY NET FOR CHILDREN FALLING THROUGH THE CRACKS

Listening to Robson* share his story, one is struck by his intelligence and his charisma. One is also struck by how close he came to becoming just another statistic. At 18 years old, homeless and living in his car, Robson had few options after running away from a group home where he encountered conflict. He was homeless with no visible means of support. Robson, like many youth in his circumstances, turned to crime.

Robson was one of about 100 participants keen on understanding and contributing to the County of Santa Clara's Juvenile Justice and Child Welfare System Integration Technical Assistance Initiative, a project jointly supported by the Office of Juvenile Justice and Delinquency Prevention (OJJDP) and the John D. and Catherine T. MacArthur Foundation (MacArthur Foundation), and coordinated and managed by the Robert F. Kennedy Children's Action Corps (RFK).

Robson is one of those young people described as "dually-involved – crossover youth," a term to describe kids who start out in the child welfare system because they have been victims of abuse and neglect, which puts them at increased risk of crime and violence. Many of these youth eventually find themselves crossing over to the juvenile justice system, acting out their traumas through defiant or criminal behavior and becoming a part of the juvenile justice system.

In July 2012, Santa Clara County became one of four competitively selected demonstration project sites to receive technical assistance and consultation to develop a coordinated and integrated child welfare and juvenile justice system. This integration will enhance services for maltreated youth that cross over into juvenile justice or juvenile justice involved youth where maltreatment has been identified.

Research shows that there are common characteristics of crossover youth: They have been maltreated. They enter the child welfare system when they are young children. They experience numerous placements, including congregate care. Often, their family history has been one with a high prevalence of trauma, criminal behavior, mental health issues, or substance abuse.

Young People At Risk Face a Number of Challenges

Unfortunately, Robson's story is not unique. Youth exiting foster care often struggle with homelessness, substance abuse, mental health challenges, unemployment and crime. The outcomes are worse for youngsters who touch both the child welfare and juvenile justice systems. This population has higher rates of recidivism, greater dependence on service systems such as public welfare, and diminished opportunities for gainful employment.

Without effective cross-system communication and collaboration, and a shared vision of how best to serve dually-involved youth, this population will continue to suffer in dramatic ways. The good news is that Robson is now working, sharing his experiences, and helping other youth to make better choices.

Based on the direction provided by RFK Technical Assistance Advisors, an Executive Steering Committee was developed, comprised of leaders from the relevant child serving agencies and Courts, other juvenile justice stakeholders, community and youth representation. The Executive Steering Committee guides the work of three subcommittees: Legal & Policy, Data and Practice & Resource. The Executive Steering Committee identified "Youth, Family & Community Outcomes" as well as "Systems Outcomes" as goals and targets improving the outcomes of the dually-involved youth experience of individual and community safety, health, education, reduced recidivism, and strengthened family and cultural ties.

Using proven tools, procedures, protocols, and publications developed during the MacArthur Foundation Models for Change initiative, Santa Clara County collaborative partners worked with the RFK team for 12 months to implement system and practice reforms that will positively impact outcomes for crossover or dually-involved youth. The work of this initiative will not only benefit the youth and community of Santa Clara County, but also will contribute to the development of a proposed training curriculum to be instructive for jurisdictions across the country.

County Embraces the Challenge

The Juvenile Court system, the Probation's Juvenile Division (JPD), the Department of Family & Children's Services (DFCS) and community partners committed to working collaboratively to explore how they can prevent youth in

the child welfare system from formally penetrating the juvenile justice system. For example, they will formalize a coordinated process by which DFCS and JPD work together to identify youth who are susceptible to "crossing over" and jointly provide appropriate services to prevent crossover from occurring. The agencies are committed to:

- Using evidence based research and best practices to inform changes in both systems to better serve youth and families.
- Restructuring systems programmatically and culturally to meet the distinctive needs of dually-involved youth. For instance, moving from a model where only one system can serve a youth at a time, to a model where youth and families can benefit from the unique expertise of both systems.
- Continuing collaboration between the Juvenile Court system, JPD, DFCS, leadership at the Mental Health Department, Department of Drug and Alcohol Services, and Education Department as well as working with the District Attorney, Public Defender, Legal Advocates for Children & Youth, community based organizations, and community representatives.
- Improving Services to Limited English Proficient Clients.

Language Access Plan

The Probation Department delivers a variety of services to adults, juveniles and their families living in Santa Clara County, including those with limited English skills. The department has embarked upon establishing a Language Access Plan to ensure that meaningful access to services is provided in a variety of languages. The department is expanding beyond its current focus on Spanish and Vietnamese populations, to incorporate the variety languages spoken by residents of Santa Clara County. The use of enhanced language access services began in 2013 and is expected to positively impact a juvenile's successful exit from the juvenile justice system and reduce the likelihood of further penetration into the criminal justice system.

Formal Commitment

A commitment to jointly working toward these goals is memorialized in a Memorandum of Understanding signed by judicial leadership from the Juvenile Justice Court and Dependency Court, Social Services Agency, County Mental Health Department, Probation Department, District Attorney, Public Defender, and community partners with the Silicon Valley Council of Nonprofits. In addition, DFCS and the Probation Department are committed to forming a special unit to serve the dually-involved population, utilizing tools and best practices uncovered through the technical assistance gained locally.

Given the high level, multi-system commitment to this work, stakeholders are confident that these efforts will improve outcomes for dually-involved youth.

**Robson not pictured to protect his privacy.*

HEALTH & HOSPITAL SYSTEM

INTEGRATED HEALTH CARE REFORM COVERAGE EXPANSION

Access to health care has not been an option for many Americans until now. The passing of the federal Affordable Care Act (Health Care Reform), major changes to Medicaid, and the new State of California Health Benefit Exchange called Covered California means more people will have access to affordable health insurance.

The most significant provisions of Health Care Reform went into effect on January 1, 2014. Medicaid will no longer require a low-income person to be pregnant, blind or disabled to qualify for insurance; instead, all eligible citizens and certain legal permanent residents will qualify solely on the fact that they earn less than 138% of the federal poverty level (FPL).

This represents a monumental change for patients and clients of Santa Clara Valley Health & Hospital System (SCVHHS). Many who have received care at the County's expense now qualify for Medi-Cal (California's name for Medicaid) and are eligible for comprehensive health coverage with behavioral health services.

SCVHHS ran a pilot program in advance of Medicaid expansion. From this work, over 19,000 people have been automatically enrolled in Medi-Cal and were covered on January 1, 2014. SCVHHS implemented pilot programs geared toward delivering a vision of "Better Health for All," which includes helping residents enroll in coverage. An additional 28,000 county residents are likely eligible for Medicaid expansion and SCVHHS will work to assist them in enrolling, especially those who seek care within SCVHHS.

As part of federal health care reform, the State of California established a Health Benefit Exchange called Covered California to offer health insurance to qualified individuals and small businesses. Valley Health Plan (VHP) was one of 12 health plans in California selected by Covered California to offer, market and sell individual health insurance coverage through Covered California's Marketplace.

In Santa Clara County, it is estimated that 90,000 uninsured residents are eligible for Covered California with monthly premium payment assistance (or federal subsidy). In order to qualify for coverage, individuals and families must have an income range between 138 to 400% FPL. SCVHHS is a certified enrollment entity designated to assist patients and clients in applying for Covered California, in addition to Medi-Cal. VHP has a goal of enrolling 5,000 members in Covered California in FY 2014.

SCVHHS seeks to leverage its unique position as a health care provider and insurer with a long history of providing high quality medical care to residents of the county. By capitalizing on VHP's participation in Covered California, SCVHHS can significantly increase the number of insured patients served and bolster the County's critical safety net

for its neediest residents. VHP's participation in Covered California is part of the mission and vision for the Health and Hospital System to plan for the needs of a dynamic community, provide quality and efficiency of health care services and promote a healthy, safe and prosperous community for all.

Focus on Children's Health

For several years, an important goal for the County has been to ensure that all children living here have health care coverage. Although the recession slowed the progress toward this goal, the passage of Measure A made it possible to reaffirm the County's commitment. In October, an additional $3 million from Measure A was authorized for Healthy Kids premiums. The County also raised the eligibility criteria to 400% of the federal poverty line for a family of four. Both of these actions represent an investment in the future health of children and families in this county. This investment will go a long way toward the goal of 100% healthcare coverage for kids.

In 2013, the County set a goal of having all children, birth through age five, routinely screened for developmental delays at pediatric clinics and practices throughout Santa Clara County. Currently, universal developmental screenings are being implemented at the Bascom and Gardner Clinics, with plans for future expansion.

REVENUE CYCLE INITIATIVES

Uninsured Patient Conversion

The Santa Clara Valley Medical Center (SCVMC) has a long-standing tradition of providing care to all county residents regardless of ability to pay. As more residents gain health coverage under national health care reform, SCVMC has made a priority of screening uninsured patients and assisting them in applying for coverage. The inpatient self-pay conversion program moves this population to a funded payment source (such as Medi-Cal) which provides more dependable and comprehensive coverage for patients and better reimbursement for the County.

The uninsured patient conversion program starts with screenings of uninsured inpatients while they are in-house at Santa Clara Valley Medical Center. If patients have no active medical insurance coverage on the date of service, staff then works with patients to initiate the Medi-Cal or Covered California application process. In some cases, coverage can be validated quickly; in others, the process may require significant follow up.

Historically, SCVMC's screening rate for uninsured inpatients prior to discharge has hovered around 60%. After implementing the conversion program, SCVMC has seen a dramatic improvement in rates to between 80% and 93%, during late 2013. Based on this increase, the current projection is that the payer mix will shift $2 million in bills from uninsured to Medi-Cal in 2014.

Reduction in Insurance Denials

One of the greatest areas of opportunity for Santa Clara Valley Medical Center is the reduction in denial of payments by insurance companies. Historically, SCVMC has averaged a final determination denial rate equal to 6% of Net Patient Service Revenue (NPSR). This totals approximately $48 million in denials per year. While a certain volume of denials is inevitable, the rate is far above health care industry best practice of 1% NPSR.

In 2013, SCVMC set a goal to reduce denials by insurance companies through a root cause analysis approach where systemic denial categories were identified. SCVMC engaged the appropriate departments responsible for these denials to correct the deficiencies, identifying 94% of denials as belonging to three general categories: Registration, Claims and Clinical Documentation/Coding.

Registration denials (49% of total denials) are typically for reasons such as non-covered service, lack of authorization, incorrect coverage on date of service, benefits exhausted, or coordination of benefits. SCVMC has worked with various registration areas to standardize the intake process throughout the organization. Also, the installation of Health-Link combined with a significant amount of retraining has helped steer the process in the right direction.

Claim denials (27% of total) are typically for duplicate submissions, medical record requests and lack of follow up. By restructuring the Denial Management Unit and integrating it into specific insurance billing units, SCVMC has improved feedback and communication between the various units and reduced turnaround time with denial appeals. SCVMC also installed new follow up work queues as part of the HealthLink installation, which improves response time to insurance requests for information.

Clinical Documentation and Coding denials (18% of total) are commonly caused by additional information needed from clinical departments or incorrect coding. With the recent implementation of a Clinical Documentation Improvement (CDI) program in the Health Information Management area, SCVMC plans to better educate clinicians regarding appropriate documentation in the health record. SCVMC is hiring staff to perform this function and should be in full operation during the first half of 2014.

With these initiatives, SCVMC has seen the denial rate drop to 4% of NPSR. Annually, this has an impact of $9.6 million in fewer insurance payment retractions. The ultimate goal is to lower this rate to 1%.

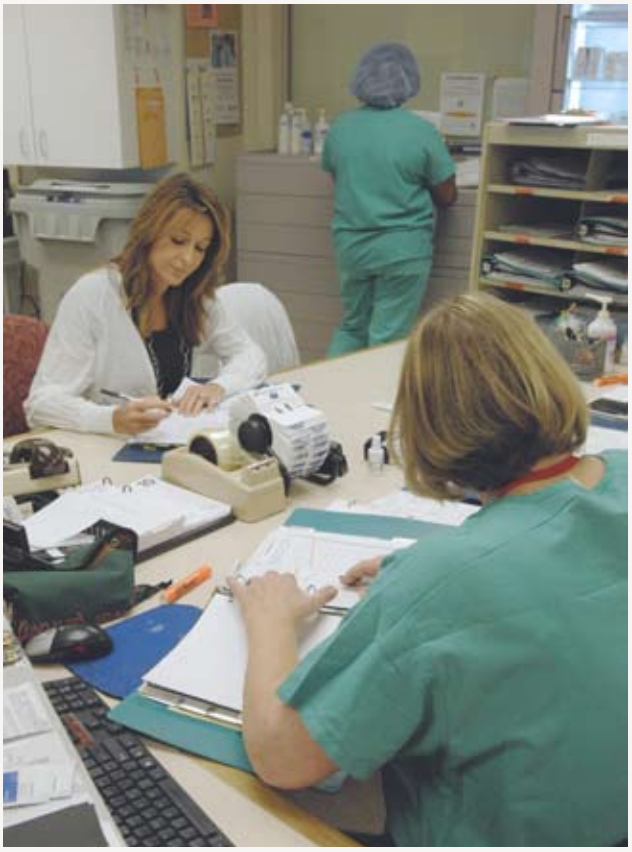
HealthLink

As part of the federal health care reform, health care organizations across the nation are implementing electronic health record (EHR) systems. In 2013, as part of this mandate, Santa Clara Valley Health and Hospital System (SCVHHS) rolled out HealthLink - its integrated electronic health record system.

HealthLink, an initiative that began nearly two years ago, is a new clinical and financial system. Patients have a single electronic health record that has all of their information, including medical history, health insurance, current medications, allergies and more. This important health care technology helps those involved in a patient's care deliver even better, safer care and an enhanced overall patient experience.

