

PROPOSED BUDGET 2009-2010 FISCAL YEAR  
SANTA BARBARA COUNTY  
OPERATING PLAN



P A T H S   T O   P E R F O R M A N C E

# Hearing Schedule

■ Hearings begin Monday, June 8, 2009

■ They continue on Wednesday, June 10 and Friday, June 12

■ Hearings start at 9 am each day

<b>Housekeeping</b>
Context
Policies
09-10 Budget Recommendation



# Budget Hearing Materials

## Contents of the Board's Budget Binder

1. Schedule
2. Budget Inquiry Forms
3. County, RDA Board Letters & Budget Resolutions
4. County Executive Officer's Presentation
5. Department Pages/Presentations (Tabs 5-28)
6. Final Budget Adjustments, Ongoing Grants, Contracts and ARRA (Tabs 29-31)

### Housekeeping

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*FY 2009 - 2010 Proposed Operating Plan and Budget*

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# Financial Context



*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Economy and Impacts

## ■ National Recession & High Unemployment

- ▶ Increase in demand for vital local government services:

- Public Safety

- Health & Public Assistance

- ▶ State Budget deficit and plummeting local revenues place these services in jeopardy

Housekeeping

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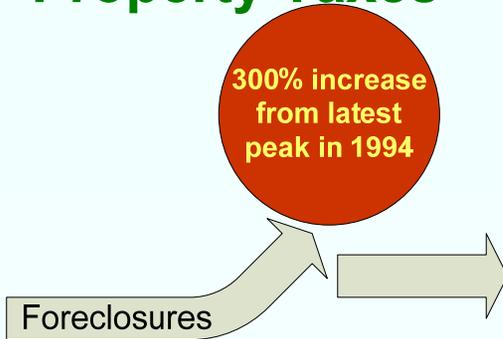
*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Revenue Trend

## Major Discretionary Revenues to Decline through FY 2009-2010

### Property Taxes

300% increase from latest peak in 1994



Median Home Price  
52% decrease from 2007 to 2008  
Down to \$387K

Supplemental & Documentary Transfer Taxes down based on lower value and low sales.

### Sales Tax

Sales Tax  
Expected Continuing Decline through FY 2009-2010

### TOT

Accelerating Decline in Recent Months

Housekeeping
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# Revenues Update

\$5.6M additional revenue shortfall

(known *at this time*)

■ FY 2008-09:

\$2.4M GAP

■ \$1.507M General Revenues

■ \$0.899M Proposition 172

Will impact Strategic Reserve

■ FY 2009-10:

\$3.2M GAP

■ \$2.002M General Revenues

■ \$1.198M Proposition 172

Housekeeping

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*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Revenue Estimates

## As of May 2009

Updated Revenue Budget Estimates  
(in Thousands)  
As of May 2009

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Category	2008-2009			2009-2010		
	Estimated Actuals	Revised Estimates	Impact	Proposed Budget	Revised Estimates	Impact
<b>General Fund</b>						
<b>Discretionary</b>						
Secured Property Tax	\$ 110,812	\$ 111,012	\$ 200	\$ 111,836	\$ 111,836	\$ -
Unsecured & Unitary	7,362	7,362	-	6,946	6,946	-
Supplemental Property Tax	4,000	3,600	(400)	3,100	2,800	(300)
Documentary Transfer Tax	2,900	2,100	(800)	2,100	1,700	(400)
Retail Sales Tax (includes FLIP)	9,461	9,461	-	9,180	8,501	(679)
Transient Occupancy Tax	6,800	6,379	(421)	6,450	5,727	(723)
Property Tax In-Lieu of VLF (Swap)	41,615	41,615	-	42,065	42,065	-
Franchise Fees	3,079	2,993	(86)	3,001	3,001	-
Interest Income	1,100	1,100	-	900	1,000	100
Other Revenues	10,325	10,325	-	10,044	10,044	-
	197,454	195,947	(1,507)	195,622	193,620	(2,002)
<b>Departmental</b>						
St Aid-Public Safety Services	27,037	26,147	(889)	26,073	24,874	(1,198)
<b>Total General Fund</b>	<b>\$ 224,491</b>	<b>\$ 222,094</b>	<b>\$ (2,396)</b>	<b>\$ 221,695</b>	<b>\$ 218,494</b>	<b>\$ (3,200)</b>



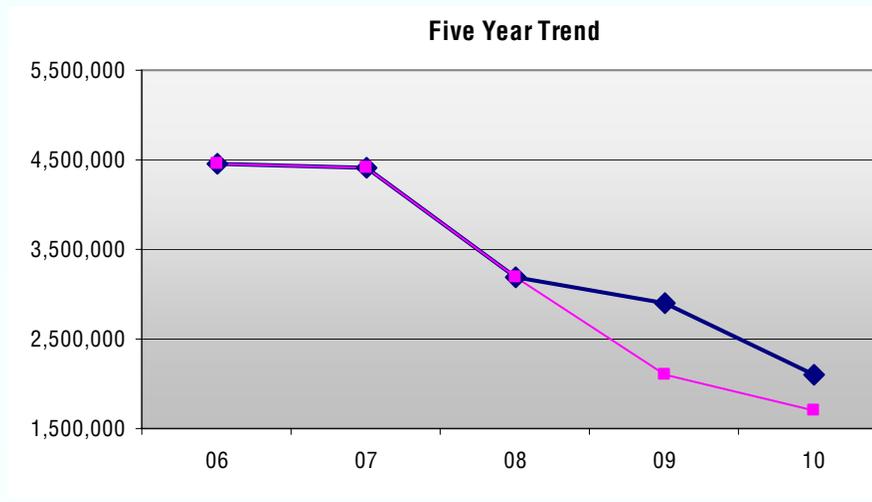
*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Property Transfer Tax Re-estimated to Decline -53.3% Over Two Fiscal Years

- Housekeeping
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**Property Transfer Tax**

Fiscal Year	Budgeted	Actual Revenues	Actual and Re-estimate	Fiscal Year Increase (Decrease)	Percent Change
2005-06	3,440,000	4,461,137	4,461,137	(549,115)	-11.0%
2006-07	3,500,000	4,414,156	4,414,156	(46,981)	-1.1%
2007-08	3,100,000	3,194,481	3,194,481	(1,219,675)	-27.6%
2008-09 (Estimated)	2,700,000	2,900,420	2,100,000	(1,094,481)	-34.3%
2009-10 (Recommended)	2,100,000		1,700,000	(400,000)	-19.0%



Fiscal Years Ending June 30



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# Property Transfer Tax Percentage Change Per Month

## Documentary Transfer Tax

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	<u>07/08 Actual</u>		<u>08/09 Actual/Est</u>		<u>09/10 Est</u>
Jul	326,075	-38%	200,696	-16%	169,100
Aug	393,740	-39%	241,577	-16%	204,000
Sep	268,821	-12%	237,410	-32%	162,500
Oct	211,140	-3%	203,989	-35%	133,300
Nov	240,132	-31%	166,568	-22%	130,600
Dec	226,840	-6%	213,066	-34%	141,200
Jan	223,114	-50%	110,743	-3%	107,200
Feb	243,659	-41%	143,796	-13%	124,400
Mar	220,382	-43%	125,115	-11%	110,900
Apr	318,842	-55%	143,085	4%	148,300
May	244,705	-42%	141,400	-12%	124,000
Jun	277,149	-38%	172,555	-16%	144,500
	<u>3,194,600</u>	-34%	<u>2,100,000</u>	-19%	<u>1,700,000</u>



# General Fund Supplemental Property Taxes

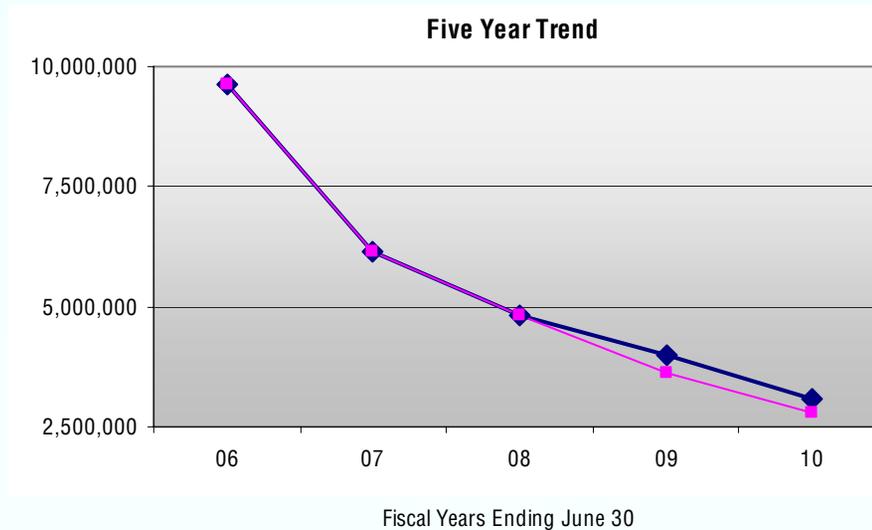
## Taxes

### Re-estimated to Decline -47.8% Over Two Fiscal Years

**General Fund Supplemental Property Taxes**

Fiscal Year	Budgeted	Actual Revenues	Actual and Re-estimate	Fiscal Year Increase (Decrease)	Percent Change
2005-06	4,448,000	9,634,070	9,634,070	2,911,857	43.3%
2006-07	5,000,000	6,159,383	6,159,383	(3,474,687)	-36.1%
2007-08	4,900,000	4,837,067	4,837,067	(1,322,316)	-21.5%
2008-09 (Estimated)	4,520,000	3,999,566	3,600,000	(1,237,067)	-25.6%
2009-10 (Recommended)	3,100,000		2,800,000	(800,000)	-22.2%

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# Supplemental Property Tax Percentage Change Per Month

## Supplemental Property Taxes

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	<u>07/08 Actual</u>		<u>08/09 Actual/Est</u>		<u>09/10 Est</u>
Jul	327,477	-43%	185,227	-14%	159,100
Aug	185,231	89%	350,870	-53%	166,300
Sep	149,348	-45%	81,575	-12%	71,600
Oct	430,238	-73%	115,562	47%	169,300
Nov	687,068	-46%	370,672	-11%	328,200
Dec	955,451	-20%	766,360	-30%	534,200
Jan	299,918	-86%	43,223	146%	106,500
Feb	190,423	15%	219,701	-42%	127,200
Mar	433,911	-73%	117,708	45%	171,100
Apr	932,638	-39%	568,023	-18%	465,600
May	265,866	-2%	260,000	-39%	159,200
Jun	580,266	-10%	521,079	-34%	341,700
Total	<u>5,437,835</u>	-34%	<u>3,600,000</u>	-22%	<u>2,800,000</u>



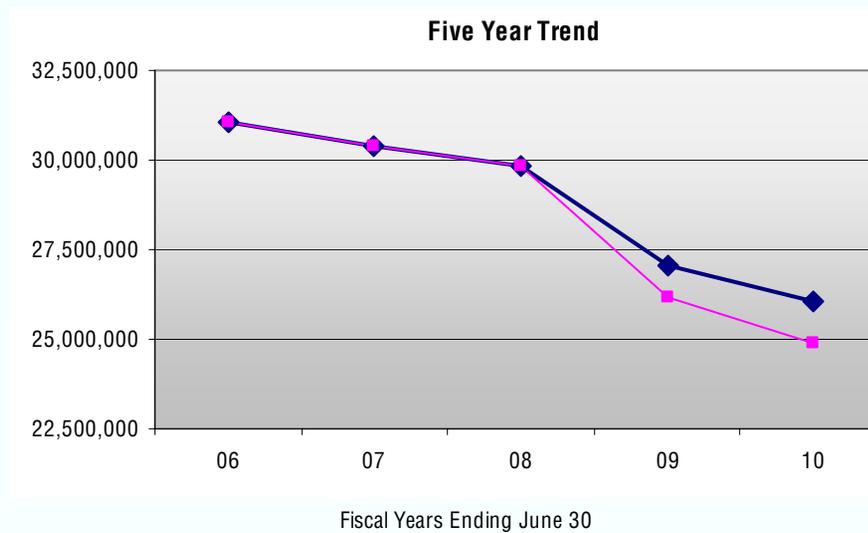
*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Prop 172 Proceeds Re-estimated to Decline -17.3% Over Two Fiscal Years

