An impressionistic painting of a waterfall cascading over rocks. The colors are vibrant and varied, including greens, blues, yellows, and purples, creating a sense of movement and light. The brushstrokes are visible and textured.

Fiscal Year 2014-15 Recommended Budget

Budget Hearings

June 9-11, 2014

County of Santa Barbara

Budget Hearing Materials

<u>Tab</u>	<u>Description</u>
1	Board Letter
2	Attachment A-1: CEO Recommended Budget Restorations/Expansions & A-2: Other Final Budget Adjustment
3	Attachment A-3: Departmental Requests for Budget Expansion/Restoration
4	Attachments B: Ongoing Grants & C: Ongoing Contracts
5	Attachment D: Budget Resolution
6	Successor Agency to the former RDA
7	Budget Overview and Budget in Brief
8	Functional Group Overview
9	Service Level Reductions
10	Outside Agency Requests for Funding
11	Board Inquiry Forms
12	Attachment E: Board Adjustments to the Recommended Budget



Santa Barbara County Recommended Budget

Budget Overview Presentation

- Revenues
- Expenditures
- 5 Year Forecast
- Funding of CEO Rec. Restorations/Expansions
- Available Fund Balances
- Risk – Fiscal Issues
- Capital Expenditure Summary
- Closing Comments
- Recommended Actions



Santa Barbara County Recommended Budget

Budget at a Glance

- Total Budget of \$903.2M and staffing of 4,119 FTEs

Budget at a Glance:				
	FY 2012-13 Actual	FY 2013-14 Adopted	FY 2014-15 Recommended	FY 2015-16 Proposed
Total Operating Revenues	\$ 851.6	\$ 851.2	\$ 905.0	\$ 926.2
Total Operating Expenditures	807.8	862.0	903.2	915.0
Net Operating Impact *	\$ 43.7	\$ (10.9)	\$ 1.8	\$ 11.2
Staffing FTE's	3,879.1	4,003.9	4,119.2	4,102.4

* Net Operating Impact is funded by Other Financing Sources or use of Fund Balances.



Santa Barbara County Recommended Budget

FY 2014-15 Recommended Budget Countywide Revenue

Budget By Categories of Revenues	Actual FY 12-13	Adopted FY 13-14	Change from FY13-14 Ado to FY14-15 Rec	Recommended FY 14-15	Proposed FY 15-16
Taxes	\$ 249,410,727	\$ 244,701,574	\$ 16,293,033	\$ 260,994,607	\$ 270,459,107
Licenses, Permits and Franchises	17,073,465	16,301,870	1,653,868	17,955,738	18,134,032
Fines, Forfeitures, and Penalties	9,584,730	9,165,620	(331,319)	8,834,301	8,176,872
Use of Money and Property	2,538,152	4,579,159	(55,381)	4,523,778	4,633,834
Intergovernmental Revenue	326,229,351	330,842,901	11,603,976	342,446,877	353,854,565
Charges for Services	196,060,080	198,376,922	25,320,475	223,697,397	226,624,377
Miscellaneous Revenue	50,690,985	47,227,752	(652,381)	46,575,371	44,315,566
Total Operating Revenues	851,587,490	851,195,798	53,832,271	905,028,069	926,198,353