More specifically, HealthLink provides:

- a one-time collection of a patient's/client's financial and clinical information
- a more complete patient medical history
- timely access to test results
- improved patient care through use of medical best practices
- streamlined appointment scheduling from the hospital to the clinic
- more efficient billing and collection processes
- improved patient/client safety through system features, such as drug interaction alerts.



The first major HealthLink milestone took place in May 2013, when the hospital, outpatient departments and two clinics went live with the new system. In August, nearly 70 departments began using HealthLink. And, in mid-October, the remaining 90 departments completed the HealthLink 2013 rollout.

The benefits of HealthLink have already started to emerge. A few examples of how HealthLink is enhancing the care experience – not only for patients, but for physicians, nurses and other staff, include: efficient registration process; standardization and consistency of electronic documentation; immediate access to critical inpatient and outpatient information; improved efficiency from reduced redundant work; more efficient reviewing of lab and X-ray results; and patient access to the secure MyHealth Online tool to easily view medications, test results and allergies, as well as schedule/request an appointment with doctors.

SCVHHS will continue to evolve HealthLink in 2014 by adding an oncology module and conducting an extensive software upgrade that will provide staff many new features and functionality to help them deliver an even better patient care experience.

While it has been a monumental change for the organization, HealthLink supports SCVHHS' focus on improving the health and well-being of those in the community and enables the organization to achieve its vision of "Better Health for All."

ADDRESSING PUBLIC HEALTH CONCERNS

LGBTQ Health Assessment

In August 2013, the Public Health Department launched a health study of the diverse Lesbian, Gay, Bisexual, Transgender, And Queer (LGBTQ) community in Santa Clara County. LGBTQ adults represent an estimated 4% of the adult population in the county, or more than 50,000 people. Despite the size of the population and its unique needs, information on the health status and related social experiences of LGBTQ residents is scarce, making it difficult for County leaders to shape policy or allocate funding to improve LGBTQ health and well-being.

Under the leadership of key stakeholders, including the Board of Supervisors, the Health Trust, and 27 representatives from the LGBTQ community, the study explored the following broad areas: General Health, Sexual Health, Social and Self-Acceptance, Mental Health and Domestic Violence. These topics were assessed through a paper-based and online survey for both adults and youth, community conversations with members of each subpopulation, and interviews with key members of the community who could provide expert opinions and perspectives. A total of 1,175 surveys were completed.

Over 35 key individuals representing a cross-section of the LGBTQ community were interviewed, and provided insight into the following areas: community cohesion, discrimination and acceptance, including safety/violence and mistreatment when receiving professional services, mental health/substance use, transgender discrimination and health access, and youth.

The LGBTQ steering committee reviewed and analyzed the data, ranked 47 Health Priorities, and then narrowed it down to 12 priority health areas. At a community health forum in November, more than 60 participants reviewed the 12 priority areas and discussed strategies for improving health.

The final LGBTQ Health Assessment Report, *Status of LGBTQ Health: Santa Clara County 2013*, was released in December 2013. This groundbreaking report includes findings on health needs, community resources, and recommendations for addressing LGBTQ health concerns.

Water to Go Initiative

An innovative regional partnership launched its "Water to Go" program in 2013, with the goal of increasing access to fresh, clean drinking water through the placement of water bottle filling stations at schools and public gathering places across Santa Clara County.

The partnership between the Santa Clara County Public Health Department, FIRST 5 Santa Clara County, and the Santa Clara Valley Water District plans to install 100 "Water to Go" stations over the next three years.

By making water more accessible to children and families, it is easier for water to become the 'beverage of choice', instead of turning to sugar-sweetened beverages. Water to Go is part of the Public Health Department's healthy eating and obesity prevention strategy, and builds on the department's past educational effort, Re-Think Your Drink, which created awareness about the health benefits of increasing water consumption and decreasing sugar-sweetened beverage consumption. Water consumption is associated with lower sugar-sweetened beverage consumption and lower obesity risk. According to a study conducted by UCLA Center for Health Policy Research, in Santa Clara County, in 2011-2012, 53% of adolescents reported drinking at least one soda or other sugar-sweetened beverage per day. Approximately one-third of Santa Clara County's youth are overweight or obese.

UNIFYING TWO DEPARTMENTS TO CREATE AN INTEGRATED BEHAVIORAL HEALTH SERVICE SYSTEM

Planning for Integration

The County is creating a new Department of Behavioral Health Services (DBHS) within the Santa Clara Valley Health and Hospital System (SCVHHS). This process began more than one year ago and represents a major change for the two organizations - the Mental Health Department (MHD) and the Department of Alcohol and Drug Services (DADS). It is a change that will yield more coordinated care for patients.

A broad range of internal and external stakeholders have participated in the complex planning process, guided by a steering committee and supported by a group of executive and division directors, the senior leaders from both departments.

The plan for the Integrated Behavioral Health Service System is built on research that shows that when patients of health care systems have access to a continuum of primary care-based behavioral health services, in addition to an array of specialty recovery-oriented services and supports, health outcomes are improved, mental health/substance abuse disorder (MH/SUD) recovery is enhanced, clients are more engaged in and satisfied with care, and costs are lower. When this continuum of supports is further anchored in a health care system that offers public health strategies which promote healthy communities, healthy lifestyles, and access to robust preventative care across the lifespan, the promise of "Better Health for All" is more likely to be realized.

This move toward an integrated system is also consistent with the direction called for the by the Affordable Care Act (ACA). Behavioral health is to have a role in assisting in the management and control of chronic health conditions such as diabetes and heart disease. Within Santa Clara County between 20% and 40% of patients with serious mental illness or substance use disorders are seen exclusively by their primary health physician and are rarely referred or treated for the behavioral health condition. There is evidence that recovery from a chronic health condition is often inked to the behavioral health support provided to the patient. Research has shown that depression and substance abuse can lead to a complicating factor in the treatment of other physical diseases, exacerbating or causing those conditions to worsen.

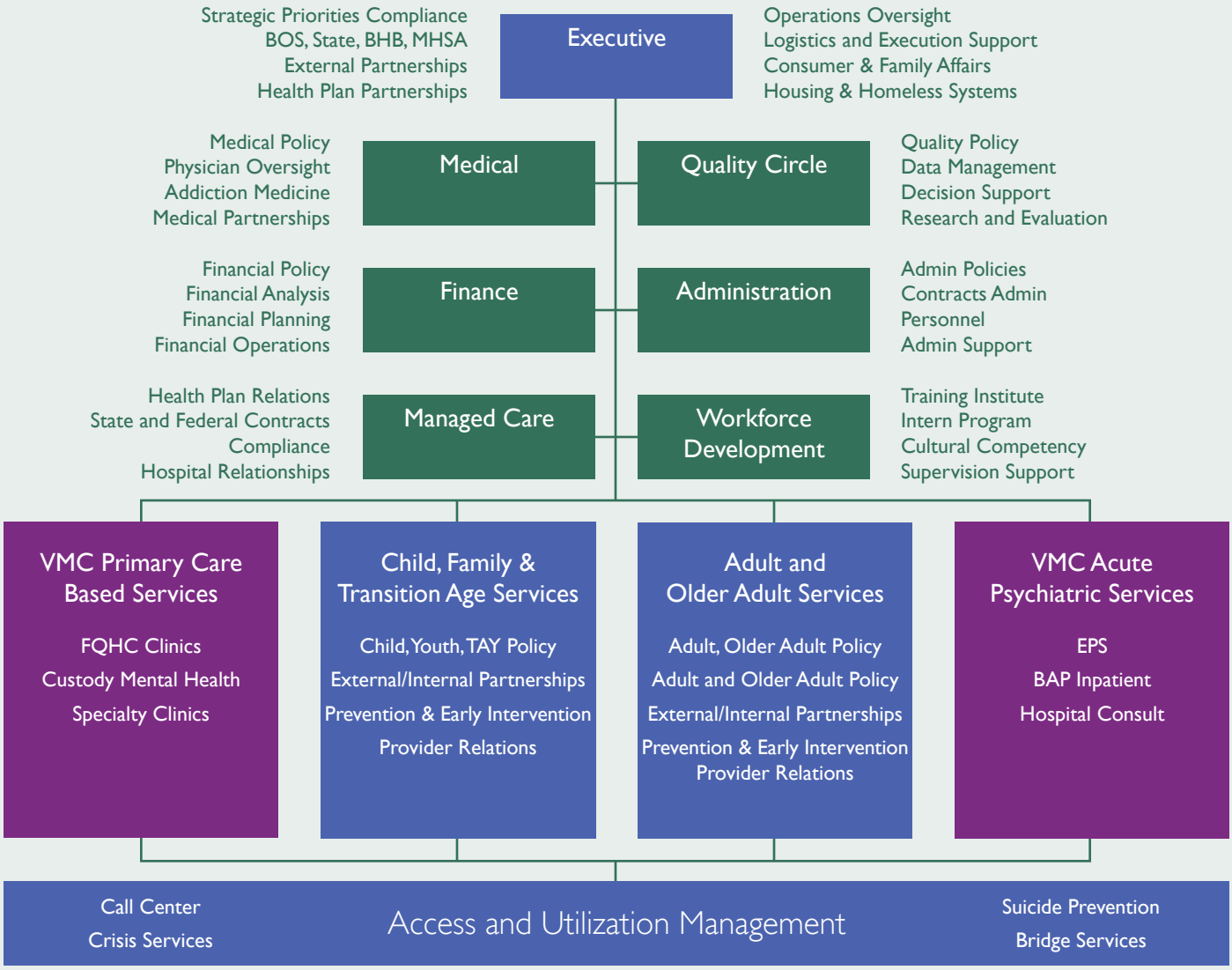
Studies have shown that better care often costs less, because coordinated care helps to ensure that the patient receives the right care at the right time, with the goal of avoiding unnecessary duplication of services and preventing medical errors.

This year of planning for the integration has resulted in a system that is organized primarily around developmentally aligned continuums of services. At the same time, there are key system components that are physically located in Santa Clara Valley Medical Center (SCVMC) Emergency Psychiatric Services and Barbara Arons Pavilion adult inpatient psychiatric unit. These key services are administered through SCVMC. Further, there are services that are provided through SCVMC ambulatory clinics (psychiatric care and non-psychiatric clinical care) and are currently managed by MHD and DADS managers. These organizational structures have been utilized to maximize SCVHHS departmental resources on behalf of clients and the services they need.

More Patients to Benefit

In the past, due to funding constraints, only patients with significant mental health disorders meeting specialty mental health medical necessity criteria were able to receive services. This led to significant concerns from the public and primary care providers who need access to behavioral health services for patients in the "mild to moderate" range. With this new initiative, which started in FY 2009, primary care patients who have minor to moderate behavioral health conditions are screened for the presence of mental health conditions by their primary care physicians. They are seamlessly referred to behavioral health clinicians and psychiatrists embedded in these clinics to receive timely behavioral health care.

In 2009, SCVHHS ran a pilot program with 1,600 patients in three primary care clinics receiving behavioral health services. Over the last four years, the program has grown to providing behavioral health services to over 6,000 patients in seven primary care clinics and two satellite clinics, generating over 30,000 visits annually. Given the significant role of stigma of receiving behavioral health services in all communities, and especially in limited English speaking minority communities, as well as the changing demographics of Santa Clara County, this initiative has created and will continue



to create a significant impact regarding access and quality behavioral health services for the underserved populations. Data from the past four years has shown at least a 200% increase in the number of patients of African American, Asian American/Pacific Islander, Hispanic, Native American, and Anglo communities. Psychiatrists, behavioral health clinicians, and licensed clinical social workers are multilingual and provide services in English, Spanish, Vietnamese, Mandarin, Cantonese, Russian, Tagalog, Bosnian, Farsi, Hindi, Tamil and for those who are deaf or hard of hearing.

The goals behind the drive to integrate behavioral health in primary care include:

- Increasing ability of primary care clinics to screen for depression, bipolar, substance use, and suicide risks;
- Increasing capacity of primary care clinics to provide proactive follow up and management of patients identified with depression in primary care;
- Increasing the provision of psychiatry training and clinical support for primary care, to support a more comprehensive stepped care model, from primary care, to ambulatory psychiatric care, to specialty psychiatric care;
- Establishing processes for ongoing communication regarding collaborative care between primary care and behavioral health;
- Establishing a more seamless mechanism for medical management of patients at risk of metabolic syndrome; and
- Increasing capacity of both primary care and behavioral health to document and track care processes and performance.

As a result of the psychiatrists and behavioral health clinicians working across several settings at SCVHHS, including Santa Clara Valley Medical Center ambulatory care clinics and specialty mental health clinics, outcomes have included improved access and matching of services to the needs of the patients, use of an appropriate stepped care methodology, increased quality of care through medication reconciliations and reduced costs of health care with increased coordination of care. Behavioral health services are provided in settings that are more familiar to patients of all ethnic backgrounds, more convenient and less stigmatizing. The new Integrated Behavioral Health Service System will be fully implemented during 2014 and 2015.

HOUSING, LAND USE, ENVIRONMENT & TRANS-PORTATION

FIELD WORKERS TRAINED IN PESTICIDE SAFETY

Training Presented in Multiple Languages

In 2010, the California Department of Pesticide Regulations, Worker Health and Safety Branch, (WHS) identified 1,114 cases of potential health effects of pesticide exposure in California; 139 of those cases were reported on fieldworkers and 51% of the total cases provided evidence of violations of safety requirements.

In a collaborative effort with the county's growers and Farm Bureau, the Santa Clara County Division of Agriculture offered in 2013, for the first time, a fieldworker pesticide safety training session in Spanish. Over 80 Spanish-speaking fieldworkers participated and were issued training verification cards known as "blue cards." Regulatory personnel and employers may accept these blue cards as verification that the fieldworkers have received pesticide safety training. In addition, also for the first time, a similar fieldworker pesticide safety training session was provided in Cantonese to reach out to local Chinese growers and fieldworkers. The plan is to make fieldworker pesticide safety trainings in Spanish and Cantonese annual events.

