SECTION A

County Executive Officer's Message

EXECUTIVE SUMMARY

May 17, 2011

The Honorable Board of Supervisors
County of Santa Barbara
105 E. Anapamu Street
Santa Barbara, California 93101

Chair Gray and Board Members:

The proposed Fiscal Year 2011-2012 County of Santa Barbara Operating Plan, including the proposed budget, is submitted for your consideration, possible amendment and adoption. The FY 2011-12 proposed budget represents thoughtful consideration of impacts, consequences, alternatives and difficult choices by departmental and County Executive Office staff. The proposed budget reflects significant service level impacts; however, it is balanced while maintaining public safety, protecting our children, supporting livable communities, minimizing impacts to the public and preserving quality services to the extent possible. The plan was prepared in accordance with the Board's adopted budget policies and with full consideration of the Board's focus on accountability, transparency, continuous improvement and innovative strategies.

Santa Barbara County, like other local governments today, faces ongoing and unparalleled economic challenges. Every level of government is confronting deep, structural and long-standing fiscal problems. At the same time, the nation, California, and the County continue to struggle through what has been the deepest and longest recession since the Great Depression. Although there is some evidence that the economy is improving and retail sales appear to be stabilizing, unemployment remains high and difficult years lie ahead. As noted in the October 2010 Fiscal Issues Report, the County's current budget challenges are not a one-year phenomenon. This organization remains committed to fiscal stability, and in this environment that means the County must continue to innovate, reengineer business processes, and reduce or eliminate non-core, discretionary services while scaling back others.

With such efforts, this proposed budget closes a gap of $72 million for the upcoming fiscal year. The main reasons for this budget gap included:

- The unavailability of $21.5 million of one-time funding that was used in the current fiscal year;
- A $21 million increase in pension fund costs;
- Implementation of $9.2 million of previously negotiated deferred salary increases; and
- Increased costs of $19.8 million to maintain levels of service relating to the increasing costs of other salary and benefit cost increases, flat revenue growth, and maintenance of effort requirements.

To close the gap, this proposed budget recommends a combination of ongoing and one-time solutions. Although many sources of one-time funding were reduced this fiscal year to preserve service levels, departments anticipate having approximately $10 million of reserves on June 30th to use in FY 2011-12 to maintain services. These fund balances are the result of aggressive fiscal management such as holding staffing vacancies and reducing or deferring spending on supplies and capital projects. Using these one-time funds in FY 2011-12 will again create a funding shortfall in the following year which will need to be addressed though additional reductions in service, reallocation of funding, or cost reductions in FY 2012-13.

This document is not just a proposed budget; it is the Operating Plan and a communications tool for the employees of this organization. As an Operating Plan it guides, prioritizes, directs and reminds each and every person what services we are committed to delivering to the 436,494 residents of Santa Barbara County. All of us in public service are faced with a new reality:

- The public's expectations of government services remain high,
- The public's confidence in our ability to meet their service expectations is below where we would like it to be, and
- The County's ability to adequately fund services to meet expectations is diminishing.

As a communication tool, this budget clearly articulates where we as a local government will focus our efforts to deliver priority services and programs to our residents. Nobel Prize winning physicist Albert Einstein said, "We can't solve problems by using the same kind of thinking we used when we created them." The new reality is causing us to re-think the old assumptions. The proposed FY 2011-12 County of Santa Barbara Operating Plan is the beginning of new thinking about how we plan, lead and deliver the business of government.

Much is being written about the best ways for leaders to respond in challenging times. Since I view every employee as a leader and we are, without a doubt, experiencing challenging times, I offer a short list of ways for each of us to respond to the current circumstances:

- Focus on the goal and then adjust your goals to meet the increased expectations
- Develop innovative solutions
- Deliver flawless execution
- Communicate with and engage and empower others

- Be poised under pressure

The beauty of this list is that regardless of your role in this organization, these five responses increase your ability to make better decisions, meet the public's service needs and achieve results. Additionally, these leadership responses to challenging times are in harmony with our County's ACE (accountability, customer-focus, efficiency) values. And together they provide a powerful reminder of what is important as we serve the residents of Santa Barbara County.