Santa Barbara County Recommended Budget

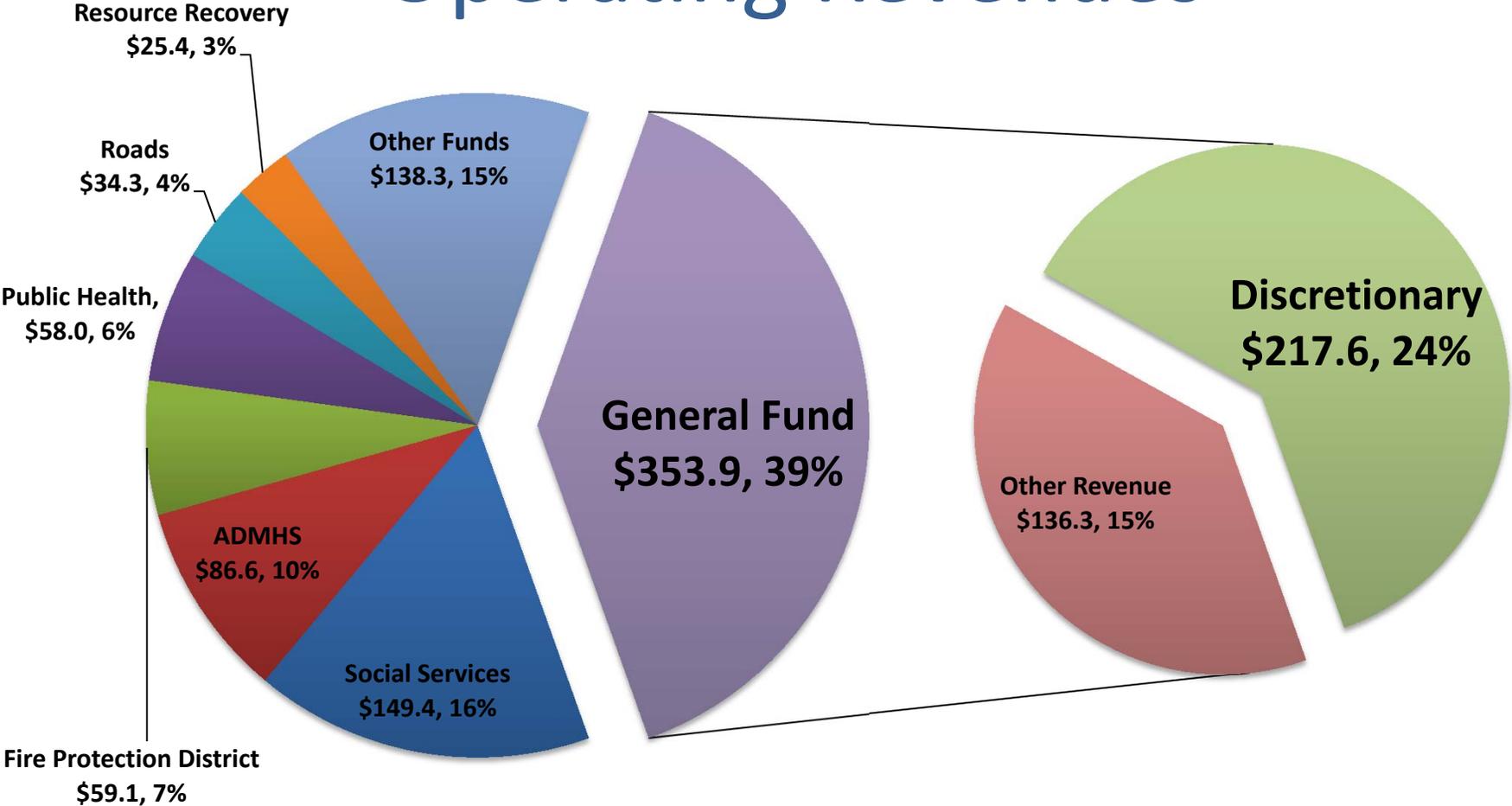
FY 2014-15 Recommended Budget General Fund Revenue

Budget By Categories of Revenues	Actual FY 12-13	Adopted FY 13-14	Change from FY13-14 Ado to FY14-15 Rec	Recommended FY 14-15	Proposed FY 15-16
Taxes	\$ 192,645,573	\$ 188,739,000	\$ 10,188,000	\$ 198,927,000	\$ 205,570,000
Licenses, Permits and Franchises	13,380,302	12,927,346	1,418,244	14,345,590	14,470,369
Fines, Forfeitures, and Penalties	5,190,382	4,734,590	(321,646)	4,412,944	3,856,365
Use of Money and Property	1,627,589	2,177,800	153,600	2,331,400	2,419,400
Intergovernmental Revenue	70,756,339	67,368,138	1,457,029	68,825,167	68,634,660
Charges for Services	66,090,303	58,091,892	3,708,131	61,800,023	61,235,927
Miscellaneous Revenue	5,103,651	3,870,389	(605,523)	3,264,866	2,872,522
Total Operating Revenues	354,794,138	337,909,155	15,997,835	353,906,990	359,059,243



Santa Barbara County Recommended Budget

Operating Revenues



Santa Barbara County Recommended Budget

FY 2014-15 Recommended Budget Discretionary General Revenues

Discretionary General Revenue Summary:				
Source (Dollars in Millions)	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Recommend	FY 2015-16 Proposed
Significant Property Taxes	\$ 168.4	\$ 175.7	\$ 179.7	\$ 185.4
RDA Dissolution Proceeds - One time	6.0	-	-	-
RDA Prop. Tax - Ongoing	4.2	4.8	4.9	5.0
Subtotal Property Taxes	\$ 178.6	\$ 180.5	\$ 184.6	\$ 190.4
Cost Allocation Services	8.0	7.3	9.4	8.4
Local Sales Tax	6.9	7.0	7.3	7.6
Transient Occupancy Tax	7.0	7.1	7.4	7.8
Payments in Lieu of Tax	1.7	1.7	-	-
All Other (Franchise, interest, misc State)	10.3	8.9	8.9	8.8
Total Discretionary Revenues	\$ 212.5	\$ 212.5	\$ 217.6	\$ 223.0
Growth Year over Year		\$ (0.0)	\$ 5.1	\$ 5.4
Rate of Growth		0.0%	2.4%	2.5%



Santa Barbara County Recommended Budget

FY 2014-15 Recommended Budget Property Tax

Significant Property Taxes:				
Source (Dollars in Millions)	FY 2012-13 Actual	FY 2013-14 Estimated	FY 2014-15 Recommend	FY 2015-16 Proposed
Secured	\$ 109.4	\$ 112.9	\$ 115.8	\$ 119.3
In-Lieu of VLF	42.7	44.8	46.4	48.3
Unsecured	4.8	4.5	4.6	4.7
Property Tax Transfer	2.5	3.6	3.9	4.2
Fines, Forfeitures and Penalties	5.3	4.3	3.7	3.3
Supplemental	1.6	3.1	2.9	3.3
Unitary	2.1	2.5	2.5	2.5
Significant Property Taxes	\$ 168.4	\$ 175.7	\$ 179.7	\$ 185.4
Growth Year over Year		\$ 7.3	\$ 4.0	\$ 5.7
Rate of Growth		4.3%	2.3%	3.2%