**Prop. 172 Proceeds**

Fiscal Year	Budgeted	Actual Revenues	Actual and Re-estimate	Fiscal Year Increase (Decrease)	Percent Change
2005-06	30,100,000	31,067,324	31,067,324	2,070,529	7.1%
2006-07	33,084,355	30,407,052	30,407,052	(660,272)	-2.1%
2007-08	32,676,175	29,844,240	29,844,240	(562,812)	-1.9%
2008-09(Estimated)	30,463,776	27,036,741	26,147,000	(3,697,240)	-12.4%
2009-10(Recommended)	26,072,668		24,874,000	(1,273,000)	-4.9%

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# Prop 172 Proceeds

## Percentage Change Per Month

Prop 172 Proceeds

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	<u>07/08 Actual</u>		<u>08/09 Actual/Est</u>		<u>09/10 Est</u>
Jul	2,333,687	0%	2,341,896	-17%	1,936,960
Aug	2,381,811	-5%	2,269,084	-13%	1,976,903
Sep	2,761,994	-3%	2,691,628	-15%	2,292,455
Oct	2,319,371	-13%	2,019,295	-5%	1,925,078
Nov	2,396,686	-21%	1,901,129	5%	1,989,250
Dec	3,245,607	-16%	2,735,431	-2%	2,693,853
Jan	2,077,124	-10%	1,864,339	-8%	1,724,013
Feb	2,076,156	-21%	1,636,186	5%	1,723,210
Mar	2,832,971	-17%	2,351,058	0%	2,351,366
Apr	2,300,359	-14%	1,987,643	-4%	1,909,298
May	2,832,508	-15%	2,420,179	-3%	2,350,982
Jun	2,285,966	-16%	1,929,132	4%	2,000,632
Total	<u>29,844,240</u>	-12%	<u>26,147,000</u>	-5%	<u>24,874,000</u>

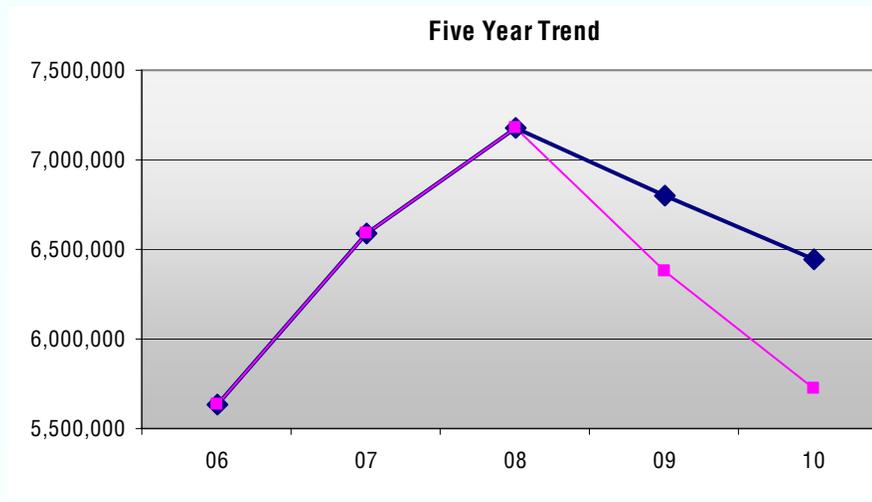


# Transient Occupancy Tax Re-estimated to Decline -21.3% Over Two Fiscal Years

- Housekeeping
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**Transient Occupancy Tax**

Fiscal Year	Budgeted	Actual Revenues	Actual and Re-estimate	Fiscal Year	
				Increase (Decrease)	Percent Change
2005-06	4,917,000	5,630,968	5,630,968	815,645	16.9%
2006-07	5,800,000	6,591,306	6,591,306	960,338	17.1%
2007-08	5,900,000	7,174,201	7,174,201	582,895	8.8%
2008-09 (Estimated)	6,426,000	6,800,417	6,379,000	(795,201)	-11.1%
2009-10 (Recommended)	6,450,000		5,727,000	(652,000)	-10.2%



Fiscal Years Ending June 30



*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Transient Occupancy Taxes Percentage Change Per Month

## Transient Occupancy Tax

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	<u>07/08 Actual</u>		<u>08/09 Actual/Est</u>		<u>09/10 Est</u>
Jul	904,645	5%	947,699	-24%	723,716
Aug	972,624	5%	1,022,309	-24%	778,099
Sep	635,913	2%	647,030	-21%	508,730
Oct	593,871	-4%	568,034	-16%	475,097
Nov	492,855	-12%	433,399	-9%	394,284
Dec	378,036	-20%	303,889	0%	302,429
Jan	354,880	-9%	322,071	-12%	283,904
Feb	414,827	-27%	304,461	9%	331,862
Mar	560,245	-34%	371,035	21%	448,196
Apr	521,006	-25%	390,754	7%	416,804
May	633,598	-25%	475,198	7%	506,878
Jun	711,701	-17%	593,121	-6%	557,001
Total	<u>7,174,201</u>	-11%	<u>6,379,000</u>	-10%	<u>5,727,000</u>



*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Retail Sales Tax

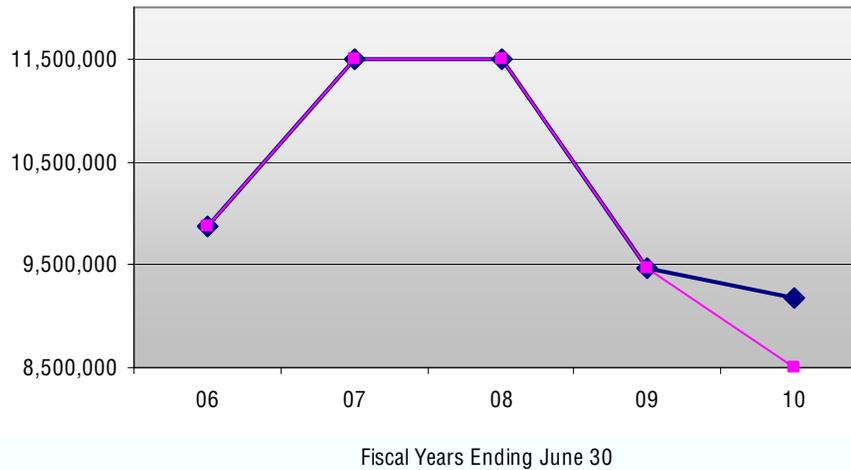
## Re-estimated to Decline -18.8% Over Two Fiscal Years

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**Retail Sales Tax**

Fiscal Year	Budgeted	Actual Revenues	Actual and Re-estimate	Fiscal Year Increase (Decrease)	Percent Change
2005-06	9,411,000	9,872,238	9,872,238	779,264	11.2%
2006-07	9,460,000	11,502,706	11,502,706	1,630,468	16.5%
2007-08	10,500,000	11,499,764	11,499,764	(2,942)	0.0%
2008-09(Estimated)	11,090,000	9,461,000	9,461,000	(2,038,764)	-17.7%
2009-10(Recommended)	9,180,000		8,501,000	(960,000)	-10.1%

**Five Year Trend**



# Retail Sales Tax

## Percentage Change Per Month

Retail Sales Tax (Including Flip)

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	<u>07/08 Actual</u>		<u>08/09 Actual/Est</u>		<u>09/10 Est</u>
Jul	744,133	-1%	736,000	-16%	617,631
Aug	744,133	-1%	736,000	-16%	617,631
Sep	992,267	-1%	981,333	-16%	823,581
True-up	205,444	-39%	126,308	35%	170,517
Oct	1,158,933	-34%	769,867	25%	961,915
Nov	1,158,933	-34%	769,867	25%	961,915
Dec	1,545,067	-34%	1,026,400	25%	1,282,405
True-up	(1,038,425)	-86%	(140,947)	512%	(861,893)
Jan	672,000	-10%	608,000	-8%	557,760
Feb	672,000	-10%	608,000	-8%	557,760
Mar	895,867	-27%	653,200	14%	743,569
True-up	174,728	38%	241,072	-40%	145,024
Apr	743,200	-19%	603,279	2%	616,856
May	743,200	-19%	603,279	2%	616,856
Jun	990,933	-19%	804,141	2%	822,475
True-up	1,097,351	-69%	335,201	-140%	(133,001)
Total	<u>11,499,764</u>	-18%	<u>9,461,000</u>	-10%	<u>8,501,000</u>



*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Revenue Estimates

## As of May 2009

Updated Revenue Budget Estimates  
(in Thousands)  
As of May 2009

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*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Revenues Update

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# State Budget Framework

- February 20, 2009 adopted 17 month budget, "closed" \$42B deficit

- ▶ \$40B = 40% of General Fund budget
- ▶ Included \$6B in proposition funding

- May 2009

- ▶ Propositions fail
- ▶ Economy continues to worsen
- ▶ Release of May Revised Budget on 5/14/09 with a \$21B budget deficit
- ▶ Governor removes proposal to borrow \$5.5B from RAWS, replaces with elimination of CalWORKs and Healthy Families and other health and human service proposals
- ▶ Deficit grows another \$3B, total of \$24B
- ▶ Budget deliberations underway

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# State Budget Framework

## Proposed Solutions (Highlights)

- ▶ Borrow Proposition 1A, Repay in 3 Years
  - Proposed 8% of 08-09 property tax: ~\$13M to General Fund + ~\$2M to Fire District
- ▶ Targeted cuts in Medi-Cal benefits and provider rates, CalWORKs benefits, child welfare services and IHSS to elimination of CalWORKs and Healthy Families programs impact Public Health, Social Services, ADMHS and clients
- ▶ Eliminate Williamson Act subvention payments: ~\$600,000 to General Fund
- ▶ Sentencing reform for low-level offenders may shift inmates to county jails
- ▶ Possible borrow of gas tax \$525k monthly (~\$6.3M/yr), borrow or suspend Prop 42 transportation monies (~\$3.5M)
- ▶ Delayed/deferred payments due to cash flow

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# Retirement Costs Past and Future

- Since FY 2003-04 costs have increased significantly between 5% and 19% each fiscal year
- From FY 2007-08 to 2008-09 the increase was \$11.8M or 18%
- For FY 2009-10 5% increase
- Significant investment losses during FY 2008-09 (potentially -30%)
- FY 2010-11 cost likely to jump by \$55M or 69% without policy changes

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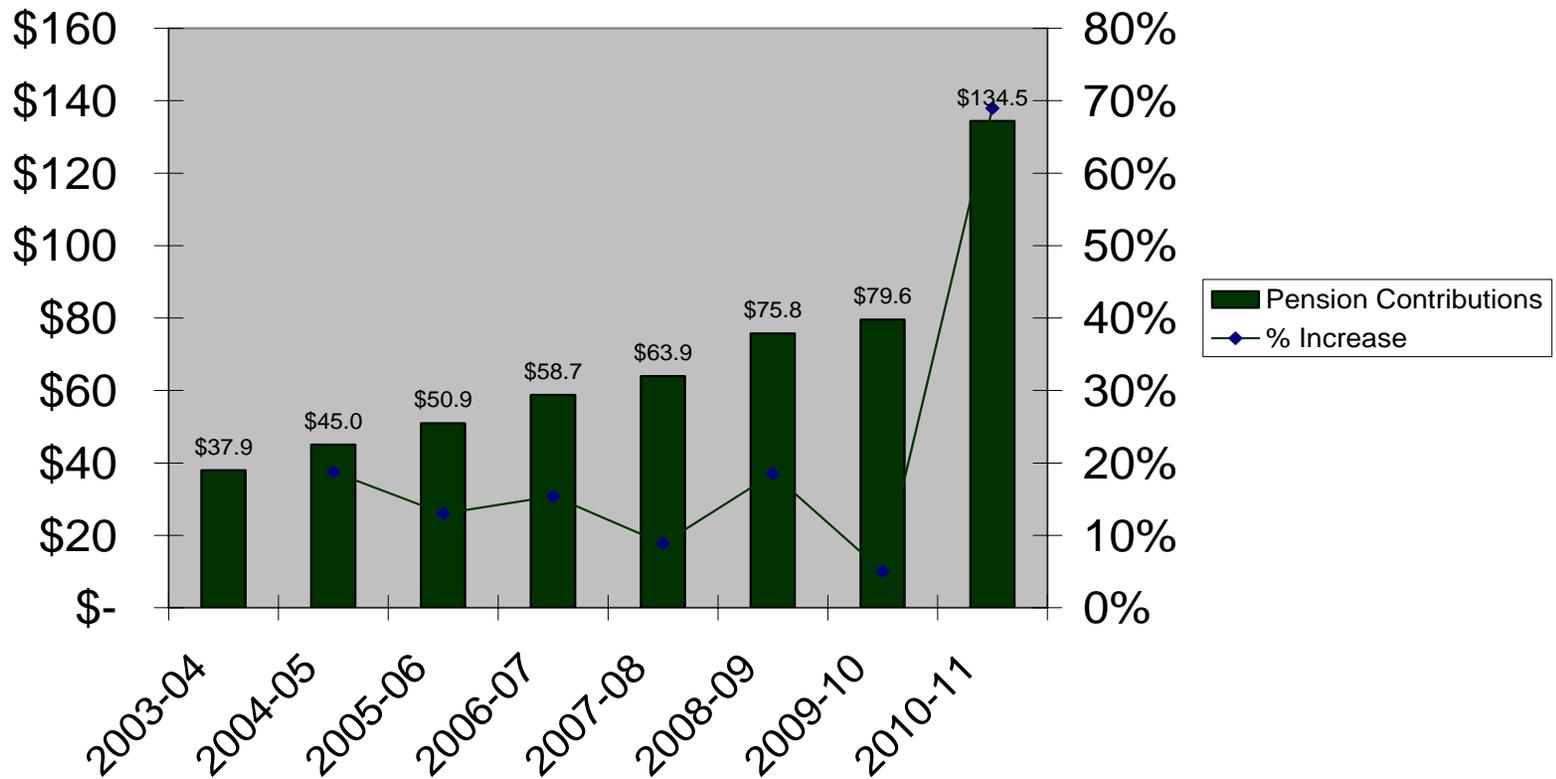
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*FY 2009 - 2010 Proposed Operating Plan and Budget*