Increased Pest Detection

Santa Clara County is known as a "Gateway" county for the introduction of new invasive pests. This is due to a large population of worldwide travelers and the many pathways of possible introduction of pests within the county, including an international airport and a United States Post Office regional distribution center.

Every year, despite inspection efforts, agriculture biologists detect new invasive exotic species within the county. In 2013, a total of nine separate detections of non-native, fruit destroying, fly species were found. Two of these sites were determined to have small populations started and resulted in eradication efforts. Additional traps specific to these insects were deployed. Pheromone bait station applications designed to attract and kill the male flies were made, and no subsequent flies have been detected.

VECTOR CONTROL

The Santa Clara County Vector Control District's mission is to detect and minimize vector-borne diseases, to abate mosquitoes, and to assist the public in resolving problems with rodents, wildlife, and insects of medical significance. The District serves the public throughout the municipal and unincorporated areas of Santa Clara County. In response to public concerns and new regulatory requirements, the District has joined coalitions with other agencies to realize significant cost savings in funding mandated field research, and the production of a Program Environmental Impact Report.

The Local Agency Formation Commission recently found the District to be a well-run, professional organization, and

recommended continuance of District operations. Over 4,000 service requests are addressed each year. The bulk of these result in an on-site evaluation by a trained, certified technician. The District has maintained an overall (86%) customer service rating of good or excellent. The District uses a variety of outlets to assist and educate the public. Tools include a dedicated advertising budget, social/web media and the release of a new mobile application in 2013.

West Nile Virus on the Rise

WNV and invasive species issues underscore the ever changing challenges facing the District. Due to increased worldwide travel and commerce, and perhaps to climate change as well, there are a number of potential mosquito-borne diseases which have a chance of arriving locally. The rapid spread of West Nile Virus (WNV) across the continent, beginning in 1999, substantiates the need for effective programs to address WNV and other potential invaders such as dengue fever, and chickungunya and Japanese encephalitis viruses. The District conducts surveillance activities to detect invasive mosquitoes such as the Asian Tiger Mosquito (ATM) and Yellow Fever Mosquito (YFM), both of which can introduce serious vector-borne illnesses. ATM has twice been eradicated locally, and is now detected in southern California. In 2013, YFM was discovered in San Mateo County just north of Palo Alto.

It was initially thought that WNV intensity had declined since the early "hot" years, and would remain at relatively low levels. This has not been the case; the virus has proven to be unpredictable, with wide variations from year to year. Unexpectedly, 2013 developed into the third worst season ever, with two human cases and 13 fogging operations (prior record was five).

The District protects the public by reducing or eliminating mosquito breeding sources and controlling mosquito populations where they are found. In 2002, the District began to develop and implement protocols that enhanced and expanded efforts for larval control, surveillance, technology and public education. One of the most dramatic changes in urban mosquito control has been the Aerial Backyard Pool Surveillance Program, a response to the property neglect caused by the foreclosure crisis. This operation increased the detection of neglected swimming pools 25-fold. Since 2007, aerial surveillance has detected over 4,000 of these pools.

TOWARD SUSTAINABLE LIVING

Bay Regional Energy Network (BayREN) Community Energy Efficiency Program

Based upon the innovative and effective programs designed and implemented by local governments under the federal American Reinvestment and Recovery Act (ARRA), the County of Santa Clara joined a small group of key local governments statewide in a successful proposal to the California Public Utilities Commission (CPUC) for recognition and funding of local government Regional Energy Networks. Regional Energy Networks are the first non-Utility energy program administrators authorized by the CPUC.

The BayREN Community Energy Efficiency Program supports community projects that reach residential, commercial, and multifamily energy users, as well as other governmental agencies and districts. It also offers programs specifically tailored to moderate-income households, hard-to-reach consumer sectors, and underserved communities. The BayREN Program contributes to reduced costs of government, and provides home and property owners with rebates, incentives and credit enhancements to the public that do not impact local government budgets.

These programs not only promote energy efficiency and conservation as directed under the State's Long Term Energy Efficiency Strategic Plan, but they simultaneously generate reductions in greenhouse gas emissions, as mandated by AB 32, the California Global Warming Solutions Act.

As an architect of the REN model, the County also serves as the BayREN's nine-county regional lead for Single Family, Energy Financing, and Marketing, Education and Outreach Programs. Among the key objectives of the program are to sustain and generate local employment in energy upgrades, deliver on a "green employment" business model, and provide economic stimulus through clean industries that offer multiple local social and environment benefits.

The County most recently received the Silicon Valley Leadership Group's Red Tape to Red Carpet Award for Green Business Programming, in recognition of its integrated energy programs. Previously, the County's Energy Efficiency Community Program received a series of state and national awards and grants for innovative design and marketing of public energy programs.

Silicon Valley 2.0 – A Regional Climate Adaptation Plan and Decision-Support Tool

Climate mitigation is a near-term strategy for reducing greenhouse gas emissions through controllable measures. Climate adaptation is long-term planning for climate resiliency against the impacts and effects that cannot be avoided. Anticipating the State's emerging focus on climate adaptation, in 2012 the County's Office of Sustainability submitted a successful proposal under the Strategic

Growth Council's Sustainable Communities Grant Program to develop a regional climate adaptation protocol and supporting mechanisms. Silicon Valley 2.0 responds to directives under the State's Global Warming Solutions Act of 2006.

Silicon Valley 2.0 maps the values of intersecting objectives to inform strategies for: natural resource conservation; reduced GHG emissions; infill development; risk mitigation for infrastructure; diversified mobility; economic growth and resilience; energy efficiency, greater ecosystem goods and services from open space, habitat, agricultural lands, and forests; and their impacts on public health. Its regional approach ensures effective long-term planning on a collaborative basis, and the accounting mechanisms will assure informed decision-making in the commitment of the human, fiscal, natural and constructed capital necessary for sustainable communities

Silicon Valley 2.0 has completed impact and vulnerability forecasts and studies on potential regional climate effects including sea level rise, riverine conditions, increased extreme weather events, precipitation patterns, and fire hazards. The project has recruited municipalities, key infrastructure agencies for energy, water and transportation, non-profits, academia, the private sector, and other regional stakeholders to develop an integrated suite of preemptive measures and strategies to climate-proof the region. A Technical Advisory Committee of key experts has worked with the project team to develop a decision-support tool that projects benefit/cost ratios for these strategies and measures, in order to enhance the body of knowledge elected officials and other authorities may reference in making long-term investments in resiliency. The Plan and Decision-Support Tool will be the focus of a workshop for local governments in the spring of 2014 and a subsequent public forum in the summer.

This program not only embraces change, but seeks to prepare the region to remain socially vibrant, economically progressive, and environmentally secure over the long term. It also fosters extensive internal and community networking, the challenge of serving future customers and clients through contemporary planning, knowledge and information-sharing on a broad internal and community-scale, and builds the ability of the County to serve the public and private-sector constituents with increased skills and tools. Through successful grant-making, the County is also able to provide unique services and benefits to the community at a net-zero increase to the cost of government. Further, the strategies, plans and tools developed under Silicon Valley 2.0 can be modified and duplicated across the state.

Plug in Electric Vehicle Charging Stations

At year end, the Board of Supervisors adopted an ordinance requiring that new buildings in unincorporated Santa Clara County be installed with pre-wiring necessary to install plug in electric vehicle (PEV) charging systems. This ordinance requires that conduit be installed between an electrical panel and the parking area and that the electrical panel be evaluated to ensure there is sufficient electrical load to support the future installation of a plug in electric vehicle charging system during initial building construction. This approach provides a great cost savings for property owners who later purchase electric vehicles and want to install a charging system in their houses, eliminating the need to tear up walls to install the conduit for an electrical vehicle charging system.

The ordinance also requires that new large commercial or multi-family buildings with more than 100 new parking spaces install plug in electric vehicle charging systems for 1% of the parking spaces at the time of initial construction. This approach supports the regional need to make PEV charging systems visible and available (as part of a network) to encourage PEV ownership. It is anticipated that larger non-residential buildings (commercial, office, industrial) would have many employees or customers who would rely on the availability of electric vehicle chargers.

The availability of PEV's is growing, according to the Bay Area Climate Collaborative, and PEV use will continue to expand over the next several years. The International Energy Agency projects that PEV's will account for up to 15% of the vehicle fleet globally by 2020.

Recognizing and Encouraging Green Business Practices

The County of Santa Clara Green Business Program honored 100 businesses that were certified in Fiscal Year 2012-13. Now in its 14th year, the County's Green Business Program continues to attract environmentally-minded business owners and assist them in the process of lowering the environmental impact in their communities. This year, 100 businesses were certified, of which 47 were certified for the first time, 42 were re-certified, and 11 were recertified for the second time.

To become certified, businesses complete one of 18 industry-specific checklists. A green business specialist from the County's Integrated Waste Management Division verifies each environmental measure the business has noted on their checklist. While each business' needs are different, one thing remains the same: their commitment to environmental stewardship through green business practices.

In addition to meeting the checklist criteria and standards, the Green Business staff verifies that each business complies with all applicable state and local environmental regulations. Green Business certification is valid for three years unless a business changes location or ownership or falls out of compliance.

During re-certification, program staff looks for continued improvement in all aspects of their operations. As advances made in technology and regulations become more stringent, checklists are updated to reflect those changes, while aligning with state and local regulations and best practices.

COUNTY PARKS

Trails Expansion

The Trails Program is constructing 4.5 miles of new Bay Area Ridge Trail at Sanborn County Park. Construction will be complete in 2015. This new trail will introduce mountain biking and dogs on leash to Sanborn Park for the first time, creating a much needed link to other public lands in State Parks and Mid Peninsula Open District lands for all trail users.

The department hosted eight Bay Area Ridge Trail/REI sponsored volunteer trail work days to assist the 4-person trail crew with construction. Seventy-eight volunteers participated. A cooperative trail project with AmeriCorps to build an ADA trail segment at Sanborn County Park has been completed. In total, the department now has over 330 miles of trails.

This past spring, the Trails Program was awarded the California Trails & Greenways "Trails Development Award" for the Coyote Lake Harvey Bear Ranch County Park trail construction project. The award recognized the effort put forth by the Planning Division, Natural Resource Program and Trails Program to create a model for trail development in future trail planning/construction projects.

Striking a Balance for Peregrine Falcons

In October, following volunteer training, Summit Rock opened to the public during the Peregrine Falcon non-breeding season. Volunteer presence provides the benefit of additional security throughout the year during the evening hours when the falcons are susceptible to predators. This was the first time in over eight years that the public had legal access to visit and climb Summit Rock.

Volunteers monitor the number of people accessing the area and document Peregrine behavior. This change has opened a dialogue with climbing enthusiasts and enabled a positive environmental and educational relationship for Summit Rock visitation and use.

Healthy Trails 2013

Healthy Trails is a fun way to exercise, get fit and connect with nature while exploring Santa Clara County park trails. Participants are encouraged to walk, ride or roll through 5 of 22 trails featured in a guidebook containing maps, beautiful photos, trail tips and park information. Incentives and awards are earned for signing up and for completing the 5-trail challenge.

The Parks Department is working with many community organizations and partners to promote healthy, active lifestyles and encourage people to reap the mental, physical and emotional health benefits of getting outdoors and connecting with nature. In September 2013, Kaiser Permanente's South Bay Community Benefit Program awarded $25,000 to the Parks Department to provide health and fitness classes, resources, and opportunities and outreach efforts that promote healthy living, fight obesity and facilitate sustainable physical activity. A portion of this funding is being used to expand outreach efforts for the Healthy Trails program with existing and new community partners.

During the calendar year, County Parks staff and docents led 29 Healthy Trails public hikes. Over 19,500 people have participated in Healthy Trails since it began in October 2007. Approximately 4,500 people registered for the 3rd cycle following its June 2012 launch.

TRIPLE BUCK RANCH ADDS 490-ACRES TO MT. MADONNA

The County purchased the 490-acre Della Maggiora property in Gilroy, also known as the Triple Buck Ranch, in September. The Della Maggiora property is located on the northern boundary of and bordered on three sides by Mt. Madonna County Park. The property, a blend of

steep, chaparral-covered cliffs, grassland, oak woodland and redwood forest, contains over one half mile of Little Arthur Creek which flows through the property and provides habitat for wildlife, including steelhead.

The acquisition will enable County Parks to expand a portion of Mt. Madonna County Park to Redwood Retreat Road, and link the park to the County-owned "island" known as the 16-acre Little Arthur property which is currently separated from Mt. Madonna County Park by the Della Maggiora property. The plan for the expansion also includes a future trail linkage from the Little Arthur property to Mt. Madonna County Park.

The County of Santa Clara worked with Peninsula Open Space Trust (POST) on the purchase of the 490-acre property through a two-phased property transfer. In November 2012, POST acquired 260 acres and the County agreed to manage the property until it could acquire the remaining 230 acres from POST. The County's final purchase of the property from POST and Della Maggiora property trustee costs approximately $4 million. This land acquisition is funded through a partnership with the Peninsula Open Space Trust through Resources Legacy funding ($525,000), the County Park Charter Land Acquisition Fund ($2.7 million), and the California Coastal Conservancy ($750,000).

ANIMAL CARE AND CONTROL

Maddie's Pet Adoption Days

In June of 2013, the County of Santa Clara Animal Care and Control joined WeCare Coalition partners – City of San Jose Animal Care & Services, Silicon Valley Animal Control Authority, Palo Alto Animal Services, Humane Society of Silicon Valley, and Town Cats - on Maddie's Pet Adoption Days.

Maddie's Pet Adoption Days is America's largest free adoption event, sponsored by Maddie's Fund, a family foundation committed to creating a no-kill nation where all healthy and treatable shelter dogs and cats are guaranteed a loving home. During the event, cats and dogs in participating shelters are free to the public, and Maddie's Fund pays the shelters for every adoption. For a healthy animal, Maddie's Fund pays $500; for each healthy senior animal over seven years old or younger animals with certain medical issues, the Fund pays $1,000. The payment is doubled for a senior animal with medical conditions.