Santa Barbara County Recommended Budget

FY 2014-15 Recommended Budget Operating Expenditures

Summary of Financing Uses:				
Characters of Expenditures \$ in Millions	FY 2012-13 Actual	FY 2013-14 Adopted	FY 2014-15 Recommended	FY 2015-16 Proposed
Salaries and Benefits				
Regular Salaries	\$ 272.0	\$ 299.9	\$ 313.4	\$ 316.60
Retirement Contribution	99.7	116.2	119.7	120.8
Retiree Medical OPEB	8.5	9.8	11.8	12.0
Health Insurance Contrib	23.9	27.7	30.2	32.7
Workers Compensation	13.2	13.6	14.8	15.2
Other Benefits	47.9	37.5	35.8	35.5
Total Salaries & Benefits	\$ 465.2	\$ 504.7	\$ 525.7	\$ 532.8
Services and Supplies				
Contractual & Special Services	71.3	86.1	90.3	99.2
All Other Services & Supplies	146.3	156.6	163.7	161.3
Total Services & Supplies	\$ 217.6	\$ 242.7	\$ 254.0	\$ 260.5
Other Charges				
Cash Assistance Payments	45.7	48.7	50.2	52.0
All Other Charges	79.3	66.0	73.5	69.8
Total Other Charges	\$ 125.0	\$ 114.7	\$ 123.7	\$ 121.8
Total Operating Expenditures	\$ 807.8	\$ 862.1	\$ 903.4	\$ 915.1



Santa Barbara County Recommended Budget

FY 2014-15 Recommended Budget Incremental Expenditure Projections

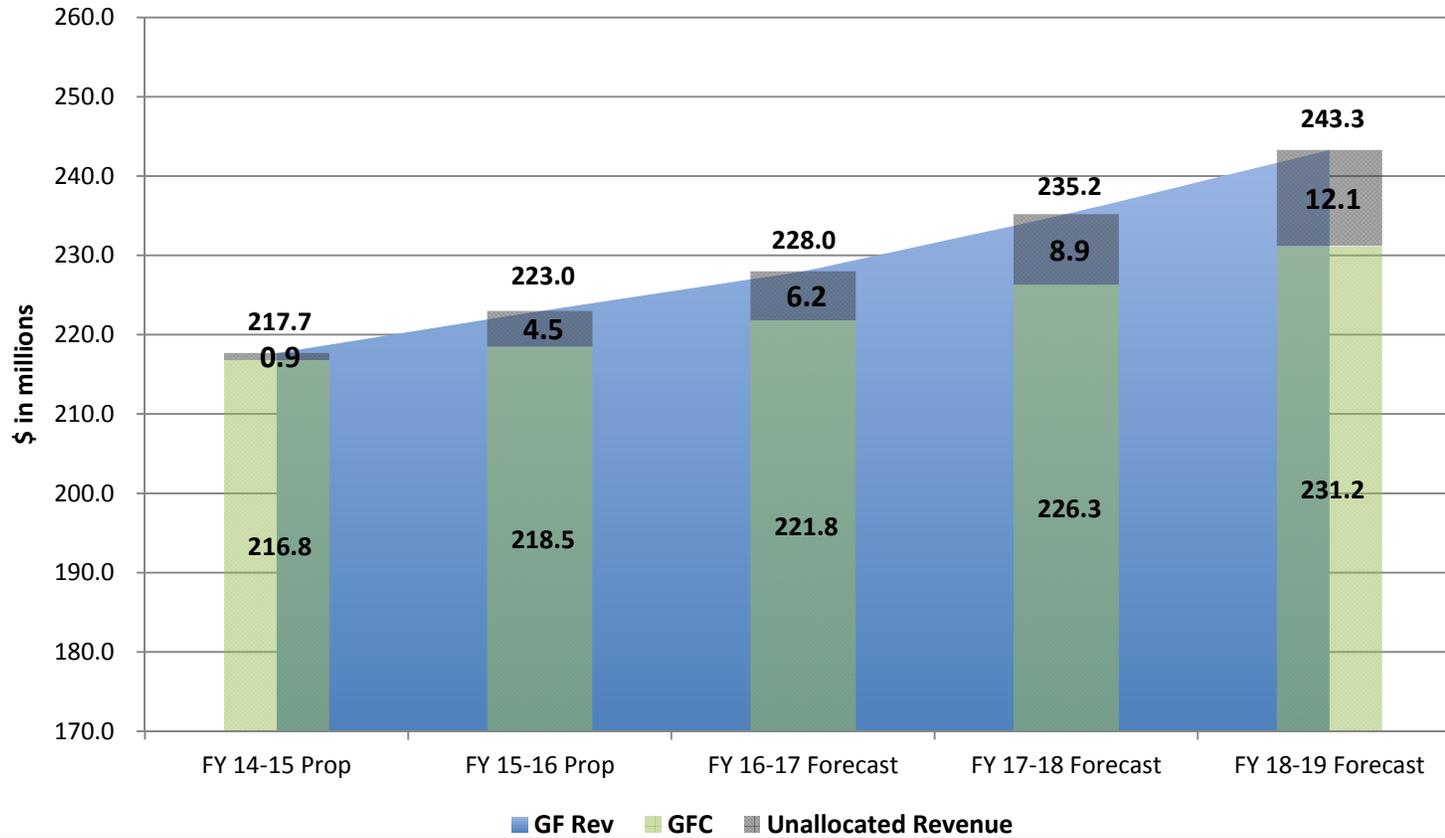
Discretionary Revenue & Expenditure Projections							
(Dollars in Millions)	FY 2012-13 Actual	FY 2013-14 Current Est.	FY 2014-15 Recommend	FY 2015-16 Proposed	FY 2016-17 Projected	FY 2017-18 Projected	FY 2018-19 Projected
Discretionary Revenue	\$ 212.5	\$ 212.7	\$ 217.7	\$ 223.0	\$ 228.0	\$ 235.2	\$ 243.3
General Fund Allocations:							
GF Departments	185.3	176.1	178.1	177.2	178.5	181.5	184.5
Other Funds	26.4	22.5	27.7	28.1	28.1	28.1	28.1
Committed Fund Balance	-	8.3	7.6	10.3	10.7	12.2	13.7
Allocated 1x funding	-	-	-	-	-	-	-
Subtotal	\$ 211.7	\$ 206.9	\$ 213.4	\$ 215.7	\$ 217.4	\$ 221.8	\$ 226.3
Incremental Changes:							
Salaries & Benefits:							
Salaries & Misc. Benefits			1.2	0.6	2.3	2.4	2.4
Healthcare Costs			0.4	0.6	0.4	0.4	0.4
Retirement			0.1	0.2	-	-	-
OPEB			0.4	0.0	0.2	0.2	0.2
Sub-total S&B	\$ -	\$ -	\$ 2.1	\$ 1.3	\$ 2.9	\$ 3.0	\$ 3.1
Other Items:							
Northern Branch Jail		1.3	1.3	1.5	1.5	1.5	1.8
Deferred Maintenance		2.3	-	-	-	-	-
Subtotal	\$ -	\$ 3.6	\$ 1.3	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.8
Total Discretionary Expenditures	\$ 211.7	\$ 210.5	\$ 216.8	\$ 218.5	\$ 221.8	\$ 226.3	\$ 231.2
Net Discretionary Financial Impact	\$ 0.8	\$ 2.2	\$ 0.9	\$ 4.5	\$ 6.2	\$ 8.9	\$ 12.1



