

Proposed FY 2012/13 Operating Plan

Preparing for Future Challenges

June 11, 2012

Santa Barbara County Recommended Operational Plan
Preparing for Future Challenges

Fiscal Year 11/12

- A year of ongoing and unparalleled challenges
- Structural and long standing fiscal problems
- Need to identify and reduce/eliminate non-core discretionary services
- Difficult decisions between programs (mandated vs. long term value)

Fiscal Year 11/12 Accomplishments

During these challenging times we have found innovative service solutions. As an example:

- Completed labor negotiations reducing future salary and benefits
- Implemented department consolidations
- Explored strategies for revenue enhancement

Fiscal Year 11/12 Accomplishments

- Conducted analysis of Fire department operations
- Combined Fire and Sheriff departments' aviation programs
- Participated in dissolution of seven Redevelopment Agencies
- Aggressively pursued federal funding

Fiscal Year 12/13 Proposed Budget

- Prepared with input from all department directors
- Significant and severe service level impacts
- Balanced and reflects Board's priorities (public safety, children and families, sustainable communities)
- Enhanced clarity, focus on outcomes, and future perspective

Budget at a Glance

Balanced budget of \$828.1M and staffing of 3,800 FTEs

| Budget at a Glance | | | | |
|------------------------------|----------------|----------------|----------------|----------------|
| <i>(Dollars in Millions)</i> | Actual | Adopted | Recommended | Proposed |
| | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 |
| Total Revenues | \$743.7 | \$749.1 | \$745.7 | \$741.5 |
| Other Financing Sources | \$144.7 | \$116.8 | \$82.4 | \$86.5 |
| Total Sources | \$888.4 | \$865.9 | \$828.1 | \$828.0 |
| Total Expenditures | \$766.5 | \$825.0 | \$800.1 | \$800.6 |
| Designated for Future Use | \$113.4 | \$40.9 | \$28.0 | \$27.4 |
| Total Uses | \$879.9 | \$865.9 | \$828.1 | \$828.0 |
| Staffing FTEs | 3,911.7 | 3,713.7 | 3,801.4 | 3,797.5 |

Closing the Budget Gap

- Employee concessions
 - Salary and benefit reductions (ongoing)
 - Furloughs (one-time)
 - New retirement tier (non-safety members)
- Department savings and fund balance
- Service level reductions
- State budget uncertainty
- RDA dissolutions