During the two-day event, 103 shelter dogs and cats were adopted from the County's San Martin Animal Shelter. The animal shelter was paid $58,500 for these adoptions and will use these funds to support the shelter's programs.

Free Microchip and Rabies Vaccination Clinics

In partnership with VIPPetCare, the County of Santa Clara Animal Care and Control held two very successful free rabies vaccination and free registered microchip clinics in San Martin. The first clinic took place in May. More than 100 animals were vaccinated and more than 70 animals received

registered microchips. The second clinic was held in September. Despite the 100 degree temperature, 65 animals were vaccinated and more than 40 animals received registered microchips.

These clinics enable people who could not normally afford rabies vaccinations or microchips a chance to obtain these services for their animals. If their animals are found running loose, animal control officers will be able to return the animal to the owner's home immediately.

PROTECTING THE ENVIRONMENT AND CONSUMERS

Onsite Wastewater Treatment System Ordinance

The Department of Environmental Health and Department of Planning collaborated in a comprehensive multi-year environmental and technical review and revised the Onsite Wastewater Treatment System Ordinance (previously called septic systems). The new ordinance, which takes effect in 2014, modernizes construction requirements and will allow the use of newer wastewater treatment technologies. The ordinance was also updated to meet new State legislative mandates (AB 885). It allows a wider range of construction design options, including "alternative" wastewater treatment technologies. It also provides more flexibility to address failing septic systems and difficult lot conditions. The ordinance finally provides consistent regulations countywide, and eliminates special restrictions for Lexington Basin and San Martin.

Battery Recycling

Through an invitation from the California Product Stewardship Council, the County Household Hazardous Waste (HHW) Program staff engaged in national discussions on primary single-use battery recycling with U.S. battery manufacturers. As a result, the HHW Program was selected as the first "Foundation Program" in the State of California and one of only six in the country to be immediately included in a battery recycling program, resulting in an annual savings of $50,000 in disposal costs.

Paint Recycling

Bolstered by the Board Resolution adopted on May 22, 2007, supporting Extended Producer Responsibility, AB 1343, chaptered into law in 2010, requires paint manufacturers to fund and implement a statewide program to collect and recycle leftover and unwanted paint. This legislation is producing $350,000 in annual savings to the County Household Hazardous Waste budget.

Body Art Ordinance

The Department of Environmental Health Body Art Program completed its update of the local Body Art Ordinance in April 2013. This year-long process involved extensive evaluation of an existing local ordinance drafted in 2006 – and a new state law passed in 2012. The new local ordinance – in conjunction with State law - is one of the most protective in the State and provides additional tools for local enforcement agencies to protect human health during body art procedures. Santa Clara County's ordinance served as a model for the new State law.

Restaurant Grading/Placarding System

The County of Santa Clara Department of Environmental Health began seeking public input on a Restaurant Grading/Placarding System that would put colored placards at restaurants and post detailed inspection results with numerical scores online. Workshops for restaurant owners were held across the county, followed by public meetings for consumers. The workshops and public meetings provided an opportunity for members of the public to learn about the system and give their input.

The goals of the Restaurant Grading/Placarding System are to help consumers make informed choices about where to dine, and provide incentives to the restaurants to do better meeting environmental health standards.

The workshops for restaurant owners were offered in five languages including English, Spanish, Chinese, Vietnamese and Korean. The Restaurant Grading/Placarding System is expected to be in place during 2014.

COUNTY ROADS IMPROVEMENTS

Drainage Channel Repair on San Tomas Expressway

With the help of a federal grant and Valley Transportation Authority funding, the County of Santa Clara began the long-awaited box culvert repair project on San Tomas Expressway. The project will repair the floors and walls of a four-mile-long San Tomas Aquino Creek concrete drainage channel during non-rainy seasons. Work is located at the center of San Tomas Expressway between Williams Road and Monroe Street in Santa Clara. The project costs approximately $10 million and is expected to be completed in three years.

The current box culvert was constructed between 1963 and 1968. Conveying storm drainage from the San Tomas Aquino Creek and Wildcat Creek watersheds, the box culvert channels the storm water runoff from most of Saratoga, Monte Sereno, and Campbell, as well as portions of Santa Clara and San Jose.

Over 10 years ago, a structure inspection uncovered deterioration. This is a serious safety concern since portions of the roadway overtop the structure. There would be the possibility of significant environmental and flooding issues, particularly at busy intersections such as Stevens Creek Boulevard and El Camino Real, where many homes and businesses are located.

In FY 2008, a $490,000 federal grant was appropriated to the County to allow the project to start with repair design and environmental clearance. In 2012, the Valley Transportation Authority allocated a total of $10 million in Surface Transportation Program funds for the project.

Traffic Signal Upgrades on Oregon Expressway

County of Santa Clara Roads & Airports Department started a construction project on Oregon Expressway between Alma Street and Highway 101. The project includes many needed road upgrades and traffic signal improvements along Oregon Expressway, including long-desired modifications to comply with Americans with Disabilities Act. It is expected that the project will be completed in early 2014.

The traffic signal reconstruction will occur at every signalized intersection along Oregon Expressway. Sidewalk, crosswalk and accessibility improvements and street repairs will take place on Oregon Expressway and adjacent streets. At completion, commuters can expect improved coordination of the lights on Oregon Expressway, safer pedestrian crossings, and wider bicycle lanes.

Total cost of the project is approximately $4.6 million with $3.2 million funded by a federal grant. The balance of the funding is from the County, City of Palo Alto, and Measure B and Prop1B. The County's Congressional representatives were instrumental in securing funding for both of these projects.

DEPARTMENT OF PLANNING & DEVELOPMENT FOCUSING ON CUSTOMER NEEDS

The Mission of the Department of Planning and Development is to protect Santa Clara County's natural resources; to ensure quality and sustainable community development and to protect the public health, safety and welfare of constituents through the application and enforcement of County of Santa Clara's Ordinance Code and land use policies. The Development Services Office ensures buildings are safe and code compliant through professional plan checking, building inspection and investigation of substandard structures. The department is embracing change and its Transformation and Modernization Project is an excellent example.

Streamlining the Development Permit Process

The Department of Planning and Development has begun its Transformation and Modernization Project, an initiative of the County's Center for Leadership and Transformation. This strategic plan is to address customer expectations, significantly reduce overall permit processing times and improve customer satisfaction.

The department's work flow process was reorganized so that it is customer focused. At the outset of the project, Planning and Development contacted over 90 permit customers and asked them to describe in their own words both the strengths and weaknesses of the department. These one-on-one customer interviews were followed by exercises with focus groups of representing agents and consultants, developers and builders, agriculturalists and Stanford University. More than 70 customers participated in the focus group exercises.

Customers asked for more understanding of their needs; unified teamwork with consistent guidance; reducing the time it takes to process permits; thorough information about the permitting and regulatory requirements at the outset; clear process, policies and codes that make sense for their projects; and timely information about project status.

After assessing the feedback from permit customers and conducting an internal assessment, the department made it a priority to implement changes in customer relationships, permit processes, information technology and leadership.

The three main goals of the project are:

- Increase customer satisfaction scores by 20%
- Decrease building permit application processing time for 80% of Stanford projects to 13 weeks in 2015 (represents 50% decrease)
- Decrease average elapsed permit processing time for all other permits by 40% in 2015.

The department created "X-Teams" that have a staff member who serves as a single point of contact for each permit applicant. That project manager works with other parts of the organization and is knowledgeable about every aspect of a particular permit application. The department also is using online plan check technology to streamline aspects of plan checking and permitting.

The Department of Planning and Development processes over 4,000 permit applications annually. The project will benefit the community by providing cost savings - reducing the average building permit processing time from seven months to three months. For Stanford University applications alone, this change is estimated to save as much as $5 million per year in project capital costs.

One of the big changes is the preliminary staff review of applications prior to submittal to get projects on the right track and to develop a processing plan and schedule with the applicant. This approach, combined with diligent management of applications throughout the process, made it possible for Planning and Development to process a threefold spike in plan checking workload on schedule.

The project also will help provide increased convenience and predictability in the permitting process. Using existing resources, the project has already fundamentally changed the permit process by assigning permit managers to monitor many major applications. Permit managers assess the customers' needs and help customers understand and navigate the process successfully. They coordinate a team-based approach to the review of the permit application and keep the customer informed of progress. The permit managers also continuously survey customer satisfaction and track progress on permit process performance measures. The goal of the project is eventually to assign a permit manager to each application.

The Transformation and Modernization Project also includes creating an online platform to manage permitting data and automate workflow. A modern, customer-centric system will be created and is expected to include online application submittal and tracking, electronic plan checking and document management, and presentation of context specific standards, codes and policies.

In the coming year, the department plans to remodel the customer service intake counter, and rearrange staff work areas. These changes will create open, team-centered work spaces for employees and more user-friendly areas for customers.

Early Notice to Neighbors

Effective and timely communications and early engagement of the community often results in projects that better harmonize with the community. Now, when a large private development project is proposed in the unincorporated areas, neighbors will get early notice. The County's new Early Notification and Outreach Policy requires the department alert nearby property owners and community groups by mailing postcards about the proposed project, installing onsite notification signs, and when the project is a major subdivision or large commercial building, holding community meetings to facilitate review and discussion of projects between an applicant and interested parties. For the major projects, applicants, Planning staff and neighbors would have a chance to meet early so that there can be an overall understanding of the development project as well as County processes and policies.

Awards

In March 2013, the Department of Planning and Development received two "Growing Smarter Together" awards from the Association of Bay Area Governments (ABAG). The first award was received by the County and Stanford University for their collaboration in creating the Green Building program at Stanford University. The Second "Growing Smarter" award was received by the County and five other local agencies together for the preparation of the Santa Clara Valley Habitat Plan. These ABAG awards recognize local agencies that have taken actions that demonstrate a significant commitment to advancing smart growth principles.

In May, 2013, the Santa Clara Valley Habitat Plan also received the "Innovation in Green Community Planning Award" from the Northern California Section of the American Planning Association (APA). Department staff applied for this award on behalf of the County and the five other agency partners that prepared the Plan. The APA award is awarded annually, and recognizes best planning practices in city and regional planning that represents significant leadership, innovation, and collaboration.

PUBLIC SAFETY & JUSTICE

GETTING GUNS OFF THE STREETS

Gun Buy Back

In 2013, the Sheriff's Office, the District Attorney's Office and the Board of Supervisors held two Gun Buy Back events for the community to put a stop to the gun violence in Santa Clara County. The intent of the events was for the public to turn in firearms anonymously in return for money, and thus, get the firearms off the streets. During the first gun buyback over 1,000 firearms were turned in, including 47 assault rifles. The first gun buy back was so successful a second one was also held. In that event, hundreds of weapons were collected, including more assault rifles. This event, referred to as the largest cash-funded gun buy back in county history, with $150,000 cash to disperse, was successful in getting the community to turn in their unwanted weapons with no questions asked. Individuals were paid up to $100 for each handgun, shotgun and rifle, and up to $200 for each assault weapon as classified in the State of California. A total of $114,000 was dispersed for 1,116 firearms. The second event, held on Unity Day, brought in 610 firearms, including 17 assault weapons and paid out $61,150.

LAW ENFORCEMENT

Cal ID Fingerprint Identification Program

The Santa Clara County Cal ID Program was transferred to the Office of the Sheriff during the spring of 2013, culminating with the physical move, re-installation, and complete implementation of all Cal ID program operations on July 1. The new Sheriff's Identification Unit (SIU), made up of the Fingerprint Identification Director and a team of fully trained and certified fingerprint identification professionals, provides fingerprint identification services for criminal investigations, through a countywide system linked to state and national fingerprint and criminal history databases.

Sustainability Projects within the County Jail at Elmwood

The Elmwood Sustainability program supported the County's focus on reducing recidivism through several new programs in 2013.

Through the Sustainable Landscaping and Plant Cultivation Program, inmates were trained and certified in a variety of plant and landscape related topics and in sustainability practices. They upgraded and maintained the landscaping at Elmwood, repaired the recycled water irrigation system, built green waste composting and vermicomposting projects, cultivated and cared for plants, and restored the greenhouses for future vegetable gardens.

Inmates were part of the Zero Waste Program planning, evaluating and measuring the materials which were hauled away as waste products. As a result of the study and subsequent implementation of inmate recycling, there was a $96,000 reduction in trash service for the County.

As part of the Natural Integrated Pest Management (IPM) approach, inmates set up a worm composting system and have active composting piles for green waste. Weeds have been mulched and inmates have installed drought resistant plants. Also, six bat houses were built in the Industries shops by inmates, and installed throughout the Elmwood facility to allow bats to act as natural pest control by eating the insects.

The nursery and horticulture projects are beautifying the grounds of Elmwood. A local nursery donated plants in need of care that Elmwood inmates are restoring to health, and then replanting on the grounds.

Male and female inmates are enrolled in three hours of classroom instruction and three hours of hands-on training for landscaping, five days a week. Within their separate facilities, the inmates work in landscaping teams to beautify the grounds, repair irrigation systems, make compost, care for the composting worms, and cultivate plants.

Richey Training Center

The Sheriff's Office transformed the former Army Reserve Property located at 155 W. Hedding Street into the new Richey Training Center. The 8.5-acre property, originally built in 1954, has a main building containing two floors with approximately 1,000 square feet of usable space. The base floor is used for defensive tactics training and can be converted and utilized during countywide disasters as a staging/meal area. There are also 10 functional classrooms and a state-of-the-art Force Options Simulator room used to train peace officers to effectively respond to unexpected confrontations. The building contains office space to accommodate the Sheriff's Office Training Unit personnel as well as pre-designated rooms to accommodate a Joint Information Center (JIC) during county emergencies and a back-up County Communications call intake and dispatch area.

The north side of the property contains two large warehouses that will house Sheriff's Office Special Emergency Response vehicles which will be response ready. There is also an open asphalt area currently being used as an Emergency Vehicle Operations Training Center (EVOC) to train first responder personnel to safely operate emergency vehicles under a variety of conditions.