Santa Barbara County Recommended Budget

Five Year Forecast

Discretionary Revenue; GF Allocations & Surplus



Santa Barbara County Recommended Budget

CEO Recommended Budget Adjustments

Attachment A

	Ongoing	One Time
FY 2014-15 Available Funding	\$ 853,100	\$ 5,963,212
CEO Recommended Restoration/Expansion	\$(673,000)	\$(4,844,000)
Projected unallocated Prog. Restoration	\$ 180,100	\$ 1,119,212



Available Fund Balances

(per Budget Book)

Fund Balance Component	Per Budget Policies	6/30/2014 Estimated Balance	2014-2015 Proposed Increases	2014-2015 Proposed Decreases	6/30/2015 Projected Balance
Capital		\$ -	\$ -	\$ -	\$ -
Roads	Yes	-	500,000	(500,000)	-
Litigation		1,219,689	-	(523,147)	696,542
Salary & Benefits Emerging Issues		5,507,017	-	(3,346,400)	2,160,617
Deferred Maintenance	Yes	751,553	2,300,000	(2,500,000)	551,553
Audit Exceptions		2,150,239	-	-	2,150,239
New Jail Operations	Yes	3,300,000	4,600,000	-	7,900,000
Program Restoration - One-Time		1,883,830	5,722,235	(1,642,853)	5,963,212
Program Restoration - Ongoing			853,100		853,100
Contingencies	Yes	2,046,739	500,000	(2,100,000)	446,739
Strategic Reserve	Yes	24,479,273	1,000,000	-	25,479,273
TOTAL		\$ 41,338,340	\$ 15,475,335	\$ (10,612,400)	\$ 46,201,275



Santa Barbara County Recommended Budget

Available Fund Balances

(with Recent Updates)

Fund Balance Component	6/30/2014 Estimated Balance	Updated for FY 2013-14 Year-end, Adjustments		2014-2015 Proposed Increases	2014-15 CEO Recommended Expansions	2014-2015 Proposed Decreases	6/30/2015 Projected Balance
Capital	\$ -	\$ -		\$ -		\$ -	\$ -
Roads	-	-		500,000	1,100,000	\$ (1,600,000)	-
Litigation	1,219,689	-		-		\$ (523,147)	696,542
Salary & Benefits Emerging Issues	5,507,017	(800,000)	1	-		\$ (3,346,400)	1,360,617
Deferred Maintenance	751,553	-		2,300,000	700,000	\$ (3,200,000)	551,553
Audit Exceptions	2,150,239	-		-		\$ -	2,150,239
New Jail Operations	3,300,000	-		4,600,000		\$ -	7,900,000
Program Restoration - One-Time	1,883,830	-		5,722,235	(4,844,000)	\$ (1,642,853)	1,119,212
Program Restoration - Ongoing	-	-		853,100	(673,000)	\$ -	180,100
Contingencies	2,046,739	(809,165)	2	500,000		\$ (1,100,000)	3 637,574
Strategic Reserve	24,479,273			1,000,000	1,000,000	\$ -	26,479,273
TOTAL	\$41,338,340	\$(1,609,165)		\$15,475,335	\$ (2,717,000)	\$(11,412,400)	\$41,075,110