# FY 2010-11 Budget Preview

## Pension Contributions (\$millions)



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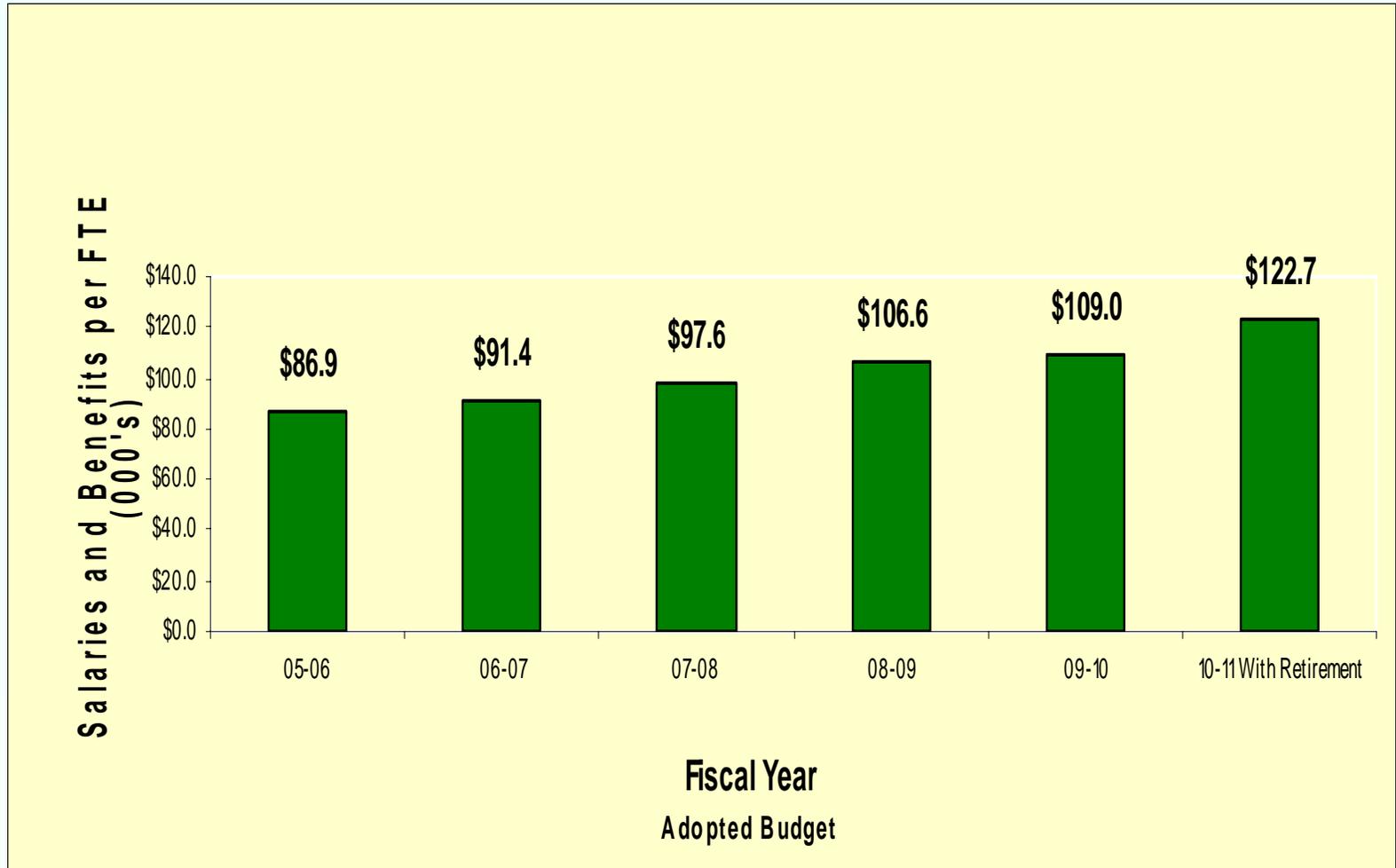
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# Salaries Per FTE With FY 2010-11 Retirement Impact



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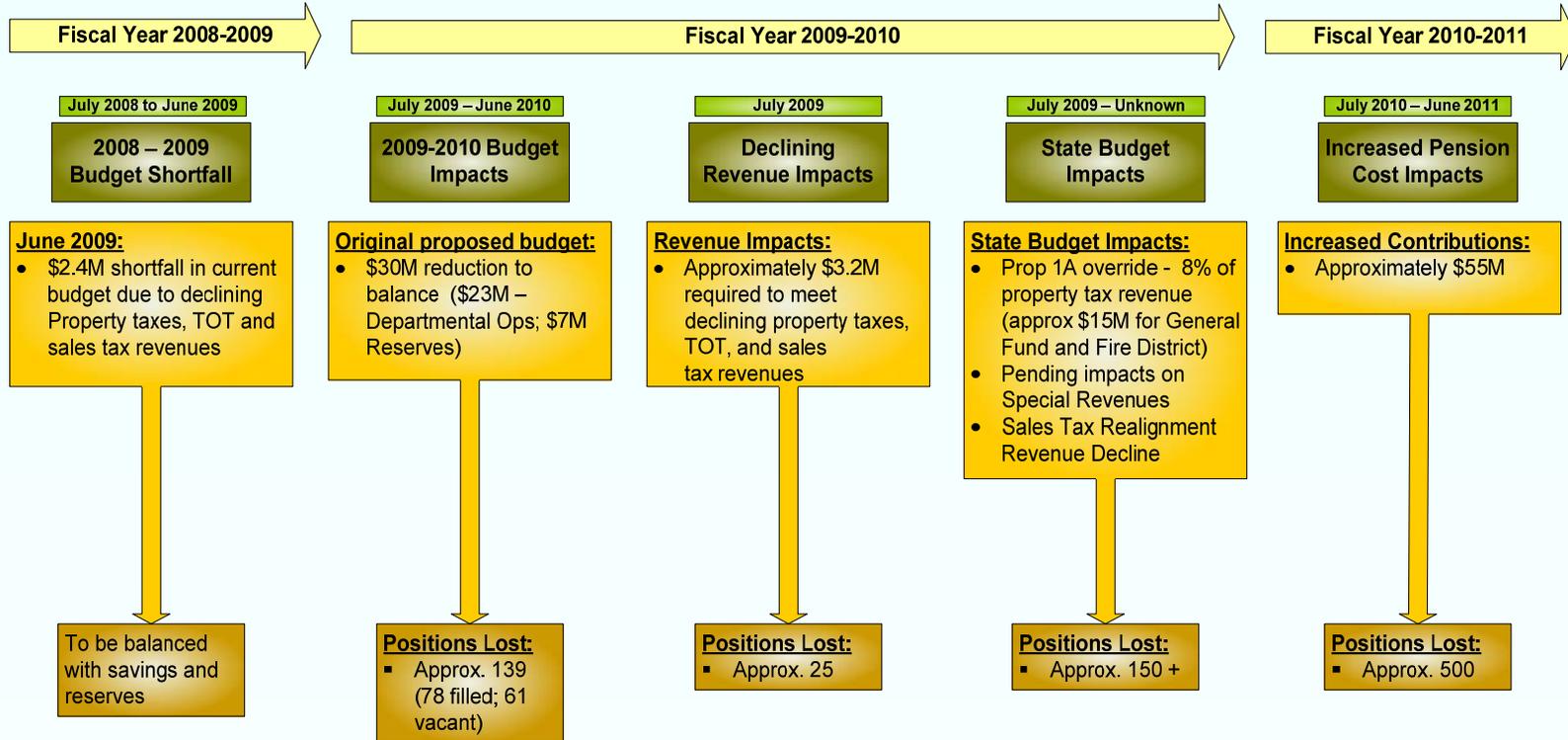
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*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Fiscal Impacts Summary

## County of Santa Barbara Known Position Reduction Waves As of June 1, 2009



**NOTE:** Estimates assume no further erosion of the economy as well as no *additional* decline in revenues or *increased* impacts from the State.

**Total Estimated Positions Lost – 814+**  
An estimated 20% reduction in workforce



*FY 2009 - 2010 Proposed Operating Plan and Budget*

# FUTURE OUTLOOK

Chart data as shown in Budget Book (A-20)

Housekeeping

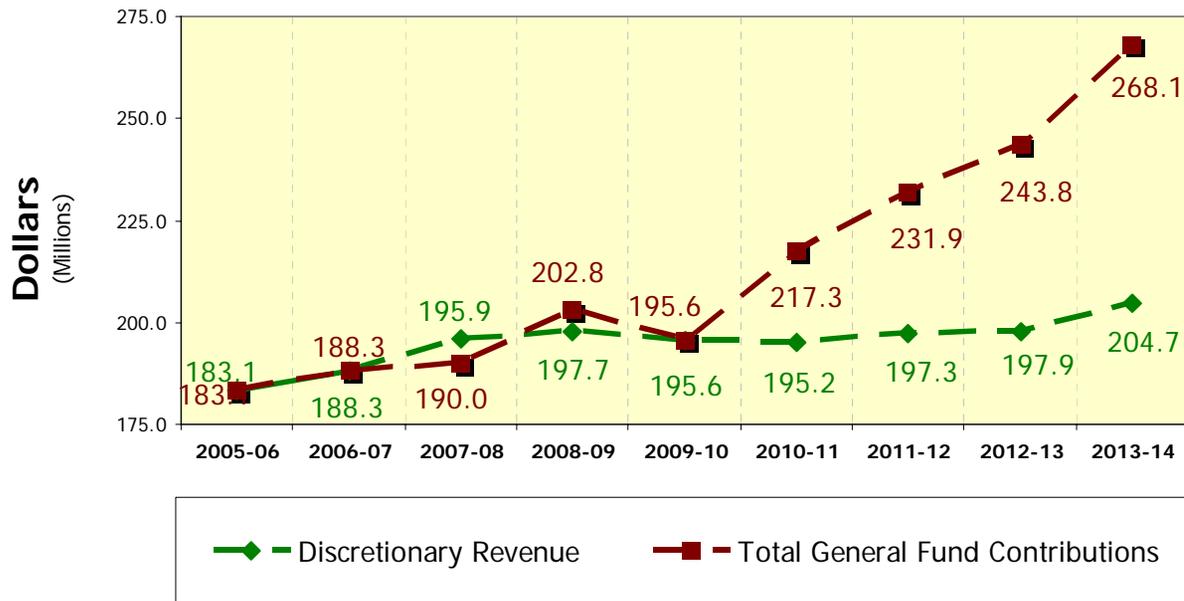
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### Five Year Local Discretionary Revenue & General Fund Contribution