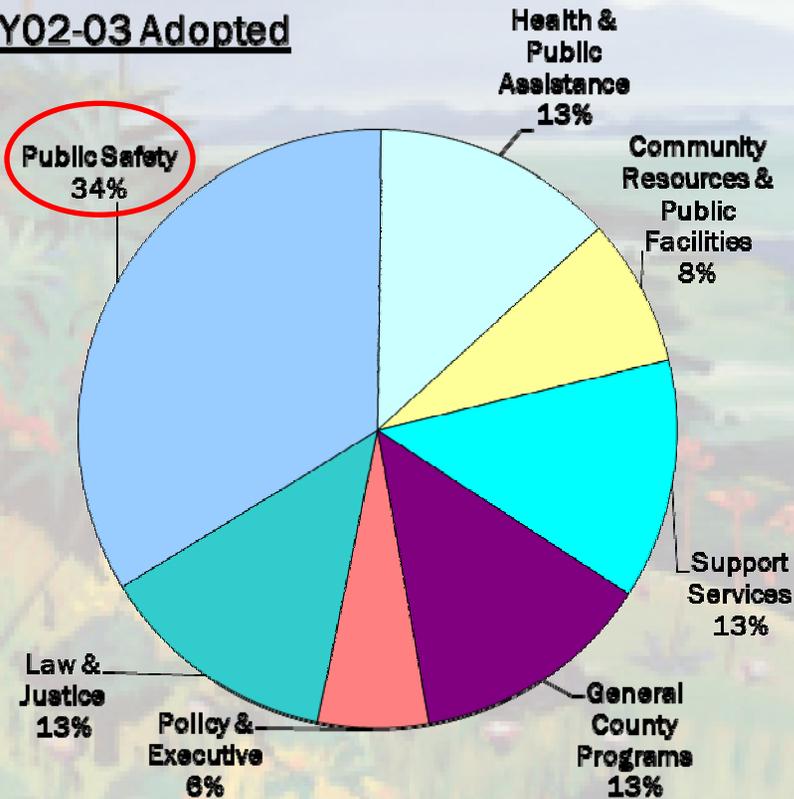
County's Strategic Plan Update

- Workshops to identify County's priorities
- Focus on ongoing vs. one time solutions
- Managing/reducing workforce costs
- Defining core services
- Reducing deferred maintenance
- Raising new revenues
- Building financial reserves

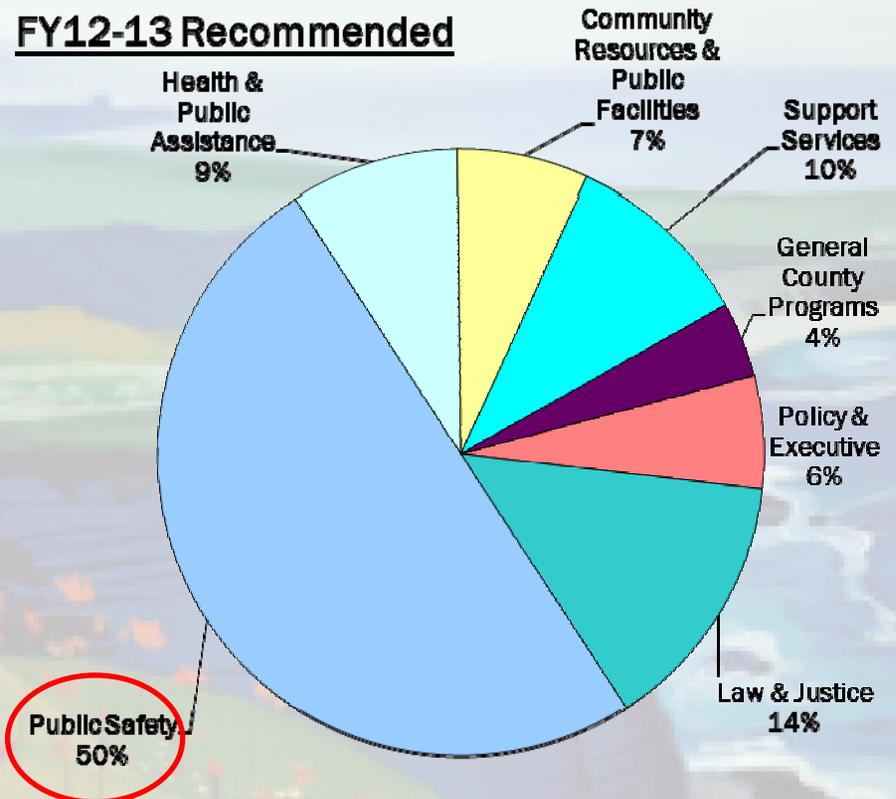
Commitment to Public Safety

10 Year Comparison

FY02-03 Adopted



FY12-13 Recommended



Commitment to Public Safety

Underfunding of Community Resources and Internal Support Services

- Deterioration of quality of life
- Significant risk of financial losses

Investing in the Future

Investing strategically to meet future County needs:

- Fire Operations
- New North County Jail
- Deferred maintenance of County facilities
- Alcohol, Drug, Mental Health Services(ADMHS)
- Retirement

Summary

- Difficult program choices (mandated vs. long-term benefits)
- Continue to provide valued services
- Prepare for future challenges
- Address structural deficit/eliminate one-time funding solutions
- Enhance ongoing revenues and set aside reserves
- Predicting \$18M - \$20M budget gap in FY 13-14