1 Transfer \$800k from Salary & Benefits Emerging Issues to Contingency

2 FY 13/14 Contingency: +\$800k from S&B Reductions; -\$1.6M ADMHS

3 -\$1.1M FEMA potential audit adjustment. Prior version included -\$1.0M for ADMHS Inpatient Services, which was accelerated to FY 13/14



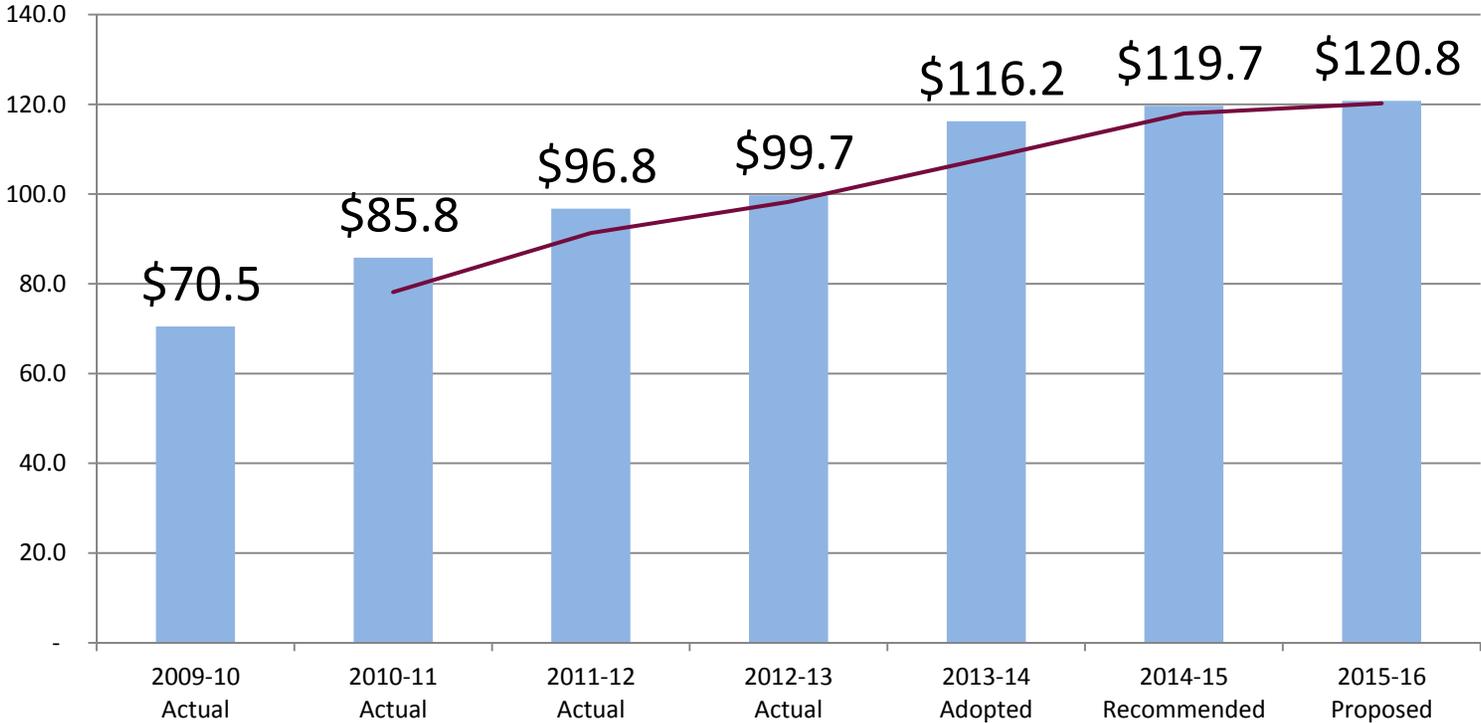
Santa Barbara County Recommended Budget

Fiscal Issues

- Moderately Improving Revenue
- Controlled expenditure growth
- Retirement Funding Stabilizing
- Affordable Care Act (ACA)
- ADMHS Service Transformation
- Maintenance Needs
- Northern Branch Jail Operations Funding
- Workforce Planning



Retirement



Santa Barbara County Recommended Budget

Affordable Care Act

- Successfully Implemented in FY 2013-14
- Enrollments exceeding initial expectations
- Expanded programs in Social Service
 - Two year revenue increase \$21.5M
 - FY 2014-15 staffing increase 65.3 FTY
- ADMHS
 - Increased Medi-Cal eligibility & revenue
 - Growth in staffing projected; 19.0 FTE
- Public Health – uncertain impact
 - Reduced Realignment revenue; increased Medi-Cal