*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Future Outlook

Revised with latest revenue estimates

Housekeeping

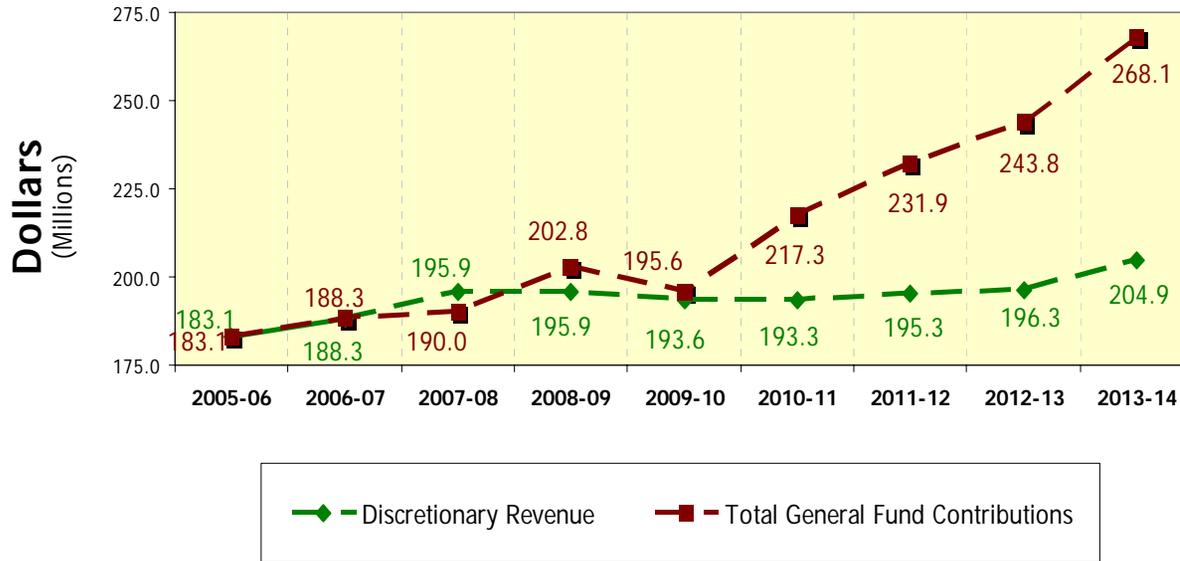
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### Five Year Local Discretionary Revenue & General Fund Contribution



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# Budget Development Policies & Principles



*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Budget Process & Policies

■ Annual budget process includes four main phases

1. Board establishes budget priorities & principles
2. Develop Capital Improvement Program
3. Develop Operating Plan and Proposed Budget
4. Hearings and Budget adoption

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# Budget Principles

- Are used by the CEO and departments in developing the recommended budget and they provide a consistent, equitable approach for allocation of available resources
  - Are utilized to develop a balanced budget that reflects the financial realities of the County and the priorities of the Board
1. Present a balanced budget
  2. Target based budgeting
  3. Position control
  4. Control budget expansion requests
  5. Full cost recovery and revenue generation
  6. Allocate funding to discretionary reserves & designations
  7. Undertake Performance Management
  8. Coordinate budget with the County Executive Office

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# Execution of Board Direction

- Board established strategic policy direction with the budget development policies and other direction
- Staff in all departments worked to meet this direction resulting in this balanced budget which meets the policy direction established by the Board
- Commend staff in being able to make professional and significant budget adjustment recommendations; difficult decisions

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# Proposed FY 2009-10 Operating Budget Overview

## Budget Summary



*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Balancing the Budget



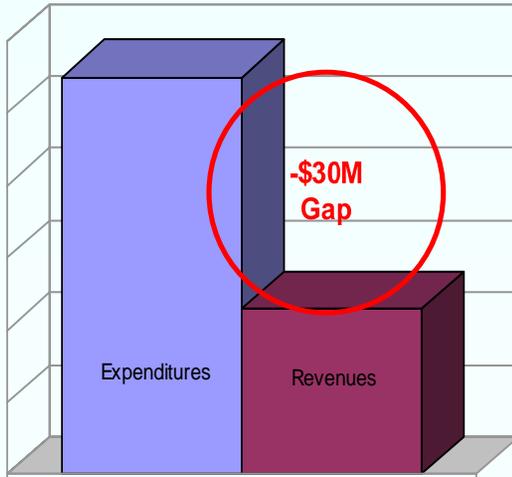
December 2008

May 2009

February 2009 - April 2009

- Housekeeping
- Context
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- 09-10 Budget**
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Project expenditure and revenue levels for the next fiscal year.

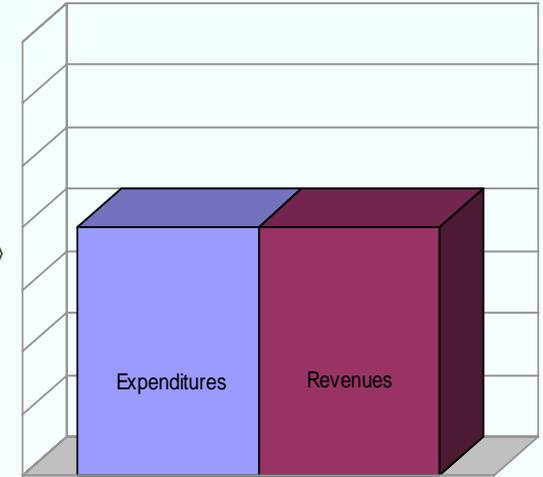


Fiscal Year 2009-2010

Find solutions to balance the budget.

- ▶ **-\$13M** reductions to meet available General Fund Contribution
- ▶ **-\$12M** reductions to meet available non-General Fund Contribution sources
- ▶ **+\$2M** new revenue identified to offset General Fund Contribution reductions
- ▶ **-\$7M** use of reserves and designations

Present a balanced budget.



Fiscal Year 2009-2010



# Preserve Public Safety

-2.7%  
Sheriff  
Probation

-4.8%  
District Attorney  
Public Defender

-10%

-3.9%

Clerk Recorder  
Assessor

-5%

County Counsel

- Fire
- ADMHS
- Public Health
- Social Services
- Agriculture & Cooperative Ext.
- Housing & Comm. Dev.
- Planning and Development
- Public Works
- Auditor Controller
- General Services
- Human Resources
- Information Technology
- Treasurer and Tax Collector

Other: CEO -11.6%, GCP -11.2%

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# Service Level Impacts

■ In February, Potential Service Level Impacts were presented at budget workshop

- ▶ \$18M in GFC reductions
- ▶ 202 FTE reductions

■ In May, revised Service Level Impacts were presented in the Proposed Budget (pages A-26 – A-42)

- ▶ \$5M in GFC restorations (net)
- ▶ 63 FTE restorations (net)

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# Service Level Impacts

## Example revisions

- ▶ Sheriff: Restored \$4.3M/41.5 FTE
- ▶ District Attorney: Restored \$1M/14 FTE
- ▶ Clerk Recorder Assessor: Restored \$598K/6 FTE to ensure effective property tax collection
- ▶ County Counsel: Restored \$531K/3.5 Attorney FTE
- ▶ Probation: Reduced an additional \$1M/12 FTE as a result of loss of MISC funding
- ▶ Agriculture & Cooperative Extension: Restored \$114K/1 FTE for Biologist (reclassified from Oak Tree Specialist)
- ▶ Planning & Development: Restored \$114K/1 FTE in one-time funding for Agricultural Planner
- ▶ Information Technology: Restored \$110K/1 FTE for GIS Analyst
- ▶ Fire: Restored \$95K/1 FTE for Hazardous Materials Inspection Specialist
- ▶ Public Health: Restored \$76K/1 FTE for Animal Services Officer
- ▶ Social Services: No service level impacts as a result of ARRA funding

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*FY 2009 - 2010 Proposed Operating Plan and Budget*

# FY 2009-10 Budget Overview

## Budget Summary:

Budget at a Glance				
Dollars in Millions	2007-08	2008-09	2008-09	2009-10
	Actual	Adopted	Estimated	Recommended
Total Revenues	\$719.0	\$749.4	\$747.4	\$753.4
Other Financing Sources	\$108.2	\$119.6	\$114.8	\$72.7
Total Sources	\$827.2	\$869.0	\$862.2	\$826.1
<b>Total Expenditures</b>	\$730.7	\$789.7	\$770.5	<b>\$780.6</b>
Designated for Future Use	\$96.5	\$79.3	\$91.7	\$45.5
Total Uses	\$827.2	\$869.0	\$862.2	\$826.1
Staffing FTEs	4,298	4,171	4,189	4,025

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*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Revenues by Source

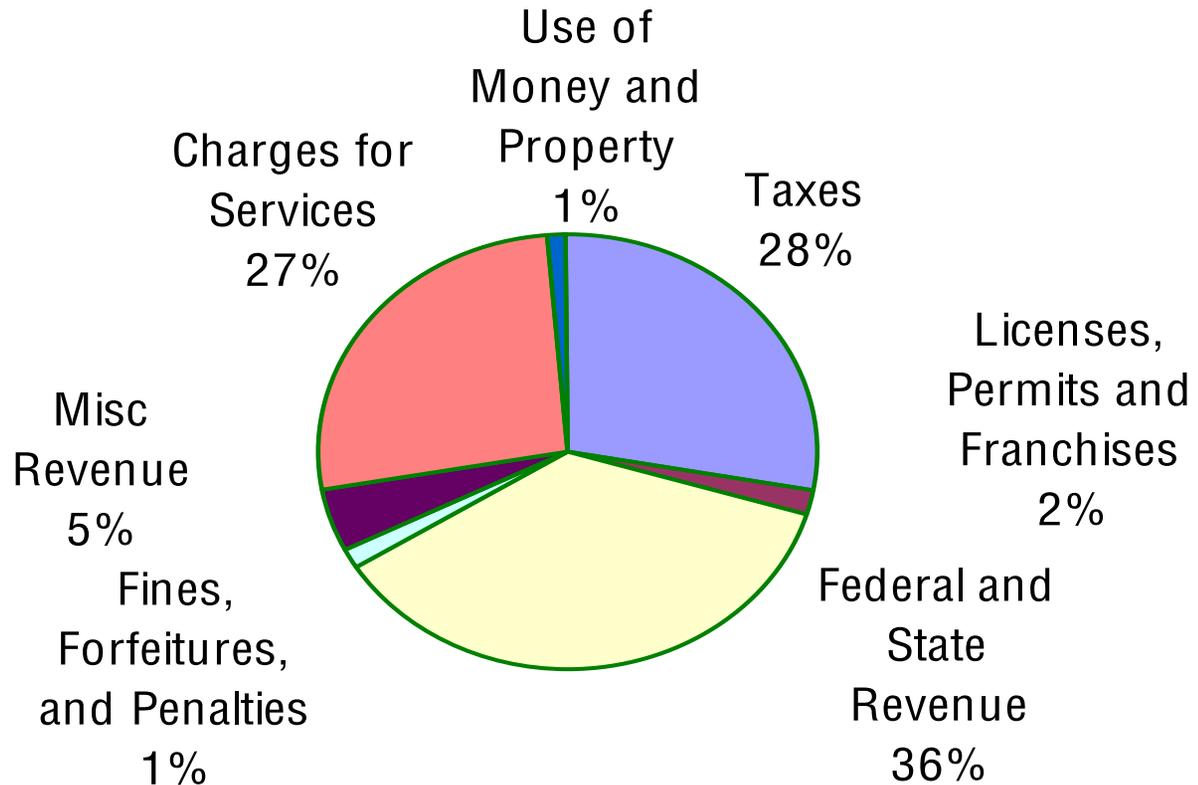
Housekeeping

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*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Expenditures by Function