In collaboration with the County Facilities and Fleet Department, this property continues to undergo restoration and improvements to accommodate the first responder training requirements.

Santa Paws House

During the 2013 holiday season, the Sheriff's Office teamed up with the Humane Society of Silicon Valley and Christmas in the Park to provide a viewing trailer where people could see and adopt animals that were in need of a home. The inmates at Elmwood Jail Industries helped by building a trailer that had three Christmas-themed rooms where the dogs and cats could play while also being on display for public adoption. The display was a success and very popular with visitors.

Community Outreach Efforts

In 2013, the Sheriff's Office implemented several new channels to communicate with the public. The addition of social media has greatly improved its relationship with the community. The Sheriff's Office is now communicating on Twitter, Facebook, Instagram and YouTube. The office has benefited greatly from interacting with the community via social media channels. Some of the successes include:

- Postings of an at-risk missing person on Facebook led to a citizen to recognizing the person and the subsequent safe return to the family.
- Use of Twitter to communicate with the media and public during critical incidents, thereby increasing the public's awareness.

• Using YouTube to send out surveillance video to identify suspects.

• Informing the public of community events when the Sheriff Office will be participating.

Social media has greatly increased the Sheriff's Office ability to communicate and interact with the community, and be more responsive to the community's needs.

Heroes Run

The first ever Heroes Run took place on November 9, 2013, at the Sheriff's Office Richey Training Center in San Jose. The Heroes Run raises money to support the pediatrics unit at Santa Clara Valley Medical Center while encouraging the public to get out and be more physically active. The Heroes Run was the perfect mix. VMC Foundation partnered with the Sheriff's Office and brought their event planning experience to help put on a great event. The run was a fun 5k (3.2 miles) for the adults followed by a kids run. Everyone was encouraged to dress up as their favorite super hero.

On the day of the race over 600 people from the community showed up to support this great cause. Several community groups hosted booths for the community to learn more about their services and the Sheriff's Office. Over $10,000 was raised for the pediatric unit at VMC. The run was so successful that planning is underway for 2014.

PUBLIC PROSECUTION

A former County Supervisor was sentenced to a year in jail for misuse of public funds. The four-month investigation by the District Attorney's Office and the Fair Political Practices Commission showed that the Supervisor's financial abuse was obscured by filing false campaign statements, or filing none at all. As part of the settlement of this case, the Supervisor immediately stepped down from office.

A local lawyer was prosecuted for embezzling more than $800,000 from a divorcing couple he was hired to help. He was sentenced to serve four years and four months in state prison followed by three years of parole supervision.

The long wait for justice for the victims of a Silicon Valley workplace massacre ended in August when an engineer was sentenced to life in prison plus 75 years for gunning down three of his employers after he was fired.

The Santa Clara County District Attorney's Office is the largest prosecutorial office north of Los Angeles, and handled more than 40,000 cases in 2013, ranging from drunk driving to murder. Two former officials of the Mexican American Community Services Agency ("MACSA") pleaded guilty to grand theft. The officials are paying back more than $170,000 in compensation for retirement funds they illegally diverted from the agency's workers.

In the largest criminal gang case in county history, the Santa Clara County Grand Jury indicted 48 members and associates of the Nuestra Familia criminal gang on a multitude of serious felonies. The gang's members and associates were indicted on 77 felonies including conspiracy and a series of gang crimes including witness intimidation, drug sales, weapons violations, attempted murder and murder.

Six members and one associate of a criminal street gang known as the Triple Ls (or Los Latinos Locos) were successfully prosecuted. Triple L gang members attacked a 19-year-old man, who died from multiple blows to the head by a baseball bat as well as more than 20 stab wounds. Evidence at trial showed that the victim was not a gang member and did nothing to provoke the attack.

The sexual assault unit successfully prosecuted a police officer for exchanging explicit photographs with a minor.

The fraud unit helped suppress scams throughout the county and brought in millions in state grant funds, saving money for the County's general fund while vigorously seeking justice for residents.

In South County, a preschool teacher was prosecuted for spiking children's sippy cups with sleeping pills.

Other Notable Activities

In non-prosecutorial efforts, the Parent Project helped hundreds of residents struggling with their children's problems with truancy, drug abuse and gang-affiliations. The District Attorney's Office also participated in graffiti clean-up art projects.

The California Rehabilitation Center in Norco, encouraged by the District Attorney's Office, donated 140 confiscated phones from inmates, to Next Door Solutions - a battered women's shelter. The charitable effort brought in thousands of dollars, funded indirectly by inmates, some of whom were behind bars for domestic violence.

The District Attorney's Office is expanding its conviction integrity efforts with the creation of a new Assistant District Attorney position to cement its focus on the ethical prosecution of cases.

ASSESSING RISK BEFORE TRIAL

The County Office of Pretrial Services (OPS) provides information to the criminal courts to aid in the detention decision-making process and to promote equitable treatment of the accused, provide protections for the community, meet statutory requirements, and reduce custody costs. In 2013, Pretrial Services focused on enhancing customer service for criminal defendants booked into county jail and those released under the department's supervision. In addition, it worked with other criminal justice stakeholders to consolidate drug testing services while reducing costs to the County. Pretrial services also expanded its efforts to track and measure performance outcomes.

Customer Service Enhancements

Pretrial Services held a three-day training on motivational interviewing for its officers, and officers are now using motivational interviewing in their day-to-day interactions with defendants. For many years, pretrial defendants have demonstrated a need for services including employment, housing, transportation, drug treatment, medical and dental. While pretrial officers attempt to assist defendants in obtaining services, it was often difficult due to lack of options for non-sentenced defendants. In early 2013, the department received permission to begin referring defendants to the County's Reentry Resource Center. At the Reentry Resource Center, pretrial defendants can now be assessed and referred directly to service providers. Pretrial officers work with the service providers to ensure defendants' needs are being met.

The Office of Pretrial Services began taking random, anonymous surveys of defendants under its supervision to receive information directly from defendants on how pretrial services were being received and to find out how they could improve services. Because defendants preferred to have their pretrial officers contact them by text message or e-mail, and not by phone or letter which was the traditional practice in the department, the department added texting and email contact options for officers. The department added electronic fee payment options in its office and on its website. Because many pretrial defendants have to take public transportation or drive long distances to the pretrial office on a weekly basis, the department is adding video conferencing capabilities so officers and defendants will have the option of conducting supervision meetings via video conferencing. These are a few ways that Pretrial Services is embracing change.

Drug Testing Consolidation

For several years the department has been an active participant in the Santa Clara County Drug Testing Task Force. Through the task force efforts, it was discovered that several County departments had existing drug testing contracts with different vendors while other departments conducted their own drug testing. In addition, several departments were using Valley Medical Center Laboratory for confirmations on positive drug tests while others were using vendor contracted laboratories, some located in other states. Based on this, the task force focused on consolidating drug testing efforts throughout the county.

As part of these consolidation efforts, the Office of Pretrial Services, which conducts its own drug testing and sends samples to VMC for confirmation, was asked to assume drug testing responsibilities for those participating in the Proposition 36 Drug Diversion Court beginning July 1, 2013. These individuals are supervised by Probation and the Court while receiving substance abuse treatment through DADS. They were previously being tested by a private contracted vendor who charged them a fee for drug testing. This fee caused a high percentage of Proposition 36 defendants to fail to appear for their scheduled drug testing. In addition, weekend testing dates for defendants were sporadic at best and when they did occur, only Saturday's were offered. No testing occurred on Sunday.

Throughout the first half of 2013, the Office of Pretrial Services worked with Probation, DADS, VMC and the Court to find ways to reduce costs to defendants, ensure they appeared for testing, provide weekend testing options and to provide drug testing results to the Court and Probation electronically. This collaboration of agencies studied historical drug testing data dating back several years and also surveyed many current Proposition 36 defendants to see how services could be improved as testing was transitioned from the private vendor to the Office of Pretrial Services. The Office of Pretrial Services also evaluated its own Drug Testing Station to ensure it had adequate staffing and resources to accommodate an additional 700 drug testing defendants, essential doubling its traditional drug testing population.

In July, the Office of Pretrial Services began testing approximately 700 Proposition 36 defendants. The defendants were no longer charged a drug testing fee and periodic Saturday and Sunday testing dates were implemented. In addition, in December 2013, the department added electronic testing results for the Court. As a result of these efforts, the rate of Proposition 36 defendants who failed to appear for random drug testing dropped 15%.

In addition, the County reduced its drug testing costs by using an already existing drug testing resource in the Office of Pretrial Services. These cost savings were passed on to the Proposition 36 defendants as they were no longer charged for each test they provided.

Outcome and Performance Measures

In late 2011, the National Institute of Corrections published a guide for pretrial agencies on what data they should be collecting and analyzing to ensure the effectiveness of programs. This guide was titled *Measuring What Matters*. During 2012, in an effort to continue its movement towards a fully data driven decision making department, the Office of Pretrial Services began the process of creating its own internal *Measuring What Matters* database. Throughout 2012, the department collaborated with other County departments and justice partners in identifying ways to access the information needed for the database and to develop a way to present the data in a user friendly format on a monthly basis. This was completed in late 2012, and the database was put into production January 2013. Since that time, the department reviews data from *Measuring What Matters* with its management team on a monthly basis. The data is used to monitor outcomes, identify trends, reallocate resources, modify and restructure procedures and monitor officer performance. This data is also shared on a monthly basis with Superior Court to show the outcomes of those individuals released by the Court.

Also, in January, the department put into production its new locally researched empirical risk assessment tool. The risk assessment tool was created after a study by the Pretrial Justice Institute in 2012. The study consisted of researching nearly 2,000 cases from Santa Clara County. A detailed statistical analysis of these cases was conducted to determine the most common risk factors in pretrial defendants. These risk factors were studied further to determine which had the biggest impact on success and failure of pretrial defendants. The new risk assessment instrument contains many multi-variant risk factors that measure the likeliness of pretrial defendants appearing for court dates without being arrested for a new offense during the court process. It assists pretrial officers in recommending to the Court who can be safely released to the community during the adjudication process, with or without supervision.

Prior to 2013, the department supervised between 1,000-1,100 pretrial defendants per day. As a result of the new risk assessment implementation in 2013, the department saw strong growth in its average daily population. From February through July, the department experienced a 35% increase in its average daily population. In July, the department eclipsed the 1,400 mark for its average daily population before experiencing a leveling off at 1,300.

Finally, towards the end of 2013, the department began work on acquiring modern electronic monitoring equipment to assist with supervision of medium risk pretrial

defendants. This equipment will include the use of alcohol monitors and GPS tracking devices. This new equipment will give the Court more options when considering release during 2014.

RIGHT TO COUNSEL

Three Strikes Reform

Immediately after the passage of The Three Strikes Reform Act (Proposition 36) in November 2012, approximately 177 inmates serving life sentences were potentially eligible for resentencing. Certain inmates sentenced to life following a conviction on a non-serious, nonviolent felony have two years to file a petition for resentencing. Through the proposition, eligible petitioners will be resentenced, and in most cases, released from custody unless the Court determines that the petitioner poses an unreasonable risk to public safety.

Because sentencing is a critical stage of a criminal prosecution, persons eligible for resentencing have a Sixth Amendment right to counsel. Inmates in state prison custody are presumed indigent, so are eligible for Public Defender services. The Public Defender Office assumed responsibility for identifying and contacting all potentially eligible inmates serving life sentences imposed by Superior Court.

The Public Defender Office, Court and the District Attorney established protocols to efficiently process potentially eligible inmates through the court system. The three agencies coordinated with the Stanford University based Three Strikes Project (the proponents of Proposition 36), and the California Public Defender Association (CPDA) to brainstorm how to identify potentially eligible inmates quickly and efficiently, how to expedite their release, and how to ensure that services critical to a successful reentry would be immediately accessible. The Public Defender Office coordinated with the Reentry Resource Center to address the inmates' reentry into the community, and to strategize how best to serve their ongoing needs.

The Public Defender Office staff identified and contacted potentially eligible inmates housed in prisons across the state; reviewed files of inmates sentenced to life in prison more than a decade ago; filed petitions for resentencing;

ordered and summarized prison, employment, medical and mental health records; mitigation experts were hired; reentry plans formulated; and where the District Attorney opposed resentencing, cases were set for hearing.

Of the 177 potentially eligible inmates, the Public Defender Office is addressing, 43 inmates have been resentenced without opposition from the District Attorney. Public Defender Office attorneys have litigated 40 contested evidentiary hearings where the District Attorney has contended that the petitioner's release would represent an unreasonable risk of danger to public safety. Of those 40, 33 petitioners have been resentenced and released and only 7 have been denied relief. Ten petitions were denied after the court determined petitioners were statutorily ineligible; 26 cases did not require litigation; and 30 cases remain set for evidentiary hearing.

Thanks to the efforts of Public Defender Office attorneys, support staff, and Reentry Resource Center staff, these newest members of the community were released with solid reentry plans in place. The Reentry Resource Center provides a vast array of services designed to promote positive outcomes and avoid recidivism, including medical care, mental health services, substance abuse treatment, job training, housing assistance and peer support.

The Public Defender Office and Reentry Resource Center are committed to making it possible for former inmates to succeed, thrive, and meaningfully contribute to the community.

Reentry Collaboration

The successful return of inmates to their communities was dependent on the limited services afforded by an overburdened state parole system, which prioritized its resources on supervising high-risk offenders over reentry services for the average former inmate. The lack of reentry services has been identified as a major contributor to the ballooning prison population and a cycle of revolving door recidivism.

In 2011, California passed the most sweeping criminal justice reform in the last 30 years. Referred to as "Realignment," this legislation returns the responsibility of supervision and rehabilitation of many former prison-eligible offenders to local communities. Santa Clara County embraced this state-level change in addressing incarceration and recidivism, and confronted the daunting task through creative ways to tap into under-utilized resources and thinking collaboratively.