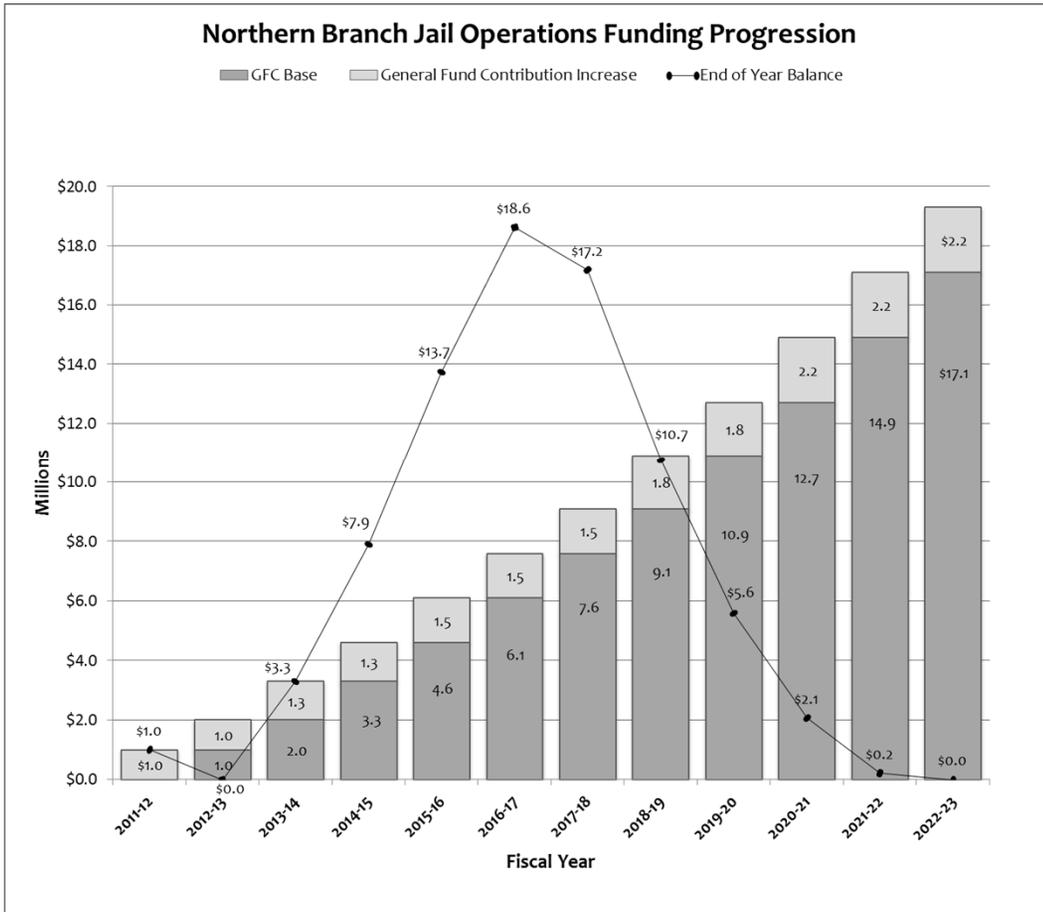
ADMHS Service Transformation

- Completed Comprehensive Dept. Evaluation
- Key Areas of Needed Change Identified
 - Restructure; enhanced leadership & oversight
 - Filled key positions
 - Collaborated with Cen Cal to improve services
 - Working with Marian Hospital to increase beds
- Obtained \$11.0M in grants to enhance crisis care
- Reduced length of stay at the Hospital