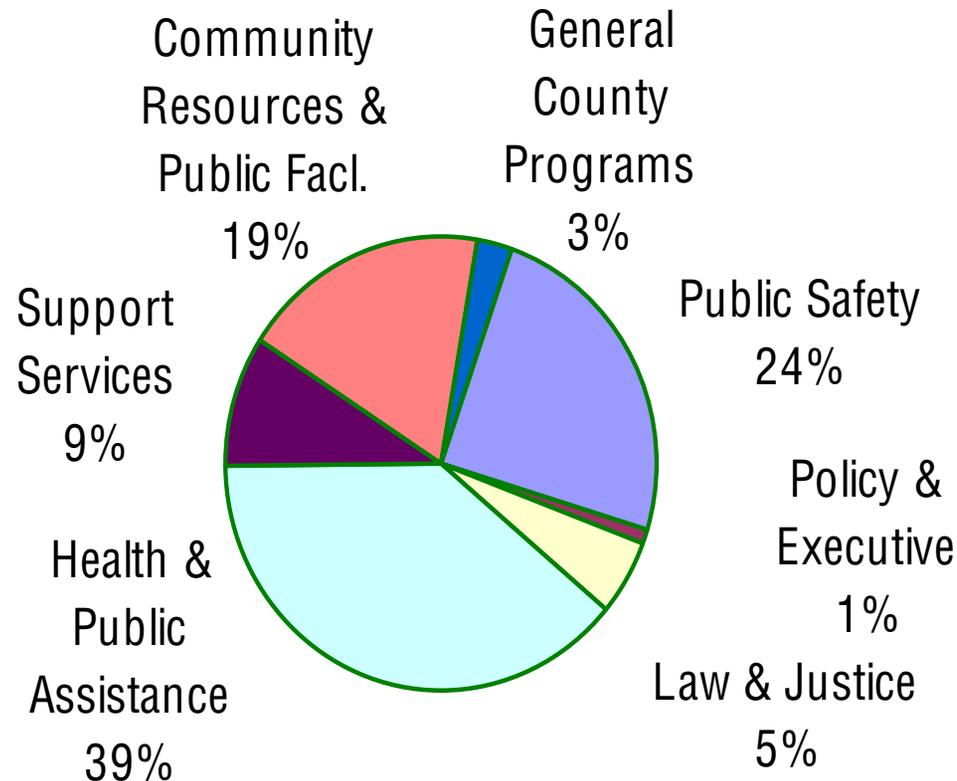
Housekeeping

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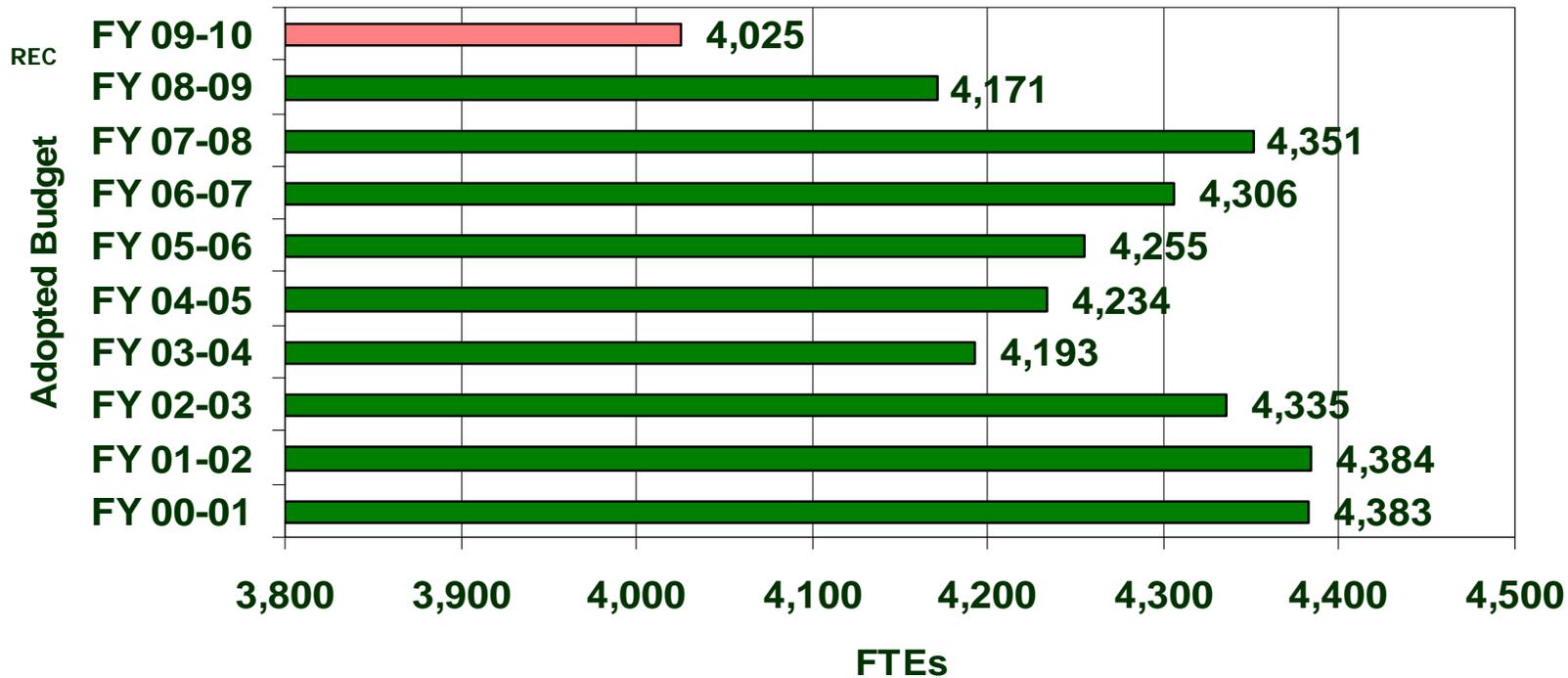


*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Budgeted Full Time Equivalent (FTE) Positions

■ Net decrease of 146.4 FTEs (3.5%)

■ Lowest FTE level in 10 years



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# FY 2009-10 Budget Overview

■ Adopted to Recommended: Salary and Benefit costs decrease by \$14.5M

▶ 3.3% decrease from the FY 2008-09 Adopted salaries of \$444.6M

■ Estimated to Recommended: Salary and Benefit costs increase by \$8.8M

▶ 2.1% from FY 2008-09 estimates to \$438.9M

Housekeeping

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**09-10 Budget**

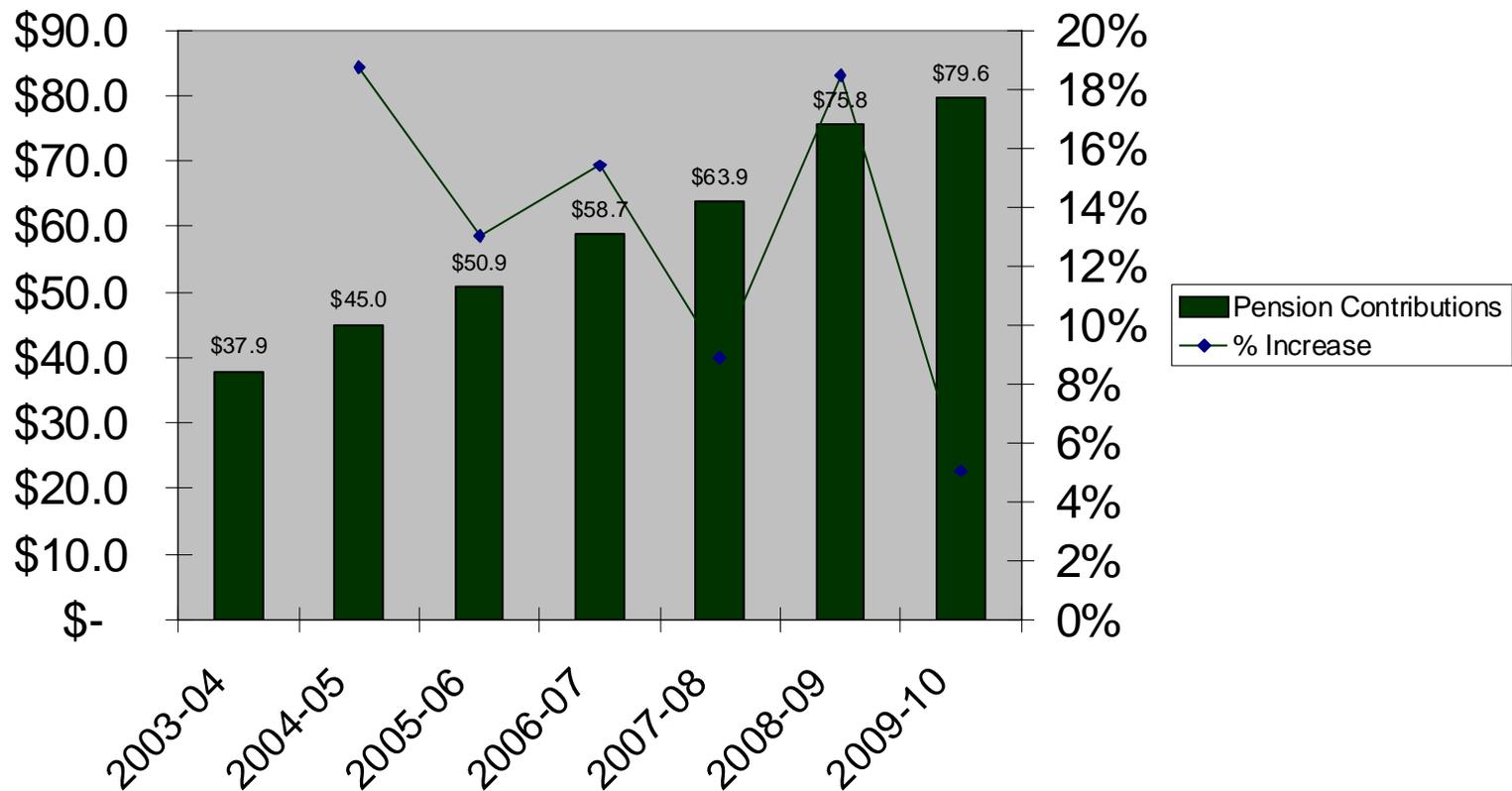
Recommendation



*FY 2009 - 2010 Proposed Operating Plan and Budget*

# FY 2009-10 Budget Overview

## Pension Contributions (\$millions)



Housekeeping

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**09-10 Budget**

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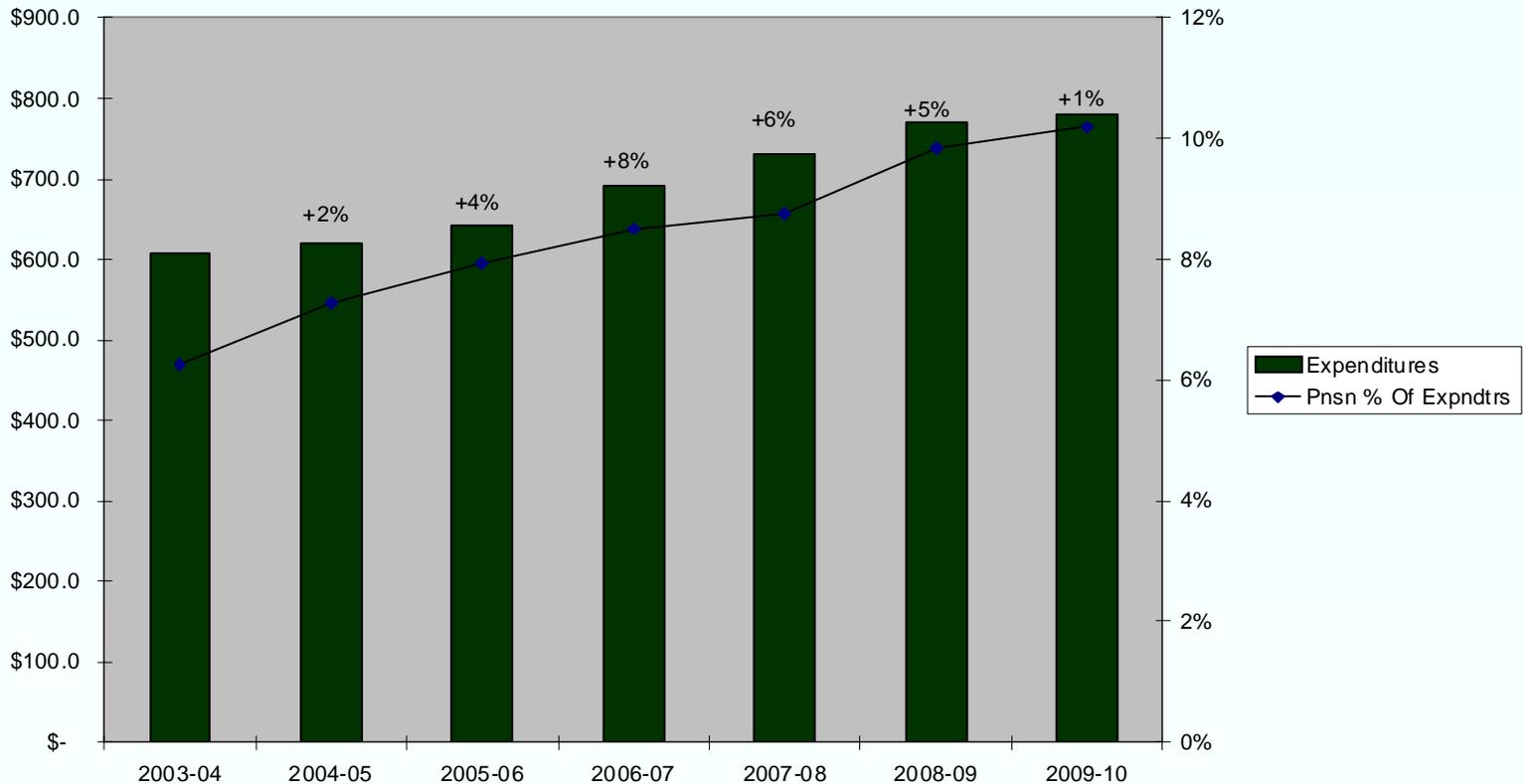