The Public Defender Office works with the Collaborative to provide wraparound services to its clients, and to help other criminal justice stakeholders embrace the vision of Realignment and community-based rehabilitation. This has been accomplished in a cost-effective manner by inter-agency cooperation and tapping the under-utilized and previously uncoordinated faith institution resources.

PROTECTING THE COMMUNITY FROM FIRE HAZARDS

County Fire is an internationally accredited agency that serves 213,053 residents and 134.1 square miles of territory within the communities of Campbell, Cupertino, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Saratoga and adjacent unincorporated areas. The Santa Clara County Fire Department exists to protect the lives, property, and environment within the communities served from fires, disasters, and emergency incidents through education, prevention, and emergency response. Pictured below is the 2014 SCCGOV 101 Academy at a County Fire briefing.

Governed by the Santa Clara County Board of Supervisors, County Fire is divided into the following service divisions: Administration, Fire Prevention, Operations, Training, and Support Services. County Fire has 297 employees. Daily 24-hour emergency response staffing consists of 64 firefighters and officers operating out of 15 fire stations with 19 pieces of apparatus and 3 command vehicles. The fire suppression force is augmented by 18 trained volunteer firefighters.

Effective January 2013, County Fire transitioned out of the Morgan Hill service contract and consolidated service to the core West Valley Region.

County Fire identified several performance measures for 2013 and met or exceeded the performance standards. The overall rating for customer satisfaction was 97.9% compared to the goal of 95% or higher. The response time goal was to have the first unit arrive in under seven minutes 90% of the time. The actual experience was arriving in under seven minutes 89.4% of the time. Also, the department had an effective firefighting force on-scene in less than 15 minutes from dispatch of alarm 87.5% of the time. County Fire edged past its goal for EMS calls, by having a fire company with a minimum of one paramedic onsite in under 7 minutes at least 90.4% of the time.

SUPPORTING SUCCESSFUL REINTEGRATION INTO THE COMMUNITY

The familiar scenes in the movies of an inmate being released, after serving his time, given street clothes, the number of his parole officer, a few dollars of "gate" money, and admonished to stay out of trouble, were not too far afield of how releases happen today. Now the gate money is $250 and the ex-offender gets a bus ride to his or her home county. These releases often follow a period of "doing time" viewed as punishment for crimes committed. But what happens to a man or woman who has spent several years locked up behind bars, often without any rehabilitation, when he or she returns to the community?

Some ex-offenders have family ties. Others experience broken families unable to survive the criminal circumstance, time, and distance. Some ex-offenders have ties to the community – the same community where the offenses took place; the same neighbors, groups, gangs; the same socio-economic conditions; the same lack of education or work experience; the same inability to work through conflict in a productive manner. The difference is now they also have a criminal record, a suspiciously long period of unemployment, and few marketable skills other than "street smarts."

How does a community accommodate the return of these offenders? What can be done to support successful re-entry? Are there supportive services that might ensure that these individuals do not become a community burden? These are the questions on the minds of policy makers and law enforcement officers throughout California. Since the 2012 enactment of AB109, counties have braced for the return of ex-offenders assigned to their supervision because of overpopulation in the State prison system. In addition, Proposition 36, approved by California voters in November 2012, restored the original intent of the Three Strikes law by requiring that life sentences only be imposed for serious or violent crimes.

Reform of "Three Strikes and You're Out" Law

Proposition 36 grew out of the efforts of the Stanford Three Strikes Project in partnership with NAACP Legal Defense Fund Inc., to reform the harshest aspects of the Three Strikes law. California's "Three Strikes and You're Out" law was originally enacted in 1994, and is widely recognized as the harshest sentencing law in the United States. Over 4,000 inmates in California were serving life sentences under the law for non-violent crimes.

Stanford Three Strikes Project clients have been given life sentences for offenses including stealing one dollar in loose change from a parked car, possessing less than a gram of narcotics, and attempting to break into a soup kitchen.

Repeat offenders currently serving life sentences for non-serious, non-violent crimes can apply for new sentences, which at the discretion of a judge can be granted, if resentencing does not pose an unreasonable risk to public safety. By the summer of 2013, over 1,000 individuals have been resentenced and released under Proposition 36. To date, 109 of 132 clients eligible for resentencing represented by the Santa Clara County Public and Alternate Defender offices have been released or will be released when they have completed their reduced sentences.

Innovative Efforts to Help Returning Inmates Succeed

The County is implementing a comprehensive reintegration program, considered a model in the state, because of its system-wide integration of services aimed at reducing repetition of criminal behavior, commonly called recidivism. The plan involves the collaboration of dozens of County agencies and departments, law enforcement representatives, community based organizations and volunteers.

An essential component is the Reentry Resource Center, which has the goal of helping to build safer communities and strengthening families through successful reintegration, and reentry of formerly incarcerated individuals. With a Multi-Agency Program approach, the Center provides assessment and referral for Mental Health, Alcohol and Drug Recovery Services, Counseling, Peer Mentoring, Housing and Transitional Case Management, General Assistance, Cal Fresh Program and Food Pantry, Access to Health Coverage Program and Health Services. It also includes a Faith-Based Collaborative.

classes and placement, and counseling opportunities. The Collaborative also provides pro-social mentorship and a healthy supportive social network to help them take on the challenges and stresses of rebuilding their lives. As of June 2013, the faith-based centers have welcomed 835 visitors seeking services. Of these participants, 88% were unemployed and 46% were homeless. The service population has been 40% Latino/Hispanic, 35% African American, 19% Caucasian, 2% Native American, 2% Asian/Pacific Islander, and 2% identified as Other.

Faith Collaborative

In 2012, the Public Defender Office joined County Mental Health and the local faith community to help launch the Faith Reentry Collaborative. The collaborative is a partnership between government agencies and community organizations that address factors such as instability, poverty, and substance abuse. The Collaborative leverages the faith community's volunteer services and resources to help former inmates successfully transition back into society.

The Public Defender Office joined the Collaborative to provide guidance on the needs of recent releases and provide insight into how the Collaborative's resources could best be used. With commitment from 30 faith institutions, the Collaborative was created and available services and resources identified. An office was established at the County Reentry Center and the Collaborative launched three independent Faith Based Resource Centers as alternative locations for clients.

Services include food pantry access, housing assistance, and clothing starting on the day an inmate is released. After assisting former inmates with establishing short term stability, the Collaborative helps coordinate computer literacy and educational programs, employment preparation

In 2013, the County also implemented a rental assistance plan to address the housing needs of ex-offenders. The Reentry Housing Program seeks to address the needs of low-level offenders who have served their time and recently have been released from state prison, returning home to Santa Clara County. Under the Rental Assistance Program for those released under Prop 36, 12-15 people may receive monthly rental assistance for up to one year.

The program funds will support a full range of housing interventions and includes case management. Eligible participants may receive one of four types of assistance – Interim Assistance, One-Time Assistance to Obtain Permanent Housing, Homeless Prevention, or Temporary Tenant-Based Rental Assistance. The County considers the Rental Assistance Program as an important temporary step to enable Prop. 36 clients to become economically self-sufficient, while reducing the potential for additional homelessness and economic need-based crime.

A Clean Slate for Ex-Offenders Who Haven't Been to Prison

For people who have committed crimes that did not result in a State prison stay, the County's Re-entry Expungement Program (REP) gives them a chance for a fresh start by clearing their criminal records. A record clearance under Penal Code section 1203.4 allows the judge to set aside a conviction and dismiss the charges in the interests of justice. The dismissal is a judicial acknowledgement that a person has turned his or her life around and reformed. This recognition is a transformative event for those that have rehabilitated themselves and become productive members of society.

The REP is open to the public and will take on clients that meet certain eligibility requirements. The first is that they have not been sentenced to State prison. The second is that they either are no longer on probation, or if not sentenced to probation, it has been one year since their conviction. Since the REP program opened last September, the Public Defender Office has filed 189 petitions for expungement; 155 have been granted and 34 are pending.

FINANCE & GOVERNMENT OPERATIONS

MAJOR STRIDES FOR COUNTY FACILITIES

Downtown San Jose Health Center

The County broke ground in May 2013 for a new downtown health center that will provide San Jose residents with a state-of-the-art facility offering both primary care and urgent care services. The downtown San Jose community lost access to these medical services when San Jose Medical Center closed in 2004. The three-story, 60,000 square foot facility will be operated in partnership with Santa Clara Valley Medical Center and Gardner Family Health Network. The new downtown health center will start taking patients in early 2016.

The clinic will include an urgent care center for both adults and children, as well as pediatric, OBGYN, behavioral health, and family medicine primary care services. The health center also will include space for the County's innovative "Medical Homes" model—an integrated, patient-centric approach to healthcare that brings together interdisciplinary teams of doctors, nurses, social workers, pharmacists, mental health providers, nutritionists, and other health professionals. Santa Clara Valley Medical Center (SCVMC) has been at the forefront of a growing national movement to implement medical homes, as evidence suggests they can improve patient health, reduce the risk of hospitalization, and make more efficient use of resources. While the new health clinic is being built, the County is contracting with community partner Gardner Family Health Network to operate a temporary health center in the Mediplex Building on the site. The temporary health center is open Monday through Friday, 8:30 a.m. to 5:30 p.m. The location has plenty of parking and is easily accessible through public transportation, such as VTA.

The new downtown health center, to be located on the site of the old San Jose Medical Center, culminates nearly a decade of community support to improve health services in the downtown core of San Jose. As part of the 2008 Measure A, nearly $50 million in public funds have been allocated to construct the new facility. The project is being managed by the Facilities and Fleet Department.

Leading "Green" by Example

The County's ongoing water efficiency project identifies opportunities to use less water and implements necessary improvements, including changing turf to xeriscape, putting in low-flow toilets and most recently converting all the showers in the jails to low flow. At Elmwood Correctional Facility, water usage has decreased by 25% since 2009, a savings of 32,545 CCF (hundred cubic feet) or 24 million gallons. The County was named the 2013 winner of the Silicon Valley Water Conservation Award in the Government category for ongoing reductions, including saving 20 million gallons annually through the turf-replacement projects. The County's Green Building Policy has stringent requirements for water efficiency in new buildings, which focuses attention on reducing water usage as each new project is developed.

The County's conservation efforts do not stop there. The County's dynamic Green Business Program encourages and assists others in conserving water and truly serves as a model for the region. Since 2005, the County's Green Business Program has certified over 550 businesses and public agencies that have incorporated practices to encourage conserving resources, preventing pollution and minimizing waste, including water conservation. In 2012, certified Green Businesses saved over 11 million gallons of water in total.

County to Redevelop 55-Acre Civic Center Campus

In July 2011, the County took possession of the former City of San Jose City Hall Complex. The acquisition provided an opportunity for the County to re-evaluate the Civic Center and its relationship with the communities it serves. In early 2013, the County acquired the former Private George L. Richey U. S Army Reserve Center at San Pedro and Hedding streets for a County Regional Law Enforcement Training and First Responder Readiness Center. The recent acquisitions and the County's ownership of the majority of lands in the vicinity of the Civic Center prompted a study of the potential for development of the City Hall building, as well as the feasibility of consolidating government functions.

In December 2012, the County of Santa Clara Board of Supervisors approved an ordinance authorizing the possible lease, sale, joint development or other disposition of the 55-acre County-owned property for the purposes of public, residential, commercial, industrial, or cultural use development.

During the spring, the County began holding community meetings to inform the public and receive feedback about objectives for the future use and development of the Civic Center.

The County also issued a Request for Qualifications to the development community for the master development of the Civic Center properties. A pre-submittal conference was held and attracted 42 participants from the business communities. The County received two RFQ submittals and in December entered into an Exclusive Negotiating Agreement with Lowe Enterprises and M. Arthur Gensler, Jr., and Associates, Inc. to begin the pre-development phase of the Civic Center redevelopment project. The agreement is part of the first stage in a community-focused process for redeveloping the 55-acre Civic Center Campus.

The Civic Center redevelopment project is expected to include both public and private sector uses. The County government facilities to be developed will include operations, administration, judicial and correctional uses. The principle private sector development opportunities are in the area bounded by North First Street, West Mission Street, North San Pedro Street, and West Younger Avenue, where the County Government Center, and former San Jose City Hall are currently located.

COMMUNITY WINS WITH MEASURE A

County Wins Constitutional Challenge

In November 2012, voters in the county approved a one-eighth cent sales tax measure that is estimated to yield the County close to $500 million in revenue over a 10-year period. The ability to seek voter approval of the tax, and the subsequent decision of the voters to authorize the tax, were each challenged by the Silicon Valley Taxpayers Association (SVTA), alleging that Proposition 218 required that tax measures be placed on ballots that also included elections for seats on the governing body of the public entity pursuing the tax measure. There were no elections for members of the Board of Supervisors on the ballot of the regularly scheduled general election in November 2012 because all Board elections were resolved during the June 2012 primary election.

SVTA filed a pre-election constitutional challenge to the Board of Supervisor's decision to place the tax measure on the ballot. That issue was tried before a Superior Court Judge in August 2012, resulting in a decision upholding the County's right to place Measure A on the November 2012 ballot. The voters approved Measure A by a margin of 56% to 44%. SVTA appealed the Judge's ruling to the Sixth District Court of Appeal. County Counsel briefed and argued the case that Proposition 218 does not require that an election for a seat on the Board of Supervisors also appear on the ballot as a prerequisite for holding an election on a tax measure. The Court of Appeal ruled in favor of the County in an opinion that was certified for publication.

The California Supreme Court rejected SVTA's petition to review the Court of Appeal's decision. Consequently the published opinion of the Court of Appeal will serve as binding legal precedent on the interpretation of the California Constitution in similar election challenges, thus enabling cities, counties, and special districts throughout the state to seek voter approval of tax measure questions in all general elections. More important, this effort secures a significant revenue source for vital County services in areas affecting public health, welfare, and safety.