Santa Barbara County Recommended Budget

Northern Branch Jail Operations Funding



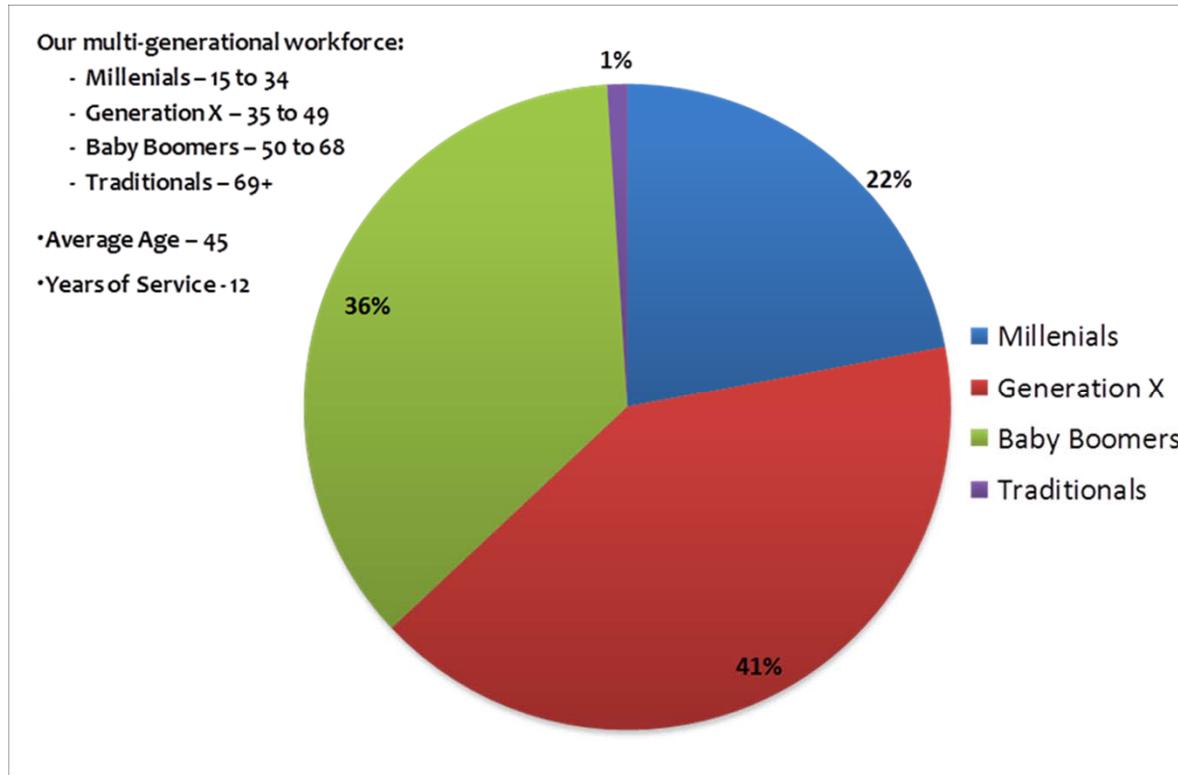
Fiscal Year	GFC Base	GFC Increase	Total Annual GFC	Construction Match	Annual Operating Costs	Year End Op. Fund Balance
2011-12	\$ -	\$ 1.0	\$ 1.0	\$ -	\$ -	\$ 1.0
2012-13	1.0	1.0	\$ 2.0	(3.0)	-	-
2013-14	2.0	1.3	\$ 3.3	-	-	3.3
2014-15	3.3	1.3	\$ 4.6	-	-	7.9
2015-16	4.6	1.5	\$ 6.1	-	(0.3)	13.7
2016-17	6.1	1.5	\$ 7.6	-	(2.7)	18.6
2017-18	7.6	1.5	\$ 9.1	-	(10.5)	17.2
2018-19	9.1	1.8	\$ 10.9	-	(17.3)	10.7
2019-20	10.9	1.8	\$ 12.7	-	(17.9)	5.6
2020-21	12.7	2.2	\$ 14.9	-	(18.4)	2.1
2021-22	14.9	2.2	\$ 17.1	-	(19.0)	0.2
2022-23	\$ 17.1	\$ 2.2	\$ 19.3	\$ -	\$ (19.5)	\$ 0.0



Santa Barbara County Recommended Budget

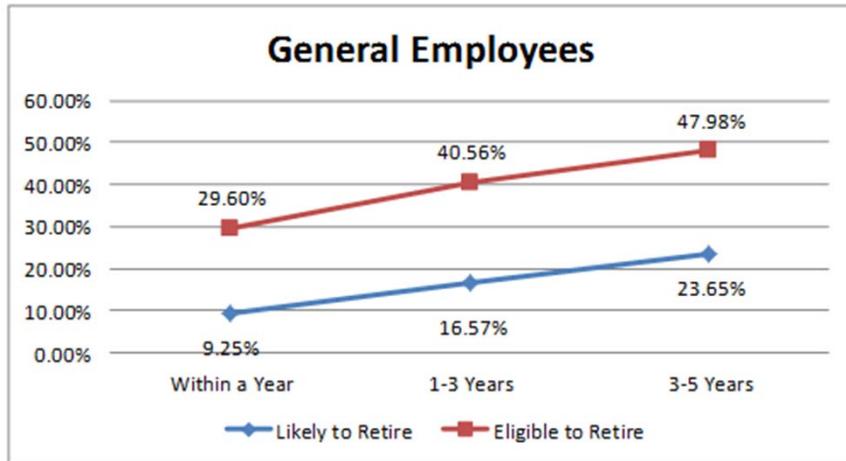
Workforce Planning

Makeup of County Workforce



Santa Barbara County Recommended Budget

Workforce – Likely & Eligible to Retire



Santa Barbara County Recommended Budget

Capital Summary

Five Year CIP Funded/Unfunded Totals by Fiscal year

Fiscal Year	Funded	Unfunded	Total
2014-15	54,747	550	55,297
2015-16	61,034	5,643	66,677
2016-17	101,860	30,394	132,254
2017-18	90,008	38,614	128,622
2018-19	47,776	40,430	88,206
Five Year Total	\$355,425	\$115,631	471,056

Significant FY 2014-15 planned projects:

- Northern Branch County Jail AB-900
- Northern Branch Jail – STAR Complex SB-1022
- Cachuma Lake Recreation Enhancements & Infrastructure Upgrades
- Lower Mission Creek Flood Control Project



Santa Barbara County Recommended Budget

Closing Comments

- Outlook is positive and improving
- Structural issues recovering but remain in some departments
- Significant needs & challenges remain
- Limited capacity for growth, need to manage expectations



Recommended Actions

1. Consider, amend and adopt the FY 2014-15 Recommended Budget, including CEO Recommended Expansions and Restorations
2. Approve final budget adjustments to the Fiscal Year 2014-15 Recommended Budget, including Attachment E: Board Adjustments to FY 2014-15 Recommended Budget;
3. Delegate authority to the County Executive Officer to:
 - a) execute renewal of single-year grants and contracts (“ongoing grants and contracts”) included in the Recommended Budget; that had previously been approved by the BOS and for which no significant scope change is requested; and
 - b) For these contracts, approve changes in cost up to 10% of the contract, without returning to the Board for approval; and