*FY 2009 - 2010 Proposed Operating Plan and Budget*

# FY 2009-10 Budget Overview

## Pension Percent Of Expenditures (\$millions)

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<b>09-10 Budget</b>
Recommendation



*FY 2009 - 2010 Proposed Operating Plan and Budget*

# FY 2009-10 Budget Overview

## ■ General Fund Allocations to Designations:

Reserves and Designations	Allocations
Deferred Maintenance	3,000,000
Contingency	800,000
Capital Designation	500,000
Roads Designation	500,000
Audit Exceptions	3,486,000
ARRA Matching	789,000
Litigation Reserve	0
Salary and Benefit Designation	0
Strategic Reserve	0
<b>Total</b>	<b>\$9,075,000</b>

Housekeeping

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**09-10 Budget**

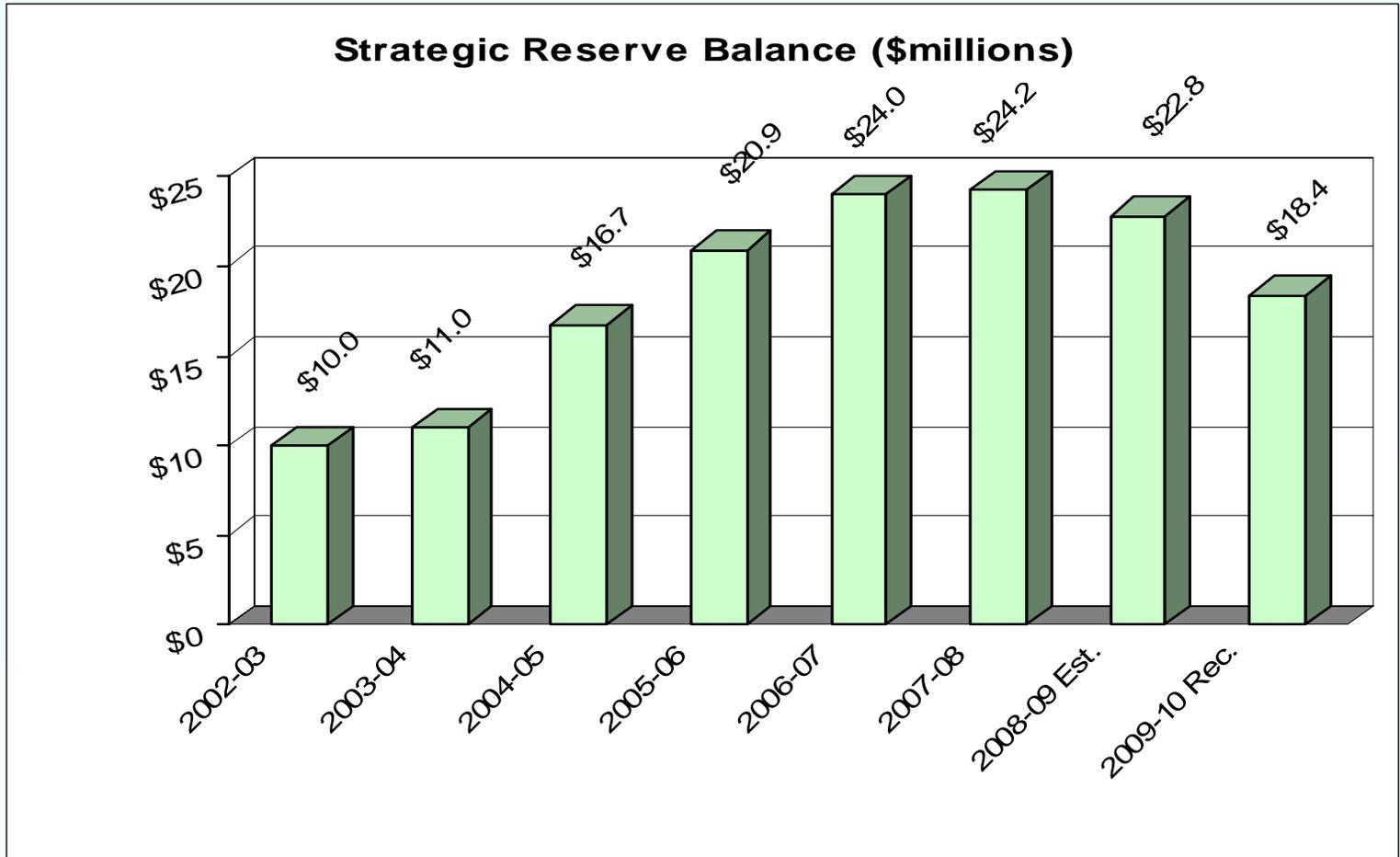
Recommendation



*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Budget Overview: Strategic Reserves

Recommended budget does not include any allocation to the Strategic Reserve.



Housekeeping

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*FY 2009 - 2010 Proposed Operating Plan and Budget*

# ADMHS Funding Challenges

- Billing practices: The long-term financial health of the department is dependent on addressing immediate short-term issues related to billing practices.
- Self Disclosure: Estimated liability of \$13.9 million owed to the State based on claiming and cost reporting practices.
- MISC/CEC: Potential additional liability of \$14.4 million related to disallowed MISC/CEC program costs.

Housekeeping

Context

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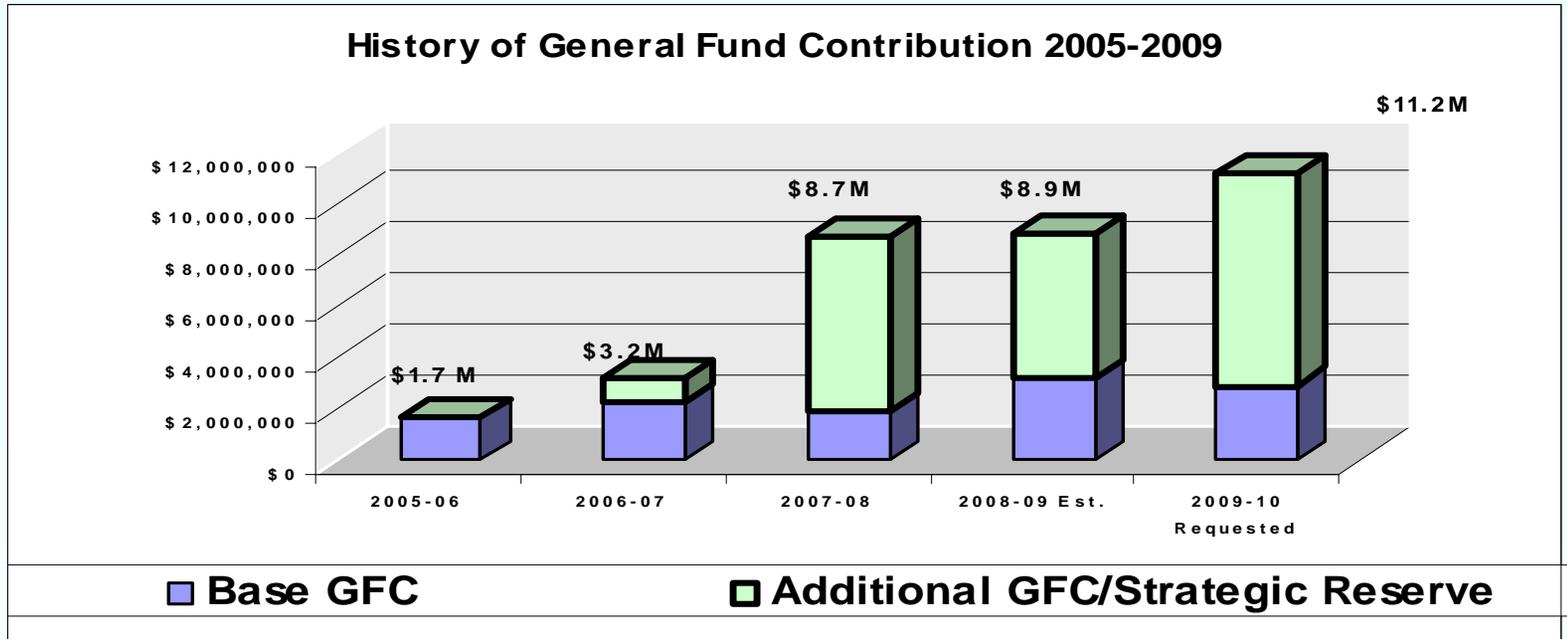
**09-10 Budget**

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*FY 2009 - 2010 Proposed Operating Plan and Budget*

# ADMHS General Fund Contribution History



Housekeeping  
Context  
Policies

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Recommendation

Fiscal Year	Base GFC	Additional	Total GFC
<b>2004-05</b>	1,436,663		1,436,663
<b>2005-06</b>	1,601,397	63,750	1,665,147
<b>2006-07</b>	2,185,431	1,000,000	3,185,431
<b>2007-08</b>	1,847,900	6,900,000	8,747,900
<b>2008-09 Est.</b>	3,147,900	5,724,775	8,872,675
<b>2009-10 Rec.</b>	2,867,665	8,364,601	11,232,266



*FY 2009 - 2010 Proposed Operating Plan and Budget*

Housekeeping

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**Recommend**

# Recommendations



*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Revenue Adjustment

■ FY 2009-10 Revenue Gap \$3.2M

■ Recommendation:

- ▶ 2% GFC reduction to non-Public Safety (\$1.3M)
- ▶ ½% GFC reduction to CRA & County Counsel (\$57K)
- ▶ Public Safety expenditure reductions to meet Prop 172 revenue (\$1.2M)
- ▶ Reduce funding for Deferred Maintenance (\$300K)
- ▶ Release remaining furlough to balance as permitted to avoid layoffs (\$352K)

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*FY 2009 - 2010 Proposed Operating Plan and Budget*

# Budget Balancing Tool

## Attachment E: Board Adjustments to FY 2009-10 Recommended Budget

FINAL USE AND SOURCE OF FUNDS		Suggested Not Authorized	Board Authorized	Balance	Carbajal	Wolf	Farr	Gray	Centeno
2009-2010 Additional Revenue Shortfall				(3,200,000)					
1	2.0 % Additional GFC Reduction to non-Prop 172 Dept	(1,292,776)	-	(3,200,000)	-	-	-	-	-
2	0.5 % Additional GFC Reduction to CRA and CoCo	(56,826)	-		-	-	-	-	-
3	Reductions to Meet Lower Prop 172 Revenue	(1,198,514)	-		-	-	-	-	-
4	Reduced Funding for Deferred Maintenance	(300,000)	-		-	-	-	-	-
5	Remaining Furlough Designation to be Released	(351,884)	-		-	-	-	-	-
6	-	-	-		-	-	-	-	-
7	-	-	-		-	-	-	-	-
8	-	-	-		-	-	-	-	-
9	-	-	-		-	-	-	-	-
10	-	-	-		-	-	-	-	-
11	-	-	-		-	-	-	-	-
12	-	-	-		-	-	-	-	-
13	-	-	-		-	-	-	-	-
<b>Net Effect on Fund Balance</b>		<b>(3,200,000)</b>	<b>-</b>	<b>(3,200,000)</b>					
<b>Redirected Funding Sources</b>									
1	-	-	-						
2	-	-	-						
3	-	-	-						
4	-	-	-						
	-	-	-						
	-	-	-						
	-	-	-						
<b>Redirected Funding Sources Totals</b>		<b>-</b>	<b>-</b>						
<b>Net Effect on Strategic Reserve</b>				<b>(3,200,000)</b>					

State Budget has not been adopted and impacts have not been finalized.