Measure A (2012) Funding Priorities

The County estimated that it would receive $45 million in Measure A sales tax revenues in 2014. Of that amount, based on the guiding principles and priorities established by the Board, $20 million was appropriated to maintain the current level of County services, $15,336,881 was appropriated to support a variety of projects and the remaining $9,663,119 was set aside in a reserve to support additional projects submitted by the community and County departments.

The County received 92 proposals with a value of $45.3 million. The four factors the committee considered when reviewing the proposals were:

- Projects that would have a significant impact on residents throughout Santa Clara County
- Priority of direct services over capital projects
- A balance of projects that addressed the children, seniors, the homeless and those re-entering the community from institutions in the areas of public safety, health, social services and housing; and
- Programs and services not previously funded by Measure A resources.

Seventeen organizations have been approved to receive Measure A Funds to offer services that address a range of serious challenges and needs of children, teens and seniors; issues such as human trafficking; advocacy for health care services for underserved communities; homeless veterans, reentry for people returning from prison to the community; victims of domestic violence; and other critical needs. The list of organizations and funding allocation can be viewed at http://bit.ly/Measure-A-Allocations.

HABITATS SAFE FROM ENCROACHMENT

Habitat Conservation Plan/Natural Community Conservation Plan (HCP/NCCP)

County Counsel worked closely with County Executive and County Planning and Development staff for over a decade to develop and bring to fruition a complicated HCP/NCCP requiring the concurrence of multiple local partners' legislative bodies, including the City of San Jose, the City of Morgan Hill, the City of Gilroy, the Santa Clara Valley Water District, the Santa Clara Valley Transportation Authority, and the Santa Clara Valley Open Space Authority. Achieving this goal required complex negotiations, creativity in planning and developing the HCP/NCCP. In late 2012 to early 2013, the County Board of Supervisors and the other local partners' legislative bodies finally approved the HCP/NCCP. In addition to achieving consensus on the plan, there were numerous implementation and startup issues to be resolved, including those associated with creating a Joint Powers Authority (JPA) as the governing body to oversee administration of the HCP/NCCP.

The HCP/NCCP will protect, enhance, and restore natural resources in specific areas of Santa Clara County and contribute to the recovery of endangered species. Rather than separately permitting and mitigating individual projects, the Habitat Plan evaluates natural-resource impacts and mitigation requirements comprehensively in a way that is more efficient and effective for at-risk species and their essential habitats. The HCP/NCCP was developed in association with the U.S. Fish and Wildlife Service, and the California Department of Fish and Wildlife, which will issue 50-year permits under the federal Endangered Species Act and the Natural Community Conservation Planning Act. This will allow local partners to streamline future mitigation requirements for new development and ongoing maintenance activities into one comprehensive program.

ASSESSOR IMPROVES TAXPAYER ACCESS

Using Technology to Enhance Customer Service and Office Efficiency

The Assessor's Office annually deploys new online tools and services to enhance the customer service experience and improve overall efficiency, enabling staff to focus more time and resources on valuation issues and less time on processing information. These tools benefit residential and commercial property owners, managers and operators of businesses, and agents that represent them.

In 2013 the Assessor's Office expanded several existing online tools. Santa Clara County remains the only Assessor's Office in California with an "online tool," available 24/7, enabling property owners who disagree with the assessed value printed on their notice to review the comparable sales used to determine their assessment.

In 2013, there was a 16% decline over the prior year in the number of formal assessment appeals filed. The Assessor attributes a portion of this change to the online tool, which was expanded to 339,000 property owners. Despite a sharp increase in assessed value for 136,000 property owners (some in excess of 30%), the Assessor's Office experienced a decline in customer inquiries and assess-

ment appeals. Also in 2013, 61% of all businesses filed their business property statements online with the Assessor's Office. This represents a 4% increase over the prior year. Additional features will be provided exclusively for online filers in 2014. These initiatives have resulted in high marks for exceptional customer service, according to the 88% of taxpayers who participated in a twice-a-year, brief, computer-dialed, independent survey of the Assessor's Office.

Helping the Public to Understand Assessment Increases

The San Jose Mercury News published the article in the summer of 2012, the first year that assessed values began to increase sharply. The Assessor's office worked extensively with the reporter to publish a detailed story explaining how tens of thousands of property owners were receiving an increase in assessed values beyond the normal maximum of two percent. The story was featured on the front page and was widely cited and used by Assessors throughout California.

Based on the news article and its usefulness to the profession, in 2013, the International Association of Assessing Officers (IAAO) awarded the San Jose Mercury News its coveted Journalism Award. The award is not given every year. Past recipients have included reporters with the Los Angeles Times and the New York Times.

Comprehensive Cost Accounting

The County Assessor led the initiative to implement a comprehensive cost accounting system. Information from this system is essential for achieving increased efficiency at lower costs. It results in improved customer service to property owners and public jurisdictions that depend on property tax revenue.

Comprehensive cost accounting has contributed significantly to the transformation of the Assessor's Office from an internally-focused office to a dynamic organization recognized statewide for its efficient, transparent and customer-oriented delivery of service to both property owners and public agencies, including schools that depend on property tax revenue.

The tools developed also have been used to manage limited resources. For several years until the current fiscal year, the Assessor's Office has functioned with two percent fewer employees than in 1994. Yet, during that same period, the assessment roll grew from $115 billion to $334 billion. In addition, over the past 18-years, the Assessor's Office returned, unspent, $9.1 million of its annual budget back to the County's general fund.

The cost accounting data was also invaluable in managing the impacts of the "Great Recession." During that period, assessment appeals jumped by more than 400%. The Assessor's Office utilized these tools to proactively reduce the assessment of more than 25% of all single family homes and 50% of all condominiums, reducing the assessment roll by $27 billion to reflect the declining market. The system remains a critical component in establishing a culture embracing performance measurement and management, quality customer service and fiscal accountability.

SANTA CLARA COUNTY LIBRARY DISTRICT FOCUSED ON THE FUTURE

In 2013, Santa Clara County Library District (SCCLD) focused on planning for the future as well as the continued delivery of award-winning services. Serving the unincorporated areas of Santa Clara County and the cities of Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Milpitas, Monte Sereno, Morgan Hill, and Saratoga, SCCLD offered traditional services such as story times, reference help, book clubs, along with the addition of new services such as Treehouse, which offers free online technical education classes and a Tech Tool Bar to help customers learn how to download and access free content on a variety of devices. The Library added ongoing customer satisfaction surveys in order to quickly respond to changing community needs. It was also the year that statistics demonstrated the seismic change that will be transforming public libraries in the future.

Virtual visits now equal in-library visits, each totaling 3 million visitors per year. The Library continues to house books, but it also has evolved into 24/7 centers for reading and life-long learning. Libraries provide critical support to early childhood literacy and year-round student education.

The Santa Clara County Library District, for the first time, received the prestigious 5-star rating from the Library Journal. Public libraries with annual budgets over $30 million were rated on per capita borrowing rates, visits, computer use, and program attendance, and SCCLD scored 4th in

the nation. The annual numbers behind this award tell the story of how SCCLD is embracing change:

- Borrowing: 9,717,966 items of all formats
- Computer sessions in the libraries: 717,160
- Virtual visits to website: 3,293,154
- In-person visits to libraries 3,257,842
- Virtual visits + In-person visits: 6,550,996 total visits
- Virtual searches of online subscriptions: 2.4 million

County libraries are changing their focus from books to lifelong learning. Library card holders can access free materials in all formats, including a robust selection of online services.

As the County Library District prepares for its 100th Anniversary in 2014, two major actions in 2013 laid the fiscal and operational foundation for continued success and prudent fiscal management.

Measure A (2013) Extending Library Funding Special Tax Passes

In August 2013, 82% of voters residing in the Santa Clara County Library District passed Measure A, extending the current special tax for 20 additional years. The special tax was first approved in 1994 to help replace loss of state funding. Today, the special tax accounts for 18% of the County Library District's total revenue. The overwhelmingly "Yes" vote is an affirmation of the importance and value of library services in today's high-tech world.

Opening of a New Library Services and Support Center

In November 2013, all support and services moved from a rented facility to newly renovated facility in Campbell that was purchased and is wholly owned by the District. The property at 1370 Dell Avenue was designed for efficient centralized services including receiving, materials processing, meeting space, IT, Bookmobile, virtual library services, and business offices. The building is a long-term investment that will allow the District to eliminate costly and volatile rental costs from its annual operating budget.

VETERANS SERVICES ANSWERS THE CALL

Approximately 85,000 veterans live in Santa Clara County. The Office of Veterans Services provides federal, state, and local benefits to veterans, service members and their families. In 2013, Veterans Services filed 1,016 claims to the U.S. Department of Veterans Affairs which resulted in retroactive one-time funds of $4,981,971 paid to veterans and their families in Santa Clara County. Last year the Office of Veterans Services answered over 18,000 calls, and received 3,641 office visits.

STRONG GIRLS, STRONG WOMEN LEADERSHIP

More than 200 girls and women attended the Strong Girls, Strong Women Leadership Conference for High School Girls in May 2013. The Conference was coordinated by the Office of Women's Policy and the American Association of University Women (AAUW). The Conference included a resource fair, private screening of the award-winning documentary *Miss Representation*, and workshops on media literacy, self-defense, money matters and advocacy. Girls were able to choose from four different leadership tracks. A separate track for Strong Women mothers and adult advocates for girls also was provided.

The Conference was developed in response to the Office of Women's Policy 2012 Report on the State of Women and Girls in Santa Clara County. Despite the fact that women represent half of the county's population and workforce, discrimination, inequity, lack of opportunity and education may hinder their ability to develop as leaders, advance academically and professionally, achieve full equality in society, and move to greater economic prosperity.

The Strong Girls, Strong Women Leadership Conference raises awareness about the state of women and girls in Santa Clara County. It also helps young girls to understand their value and potential for leadership. Research shows that investments of time, energy and resources to support girls' development help them succeed in school and to make healthy choices outside school.

COUNTY EMBARKS UPON NEW SOCIAL INNOVATION FINANCING MODEL BASED ON RESULTS

Among the questions government officials struggle with throughout the nation are: How can we effect real change in the circumstances and conditions that absorb taxpayers money? What can we do to get off the repetitive cycle of providing funds for costly programs and projects that meet real and urgent needs yet do not produce long-term, sustainable remedies? The County of Santa Clara is cautiously embracing a new social innovation financing model that may be the answer. Pay for Success is performance-based contracting within the social sector, where the government pays only if results are achieved.

The County began exploring the Pay for Success financing model in 2012. A feasibility analysis was conducted by Third Sector Capital Partners, an organization leading the establishment of this innovative financing model. Next, the County worked closely with community based service providers and potential funders in determining interest, concerns and ideas. In August, 2013, the Board of Supervisors allocated $75,000 from reserves, one-third of the cost, to support moving the Pay for Success project forward working with Third Sector Capital Partners to construct the deal for the Pay for Success pilot projects. The remaining two-thirds was contributed by the Silicon Valley Community Foundation and the Sobrato Foundation.

Pay for Success leverages philanthropic or investor dollars by using their revenue to pay up-front financing for service providers. The County only pays after pre-determined results are achieved and validated by an independent evaluator. Under this scenario, investors bear the risk of non-performance, not taxpayers. If a project meets its outcome goals, investors may recover their capital with moderate interest or reinvest it in the program.

This innovative financing model will be used to address two challenging issues for which the County is looking for real, sustainable solutions – acute mental health and chronic homelessness.

Supportive Housing for Chronic Homelessness

The Pay for Success program for the County's chronically homeless population targets the top 25% most costly individuals - those that have frequent interactions with law enforcement and County medical services - and proposes to provide 100 units of permanent supportive housing and supportive care over the next six years. The projected successful outcome is that this population will account for 450-600 "successful years" in housing. After the program would have been in operation for four years, the County would pay investors $20,000 for each time a participant stayed in supportive housing for 12 continuous months. The projected budget is $12 -$13 million, with largest portion ($9 million) covering cost of housing. The County's initial non-recoverable investment to leverage up-front investment will be $2 million.

Acute Mental Health Intervention

Pay for Success will target the most frequent and expensive users of the County's owned and contracted 24-hour psychiatric care facilities. The proposed intervention is intensive coordination of care from the point that a patient experiences first signs of an acute psychiatric episode through placement in a stable supportive setting and by expanding the availability of less restrictive residential options. The timeframe for this project is four to six years. Success will be measured based on both reduced use of high-cost facilities and decreased recidivism to acute care facilities.

As the Annual Report was going to press, the County received word that because of its advanced state of readiness, it had been selected to receive funding and technical support from the California Pay for Success Initiative, a joint project of Nonprofit Finance Fund and The James Irvine Foundation.

COUNTYWIDE FINANCIALS

In this section, the presentation of the financial information is retrospective and provides a different view than the one normally offered as a part of the annual budget process. It is important to note that all data presented in the section are actual expenditures and actual revenues collected. Since this is a report reviewing activities completed in fiscal year 2013, it is appropriate presentation. For that reason, budgeted figures are not included but can be accessed for future reference at www.sccgov.org/budget.

Statement of Net Position

The Statement of Net Position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the County's financial position is improving or deteriorating.

The County's assets exceeded its liabilities by $1.6 billion (net position) for the year.

There are three components of net position:

- $928.9 million or 57.8% of net position is investment in capital assets, less related debt. Capital assets (land, buildings, infrastructure, and equipment) are used to provide services to citizens; consequently, these assets are not available for future spending.

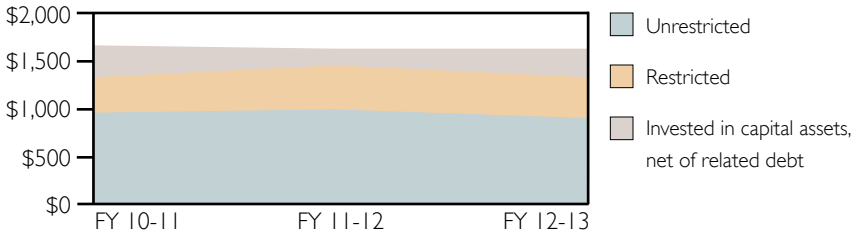
- $440.0 million or 27.4 % represents restricted net position. These resources are subject to external restrictions on how they are used.