Recommended Actions, Continued

4. Adopt the Resolution of the Board of Supervisors entitled In the Matter of Adopting the Budget for Fiscal Year 2014-15
5. Receive maintenance funding options and provide direction to staff.
6. Approve a FY 2014-15 work objective for the CEO office to coordinate an interdepartmental, countywide Isla Vista initiative, within existing, budgeted resources

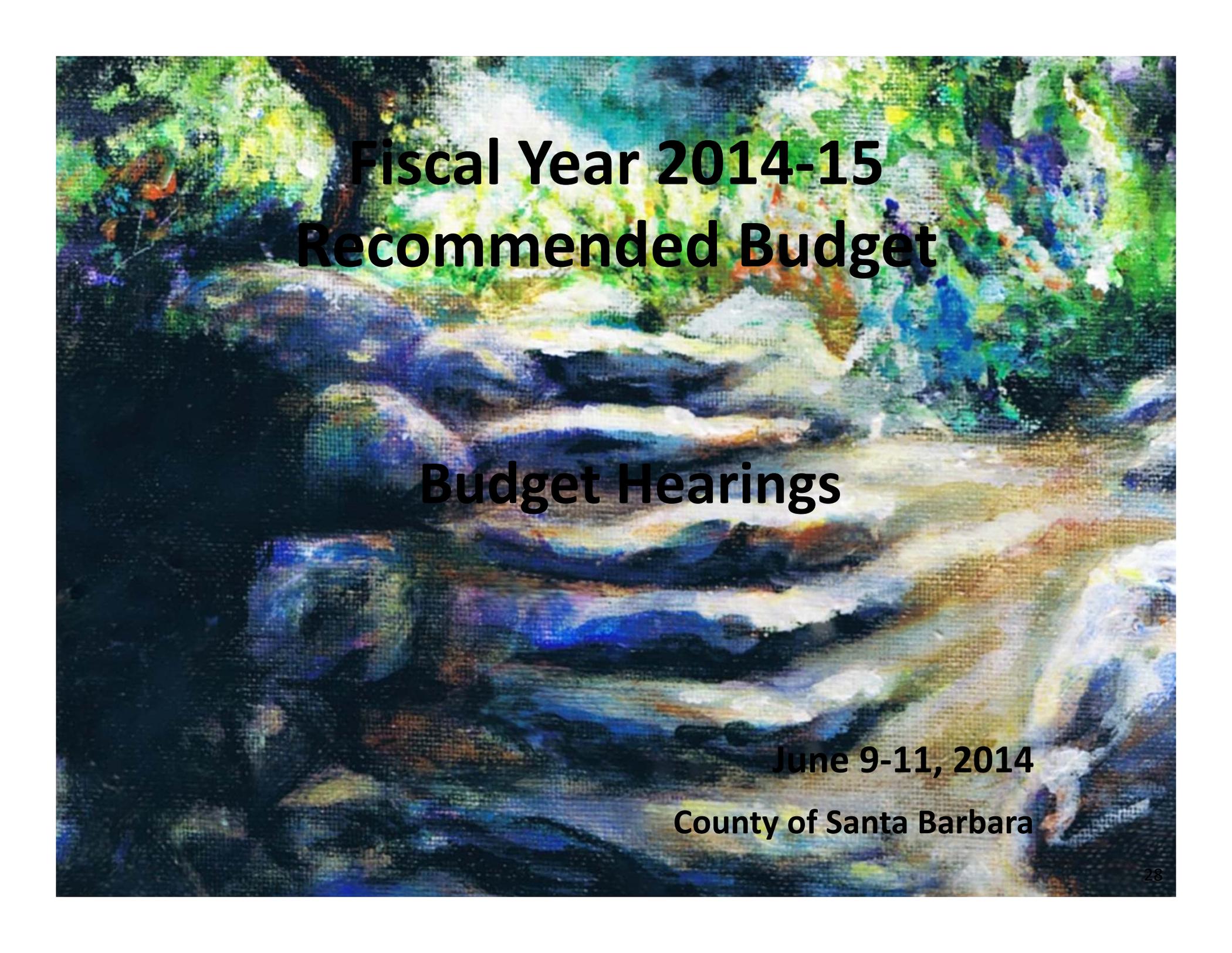


Recommended Actions

Successor Agency to the former County of Santa Barbara Redevelopment Agency

1. Adopt the Resolution of the Board of Supervisors of the County of Santa Barbara as the Successor Agency to the former County of Santa Barbara Redevelopment Agency, entitled In The Matter Of Adopting The Budget For Fiscal Year 2014-15 For The County Of Santa Barbara As Successor Agency To The Former County of Santa Barbara Redevelopment Agency.



An impressionistic painting of a waterfall cascading over rocks. The colors are vibrant and varied, including greens, blues, yellows, and purples, creating a sense of movement and light. The style is reminiscent of J.M.W. Turner or similar Impressionist artists.

Fiscal Year 2014-15 Recommended Budget

Budget Hearings

June 9-11, 2014

County of Santa Barbara