- Housekeeping
- Context
- Policies
- 09-10 Budget
- Recommend**



# Recommendations:

- a) Approve final budget adjustments to the Fiscal Year 2009-10 Recommended Budget, including attachment E budget balancing adjustments;
- b) Delegate authority to the County Executive Officer to execute ongoing grants and contracts (including library and advertising contracts) included in the Recommended Budget;
- c) Authorize the County Executive Officer to approve ongoing contracts where amounts are up to 10% more or less than indicated amounts, or up to \$5,000 more or less than indicated amounts on contracts under \$50,000, without returning to the Board for approval;
- d) Adopt the Resolution of the Board of Supervisors entitled In the Matter of Adopting the Budget for Fiscal Year 2009-10.
- e) By separate resolution, adopt the County Redevelopment Agency budget for FY 2009-10.

Housekeeping

Context

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09-10 Budget

**Recommend**



PROPOSED BUDGET 2009-2010 FISCAL YEAR  
SANTA BARBARA COUNTY  
OPERATING PLAN



P A T H S   T O   P E R F O R M A N C E

# FUTURE OUTLOOK

Retirement Rate Cap 30%, No Jail Northern Branch

Housekeeping

**Context**

Policies

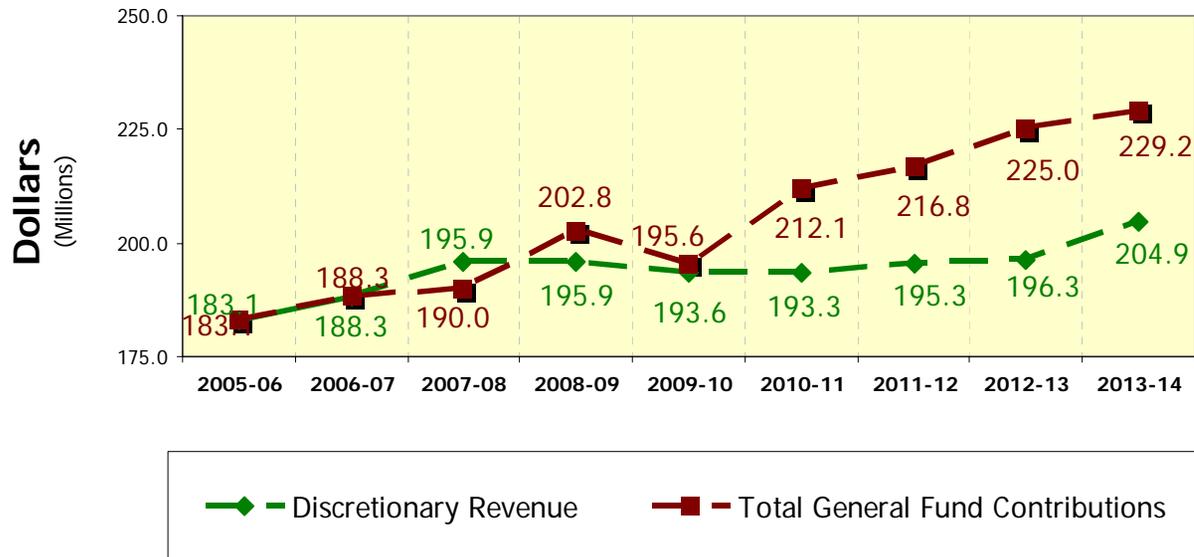
09-10 Budget

Recommendation

## Five Year Local Discretionary Revenue & General Fund Contribution

Revised v.1:

1. Post-Book revenue revisions of -\$3.5m (-\$1.5m FY 2008-09 and -\$2m FY 2009-10)
2. Board's guiding principle to SBCERS of a maximum sustainable rate of pension contribution of 30%
3. No General Fund allocation for new County jail debt or operations



*FY 2009 - 2010 Proposed Operating Plan and Budget*

# FUTURE OUTLOOK

No Retirement Cost Increases from FY2009-10, No Jail Northern Branch

Housekeeping

**Context**

Policies

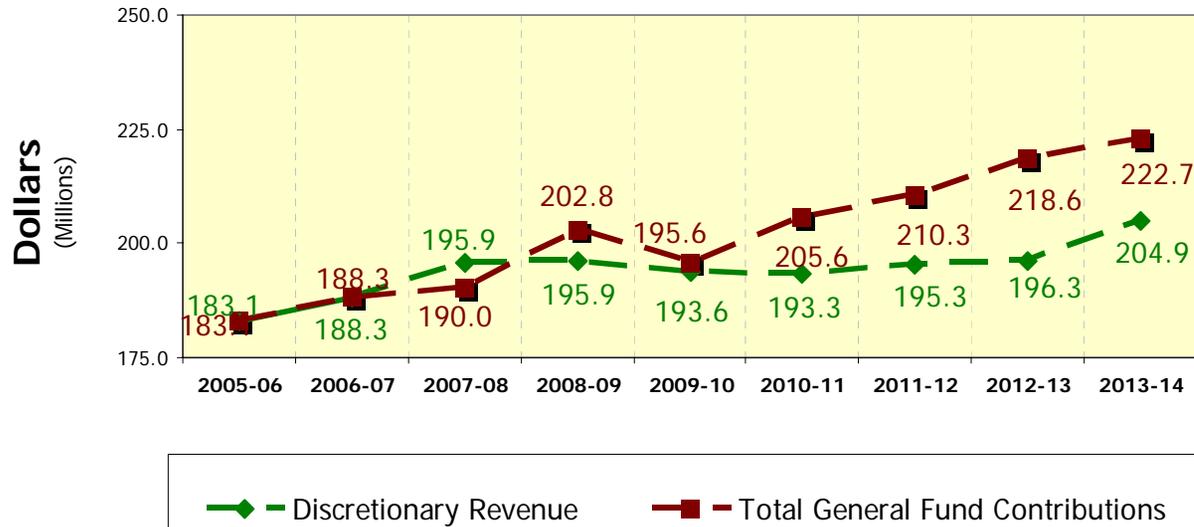
09-10 Budget

Recommendation

## Five Year Local Discretionary Revenue & General Fund Contribution

Revised - v.2:

1. Post-Book revenue revisions of -\$3.5m (-\$1.5m FY 2008-09 and -\$2.0m FY 2009-10)
2. No retirement increases from the amount budgeted in FY 2009-10
3. No General Fund allocation for new County jail debt or operations



*FY 2009 - 2010 Proposed Operating Plan and Budget*

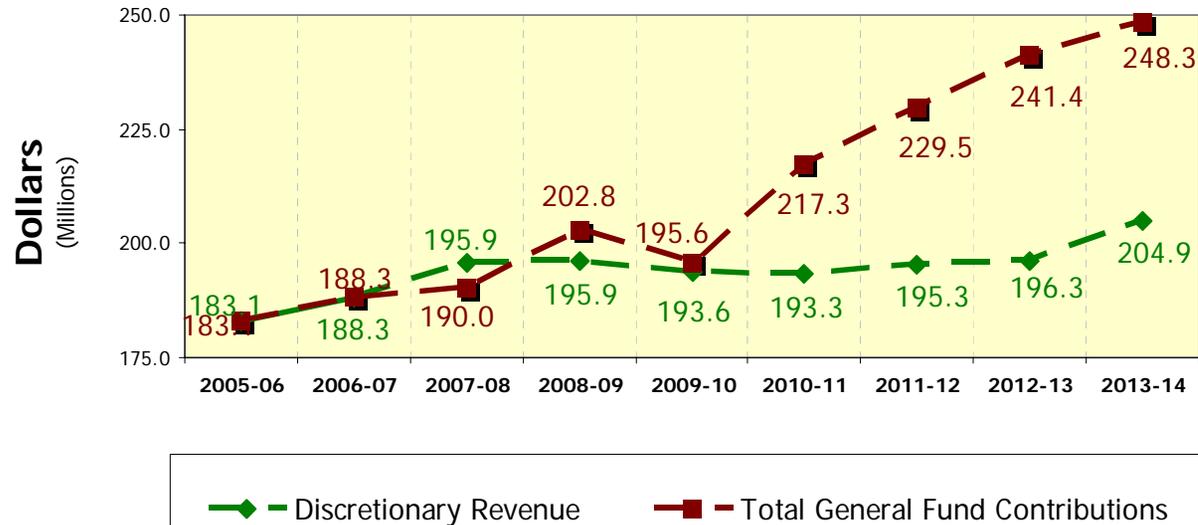
# FUTURE OUTLOOK

## No Jail Northern Branch

### Five Year Local Discretionary Revenue & General Fund Contribution

Revised - v.3:

1. Post-Book revenue revisions of -\$3.5m (-\$1.5m FY 2008-09 and -\$2.0m FY 2009-10)
2. No General Fund allocation for new County jail debt or operations



Housekeeping

**Context**

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09-10 Budget

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*FY 2009 - 2010 Proposed Operating Plan and Budget*

# FUTURE OUTLOOK

No Retirement Cost Increase from FY2009-10

Housekeeping

**Context**

Policies

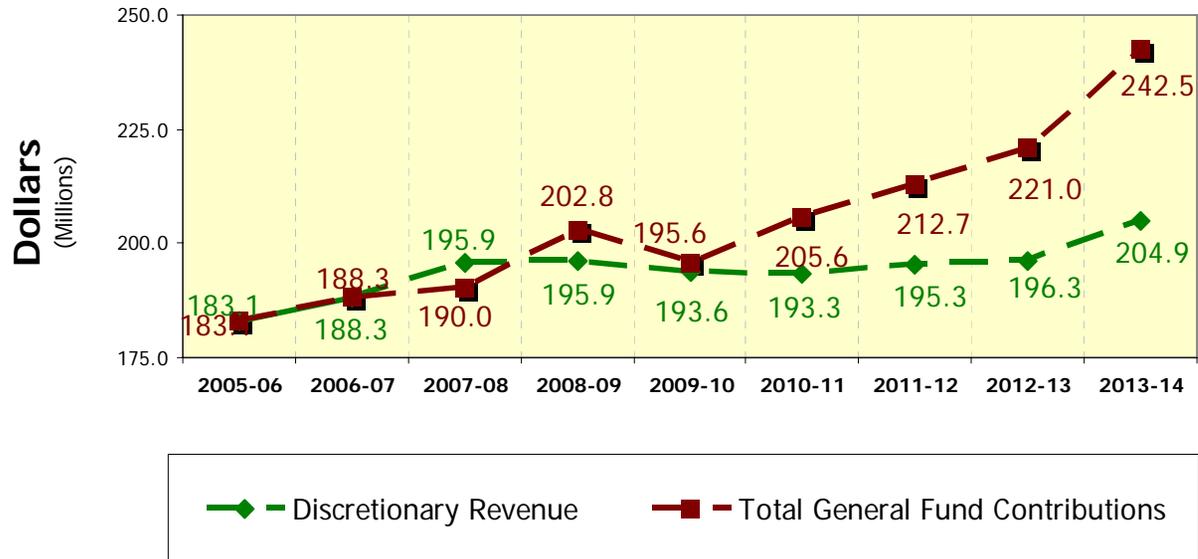
09-10 Budget

Recommendation

## Five Year Local Discretionary Revenue & General Fund Contribution

Revised - v.4:

1. Post-Book revenue revisions of -\$3.5m (-\$1.5m FY 2008-09 and -\$2.0m FY 2009-10)
2. No retirement increases from the amount budgeted in FY 2009-10