- $237.4 million or 14.8 % is unrestricted net position. These resources may be used to meet the County's ongoing obligations to citizens and creditors.

Net Position
(In Thousands)

	Fiscal Year 2012	Fiscal Year 2013	Dollar Change	Percent Change
Current & Other Assets	2,323,050	2,905,399	582,349	25.1%
Capital Assets	1,965,512	2,132,886	167,374	8.5%
Total Assets	$4,288,562	$5,038,285	$749,723	17.5%
Deferred Outflows on Derivative Instrument	26,832	17,007	(9,825)	(36.6%)
Total Assets and Deferred Outflows on Derivative Instruments	$4,315,394	$5,055,292	$739,898	17.1%
Current & Other Liabilities	460,117	504,537	44,420	9.7%
Long-term Liabilities	2,222,904	2,912,248	689,344	31.0%
Noncurrent Derivative Instrument Liabilities	26,832	17,007	(9,825)	(36.6%)
Total Liabilities	$2,709,853	$3,433,792	$723,939	26.7%
Deferred Inflows of Resources	-	15,236	15,236	100.0%
Total Liabilities and Deferred Inflow of Resources	$2,709,853	$3,449,028	$739,175	27.3%
Net Position:				
Invested in Capital Assets, Net of Related Debt	999,051	928,872	(70,179)	(7.0%)
Restricted	429,847	440,029*	10,182	2.4%
Unrestricted	176,643	237,363*	60,720	34.4%
Total Net Position	$1,605,541	$1,606,264	$723	0.0%

Net Assets
(In Millions)



This report presents the highlights of the significant economic and financial activity of Santa Clara County for the fiscal year (FY) ended June 30, 2013. A full report of the County's financial activity is available in the *Comprehensive Annual Financial Report* (CAFR) online at http://www.sccgov.org/cafr.

The County prepares two sets of financial statements that measure its finances differently. The entity-wide financial statements provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. It provides a long-term perspective of the County's assets, liabilities, and net assets, as well as its operations. The fund financial statements provide a short-term perspective of the individual funds' assets, liabilities, and fund balance, as well as the resources flowing in and out during the fiscal year.

The County of Santa Clara financial activities are governed by a number of significant financial policies in the areas of Use of Fund Balance, Contingency Reserves, Capital Project Financing, Debt Management, and Cash Management. These policies are outlined in the CAFR.

Statement of the Change in Net Position

The Statement of The Change in Net Position provides information on how the County's net position changed during the fiscal year, regardless of the timing of related cash flows. Thus, the statement reports revenues and expenses for some items that will only result in cash flows in a future fiscal period (e.g. uncollected taxes).

The County's total revenues increased by $174.0 million or 5.3%, to $3.5 billion, while its total expenses increased by $146.6 million or 4.4%, to $3.5 billion. The County's total net position increased by $27.4 million for the year.

Change in Net Position
(In Thousands)

	Fiscal Year 2012	Fiscal Year 2013	Dollar Change	Percent Change
REVENUES:				
Program Revenues:				
Charges for Services	1,046,746	1,125,078	78,332	7.5%
Operating Grants & Contributions	1,290,888	1,340,044	49,156	3.8%
Capital Grants & Contributions	13,449	16,716	3,267	24.3%
General Revenues:				
Property Taxes	775,768	824,370	48,602	6.3%
Sales & Use Taxes	13,976	23,179	9,203	65.8%
Other Taxes	38,163	37,651	(512)	(1.3%)
Unrestricted Grants & Contributions	23,260	17,179	(6,081)	(26.1%)
Unrestricted Investment Income	22,867	8,218	(14,649)	(64.1%)
Securities Lending Activities	9	-	(9)	100.0%
Gain on Sale of Capital Assets	3,361	4,424	1,063	100.0%
Other Revenue	63,889	69,539	5,650	8.8%
Total Revenues	$3,292,376	$3,466,398	$174,022	5.3%
PROGRAM EXPENSES:				
General Government	278,128	302,106	23,978	8.6%
Public Protection	763,368	783,619	20,251	2.7%
Public Ways & Facilities	42,508	30,712	(11,796)	(27.8%)
Health & Sanitation	434,700	450,147	15,447	3.6%
Public Assistance	626,696	637,603	10,907	1.7%
Education	34,455	32,179	(2,276)	(6.6%)
Recreation & Culture	35,462	36,956	1,494	4.2%
Interest on Long-term Liabilities	37,176	45,059	7,883	21.2%
SCVMC	1,061,127	1,141,759	80,632	7.6%
Airport	3,351	3,581	230	6.9%
Sanitation District	2,086	1,954	(132)	(6.3%)
Total Expenses	$3,319,057	$3,465,675	$146,618	4.4%
Excess (Deficiency) Before Transfers	(26,681)	723	27,404	102.7%
Transfers	-	-	-	-
Increase (Decrease) in Net Assets	(26,681)	723	27,404	102.7%
Net Assets, Beginning of the Year	1,632,222	1,605,541	(26,681)	(1.6%)
Net Assets, End of the Year	1,605,541	1,606,264	723	0.05%

[1] When applicable, prior year numbers have been reclassified to make them comparable to the current year.
** In accordance with GASB guidance, the County reclassified $493.4 million of the primary government's total net position amounts from restricted to unrestricted and $466.4 million from net investment in capital assets to unrestricted.*

Capital Asset Activity

The County's net capital assets increased by $159.6 million or 8.1% to $2.13 billion. During the year, governmental activities rose by $11.3 million after the restatement of $7.7 million to record assets related to its implementation of GASB Statement No. 60 mainly due to:

• Land increased by $7.9 million as a result from the donation of the Army Reserve Center property from the Federal government that had a valuation of $12.5 million. This increase was offset by the sale of Children's Shelter land that had a book value of $5.5 million.

• Construction in progress decreased by $44.7 million as the following projects were completed in the prior fiscal year and similar projects were not undertaken in FY 2013.
- Solar Photovoltaic Project for $19.9 million
- Road improvements for $13.8 million
- Bridge rehabilitation and replacement for $7.7 million

• Infrastructure increased by $14.4 million due to the completion of some major improvements made to Roads & Airports and Parks properties.

• Buildings and improvements increased by $31.4 million. The increase was due to the completion of the following projects:
- Solar Photovoltaic Project of $19.9 million
- Upgrade at Correctional Facilities – Elmwood of $5.7 million
- Court seismic projects of $5.4 million
- Lease buildings and improvements for $10.7 million for Parks & Recreation purposes
- $11.8 million in projects completed by various departments

The increase to Building and improvements were offset by $13.3 million sale of the Children's Shelter building and $2.9 million sale of two Morgan Hill fire stations.

Capital Assets
(Net of Depreciation in Thousands)

	Fiscal Year 2012	Fiscal Year 2013	Dollar Change	Percent Change
Land	256,716	264,582	7,866	3.1%
Construction in Progress	488,852	549,379	60,527	12.4%
Infrastructure	179,999	194,420	14,421	8.0%
Building & Improvement	965,742	978,394	12,652	1.3%
Equipment & Vehicles	81,463	145,749	64,286	78.9%
Leasehold Improvements	466	362	(104)	(22.3%)
Total	$1,973,238	$2,132,886	$159,648	8.1%

Outstanding Debt
(In Thousands)

	Fiscal Year 2012	Fiscal Year 2013	Dollar Change	Percent Change
Taxable Pension Funding Bonds	412,963	416,066	3,103	0.8%
General Obligation Bonds	327,717	857,704	529,987	161.7%
Lease Revenue Bonds *(net of discount and deferred loss on refunding)*	768,320	829,724	61,404	8.0%
Capital Appreciation Bonds	139,931	148,309	8,378	6.0%
Certificates of Participation	3,758	3,575	(183)	(4.9%)
Capital Lease Obligations	323	491	168	52.0%
Total	$1,653,012	$2,255,869	$602,857	36.5%

• Equipment, Software, and Vehicles increased by $2.3 million mainly due to the purchase of 745 public safety radios and the completion of Tax Collector & Apportionment Software System.

Net capital assets for business-type activities increased by $148.4 million for the year. This increase was due to the current year addition in construction in progress by $107.6 million, which includes seismic compliance capital program of SCVMC buildings and facilities, $78.0 million additions in equipment and vehicle purchases, which includes the Core Health Care Information System Replacement, and $14.5 million additions in buildings and improvements, offset by the current year depreciation of $49.1 million and net retirements of capital assets of $2.6 million.

Outstanding Debt

On November 4, 2008, the voters of Santa Clara County approved Measure A, which authorized the County to issue general obligation bonds in the amount of $840.0 million. The bond proceeds were to be used to rebuild, improve, and seismic retrofit SCVMC and to replace closed medical facilities in downtown San Jose. The 2009 Series A was issued on May 27, 2009 in the amount of $350.0 million. The 2013 Series B was issued on March 6, 2013 in the amount of $490.0 million.

On August 8, 2012, the Santa Clara County Financing Authority (Financing Authority) issued 2012 Series A lease revenue bonds for $86.9 million. The issuance of bonds is to provide funds to finance various public capital improvements and projects relating to the Santa Clara Valley Health and Hospital System Enterprise Core Healthcare Information System, to fund the Reserve Fund relating to the 2012 Series A bonds, and to pay for the costs of issuance of the 2012 Series A bonds.

The County's long-term debt increased by $602.9 million mainly due to the issuance of the bond series mentioned above plus $8.4 million in accreted interest on Tobacco Settlement Asset - Backed bonds and $7.1 million for Taxable Pension bonds.

Total Revenues

The County's revenues increased by $174.0 million or 5.3%, to $3.5 billion. The County provides various mandated services to its residents. Revenues directly generated by or attributable to a specific governmental function are called program revenues. These include charges for services and restrictive (program specific) grants and contributions, both operating and capital. General revenues support government programs by defraying costs, which those programs cannot cover from their own revenues. The County's programs generate about 71.6% of its total revenues. The general revenues account for the remaining 28.4% of the total revenues.

Program Revenues

The County's program revenues increased by $130.8 million to $2.5 billion for the year. Federal and State grants and contributions are the largest source of County's revenues and contributed 54.7% of its total program revenues. These program resources are tied to mandated services such as social services, public assistance, health and mental health. Charges for services were 45.3% of the County's total program revenues.

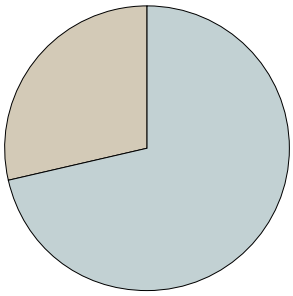
General Revenues

As stated previously, the County's general revenues support government programs by defraying costs, which those programs cannot cover from their own revenues. Tax revenues are the County's third largest revenue source - grants and contributions being the largest and charges for service being the second largest. The County earned $885.2 million in tax revenues (property tax, sales and use tax, and other taxes) for the current year. This is approximately 89.9% of the general revenues, and 25.5% of the total current year revenues. These general revenues provide the County most of its discretionary spending ability.

General Fund

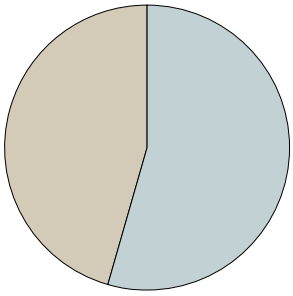
The General Fund is the chief operating fund of the County with revenues of $1.98 billion and expenditures of $1.90 billion respectively. While its revenues increased by $49.9 million or 2.6% for the year, its expenditures increased by $81.7 million or 4.5%.

County Revenues



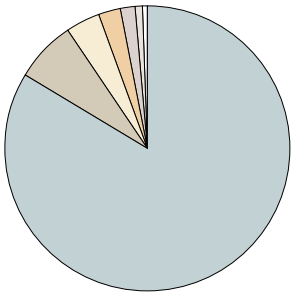
- Program Revenues - 71.6%
- General Revenues - 28.4%

Program Revenues



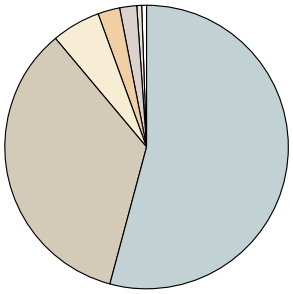
- Grants & Contributions - Federal and State - 54.7%
- Charges for Services - 45.3%

General Revenues



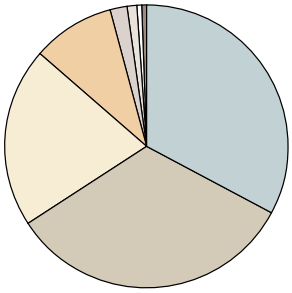
- Property Tax - 83.7%
- Other Revenues - 7.1%
- Other Taxes - 3.8%
- Sales Tax - 2.4%
- Unrestricted Grants & Contributions - 1.7%
- Investment Earning - 0.8%
- Gain on Long-term Liabilities - 0.5%
- Securities Lending - 0.0%

General Fund Revenues by Source



- Intergovernmental Revenues - 54.3%
- Taxes - 34.7%
- Charges for Services - 5.5%
- Fines, Forfeitures & Penalties - 2.7%
- Other Revenues - 1.8%
- Licenses & Permits - 0.7%
- Interest & Investment Income - 0.3%
- Securities Lending - 0.0%

General Fund Expenditures by Function



- Public Protection - 33.2%
- Public Assistance - 33.0%
- Health & Sanitation - 21.9%
- General Government - 10.4%
- Debt Service Interest & Fiscal Charges - 0.8%
- Debt Service Principal Retirement - 0.5%
- Public Ways & Facilities - 0.1%
- Capital Outlay - 0.1%

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COUNTY OF SANTA CLARA ANNUAL REPORT: *EMBRACING CHANGE*
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COUNTY OF SANTA CLARA

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