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# FUTURE OUTLOOK

Retirement Rate Cap 30%

Housekeeping

**Context**

Policies

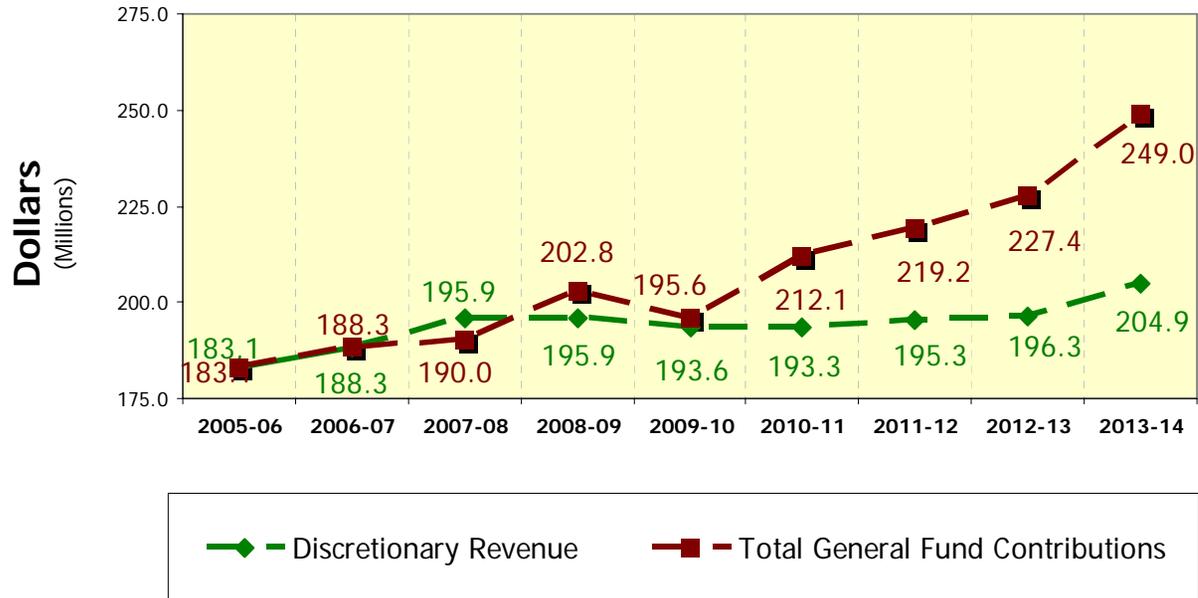
09-10 Budget

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## Five Year Local Discretionary Revenue & General Fund Contribution

Revised v.5:

1. Post-Book revenue revisions of -\$3.5m (-\$1.5m FY 2008-09 and -\$2m FY 2009-10)
2. Board's guiding principle to SBCERS of a maximum sustainable rate of pension contribution of 30%

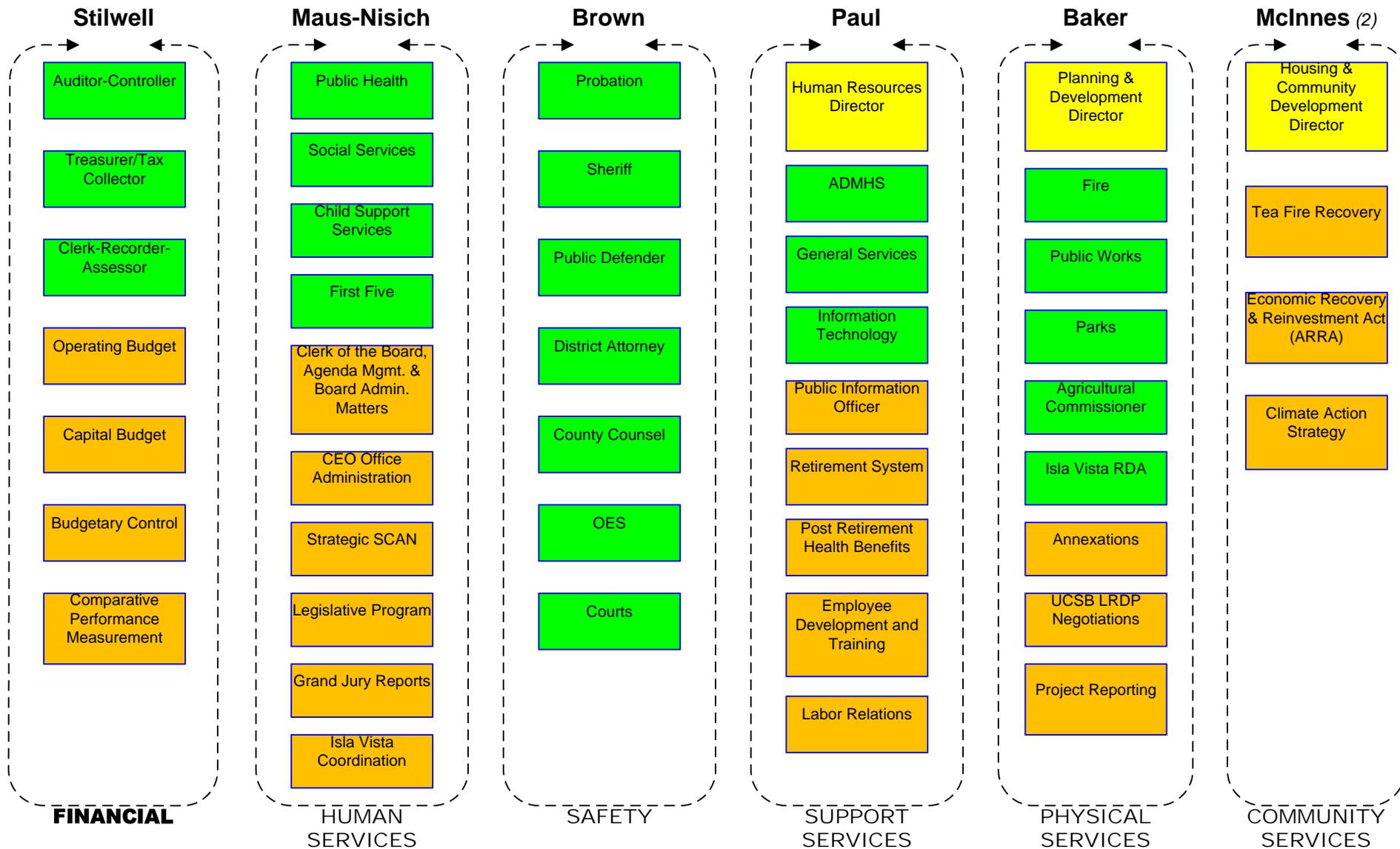


*FY 2009 - 2010 Proposed Operating Plan and Budget*

# County Executive Office

## Organizational Structure and Responsibilities

March 31, 2009



1) Budget and human resource/civil service system oversight when elected or court appointed.

2) McInnes will replace Baker when he retires and continue to serve as HCD Director unless determination is made by Board to hire new executive for HCD. Board has directed that a separate Planning & Development Director be hired, which will eliminate the current 2 for 1 responsibility for Planning Director.

# County Executive Office Key Projects

June 5, 2009

 Current

 Pending

American Recovery & Reinvestment Act (ARRA) Monitoring & Compliance	Jesusita Fire Recovery Coordination	Discretionary Services Analysis	ADMHS Improvements	Compliance with Single Audit Report Requirements	Revenue Planning	Organizational Efficiency Analysis
<p>Monitor Federal &amp; State Funding Programs and Advise Responsible Departments &amp; Agencies</p> <p>Maintain data base and Public Information Portal to Meet Disclosure &amp; Transparency Requirements</p> <p>Quantify Economic Impacts Using Implan Model</p> <p>Monitor and Ensure Departmental Compliance with Financial Reporting Requirements</p>	<p>Provide All Affected Residents with Timely and Helpful Services (Rebuilding, Debris Removal, Document Replacement, Property Reassessment, etc.)</p> <p>Repair &amp; Maintain All Infrastructure (Road, Flood Control, etc.)</p> <p>Liaison with and Provide Maximum Access to Federal &amp; State Resources</p>	<p>Identify All Discretionary Services</p> <p>Quantify Economic Benefits of Each Discretionary Service</p> <p>Quantify Avoided Costs of Each Discretionary Service</p> <p>Determine Total Economic Value of Each Discretionary Service</p>	<p>Revise Procedures to Provide for Accurate and Timely Billings and Revenue Collection</p> <p>Ensure Timely Cost Settlements with CBOs</p> <p>Enforce Contract Terms with CBOs</p> <p>Accounting for Audit and Cost Settlements with CBOs &amp; DMH</p> <p>Analyze &amp; Adjust Reimbursement Rates</p> <p>Ensure that Accurate Revenue Estimates are Recorded</p> <p>Evaluate &amp; Improve Effectiveness of ShareCare</p> <p>Improve Overall Reporting &amp; Communication Protocol</p> <p>Evaluate &amp; Improve Programmatic Operations &amp; Quality Assurance Activities</p>	<p>Ensure that All Programs Have Clear Understanding of Grant Terms, Conditions and Compliance Supplement</p> <p>Develop and Institute a Process to Ensure Compliance, including Effective Quality Assurance</p> <p>Develop and Institute a Process to Ensure Centralized Communication for Follow-up</p>	<p>Analyze All General Fund Revenue Sources and Make Accurate Forecasts</p> <p>Analyze All Non-General Fund Revenue Sources and Make Accurate Forecasts</p>	<p>Analyze all Cross Functional/Multi-Departmental Services (IT, Accounting, etc.) to Identify Opportunities for Consolidation and Efficiency</p> <p>Identify Departments with Similar Functionality &amp; Potential Merger Opportunities to Reduce Executive/Management &amp; Administrative Expenses</p> <p>Develop Office Space Plan that Reflects Consolidation of Cross Functional Services and Departmental Mergers</p>

**Revenue Decline - Service Level Impacts of Additional Expenditure Reductions due to Further Decline in General Revenue and Proposition  
172 Revenue  
\$3.2M GAP**

	GFC	Proposition 172	Total	FTE	Service Level Impacts
CEO	\$ 50,044		\$ 50,044	1.0	Eliminate Analyst
County Counsel	\$ 10,733		\$ 10,733	0.0	No Service Level Impact
Courts	\$ -		\$ -	0.0	GFC - State mandated MOE
District Atty	\$ -	\$ 148,513	\$ 148,513	2.0	Attorney and Support Staff, services and supplies
Public Defender	\$ -	\$ 108,090	\$ 108,090	0.0	No Service Level Impact reducing services and supplies expenditures
Fire	\$ -	\$ 115,952	\$ 115,952	0.0	No Service Level Impact
Probation	\$ -	\$ 269,450	\$ 269,450	2.9	This reduction will significantly impact the ability of the Probation Department to redirect resources to Adult Supervision and to address local impacts of State Prison and Parole reductions. The three positions (2.9 FTE) listed were for redeployment to
Sheriff	\$ -	\$ 555,180	\$ 555,180	unknown	See additional reductions in Section A of the budget book
ADMHS	\$ 55,363		\$ 55,363	0.0	No Service Level Impact
ADMHS - ADP	\$ 1,990		\$ 1,990	0.0	No Service Level Impact
Child Support	\$ -		\$ -	0.0	Does not receive GFC
Public Health - GF	\$ 53,506		\$ 53,506	1.0	Reduce emergency and year-round homeless shelter funding passed through by the Human Services Program in Fund 0001. This 15% reduction would reduce county funded bed nights by approximately 9,000 from 60,000 to 51,000.
Public Health - MOE	\$ 147,744		\$ 147,744	0.0	Reduce Medically Indigent Adult (MIA) rates paid to area hospitals and specialty physicians to realize an additional \$144,744 in cost reductions in Fund 0042. These reductions could result in fewer specialty physicians participating in the MIA program an
Social Services	\$ 197,050		\$ 197,050	2.5	Reduction of General Relief & use of special revenue funds
Agriculture	\$ 34,589		\$ 34,589	0.20	Eliminate part-time Admin Office Pro. Reduce other expenses.
Housing	\$ 12,954		\$ 12,954	0.0	Reduce Advertising Resources
Parks	\$ 76,157	\$ 1,329	\$ 77,486	0.0	No Service Level Impact
Planning & Dev	\$ 116,217		\$ 116,217	0.0	Extend completion dates for community plan updates due to reductions in funding for
Public Works	\$ 48,573		\$ 48,573	0.0	No Service Level Impact
Auditor-Controller	\$ 80,122		\$ 80,122	1.0	Reduce POS FTE
Clerk Recorder	\$ 46,093		\$ 46,093	0.0	No Service Level Impact
General Services	\$ 134,561		\$ 134,561	2.0	Unfund Building Maintenance Worker and Mail Center Worker
Human Resources	\$ 40,586		\$ 40,586	0.5	Part time and extra help salaries reductions
Info Technology	\$ 16,418		\$ 16,418	0.0	No Service Level Impact
Treasurer	\$ 56,318		\$ 56,318	0.0	No Service Level Impact
General County	\$ 170,026		\$ 170,026	0.0	3% program reductions to: PIO, CSBTV, OES, PM
First 5	\$ 558		\$ 558	0.0	No Service Level Impact
<b>Grand Total</b>	<b>\$ 1,349,602</b>	<b>\$ 1,198,514</b>	<b>\$ 2,548,116</b>	<b>13.1</b>	