Respectfully Submitted,

Chandra L. Wallar
County Executive Officer

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Solving the Budget Gap Began in July 2010

The current fiscal year began with a clear understanding that a significant effort was going to be necessary to prepare the organization to address the "cliffs" in the FY 2010-11 budget. These new efforts took place at the strategic level across the organization and in departments at the operational level.

An example of the strategic level expense reduction strategies is the implementation of a soft hiring freeze. As positions have become vacant throughout the year Chief Executive Officer (CEO) authorization was required to fill them, thereby creating savings that can be carried over into the next fiscal year. Without this hiring freeze, staffing levels would have been higher and there would have been additional layoffs necessary in FY 2011-12 to meet the available funding level. Another countywide effort to contain costs was a policy of no salary increases (not including negotiated increases for represented groups). The Board of Supervisors eliminated the 2% cost of living adjustment for management, executives, and confidential employees that was budgeted in FY 2010-11, creating savings that will carry over into FY 2011-12. Other examples of strategic level efforts to manage expenses implemented in the current fiscal year include:

- Opened discussions with labor to reduce current and future year salary and benefit obligations
- Examined and received approval for department consolidations particularly as leadership positions were open
- Redesigned the budget development process by asking department leaders to come together to discuss, consider alternatives and prioritize their identified service level impacts, and then used these recommendations in developing the proposed budget
- Began enterprise-wide efforts to address performance and attendance problems to increase organizational productivity and morale
- Provided extensive staff support, received the recommendations and recommended the use of those proposals of the Retirement Program Alternatives Advisory Commission in negotiations with labor

In addition to countywide strategies, department-specific cost-saving measures have also been implemented. For example, the County Surveyor Division of Public Works was one of the first government agencies in California to implement a "1-person" survey crew using real-time GPS technology at Tajiguas Landfill, reducing labor costs by 50%. The Elections Division of the Clerk-Recorder-Assessor, previously operating from several locations, consolidated all operations to a newly remodeled facility at the Calle Real Campus. The new facility accommodates centralized election operations and storage, improving operational efficiencies and saving the County from having to obtain expensive leased space to accommodate vote-by-mail processing. The Public Health Department will continue an ongoing initiative to increase the use of generic drugs to decrease pharmaceutical costs. Over the past seven years, the department has increased the use of generics by approximately 25%, reducing costs by nearly $1 million even as the use of pharmaceuticals has increased. Other examples of operational efforts to reduce expenses include:

- A new Volunteer Attorney Externship Program was created in response to continuing budget reductions. Under this new program, attorneys have the opportunity to receive practical courtroom experience while allowing the District Attorney's Office to maintain core services to the public at no additional cost. Participants in this program are assigned a misdemeanor caseload and they work under the supervision of experienced prosecutors. Each volunteer attorney must commit to a minimum of six months of full-time service to the District Attorney's Office; in exchange the attorneys will gain valuable trial experience in developing his or her courtroom skills. The Volunteer Attorney Externship Program is another way the District Attorney's Office is continuing to serve the public at the highest levels of legal representation without additional strain to the County budget.
- The Sheriff's Volunteer Program expands the capabilities of the Sheriff's Office as a cost saving and effective outreach program. The Santa Barbara County Sheriff's Search and Rescue Team is a non-profit organization comprised of dedicated men and women who volunteer their time to locate and render aid to those in need. The Sheriff's Aero Squadron provides their services and planes to assist in searches, law enforcement operations, and transportation details that save the County thousands of dollars. In addition to those established organizations, the Sheriff's Volunteer Program has a cadre of community members who donate hundreds of hours of their time performing duties such as chaplain services, parking enforcement, transportation details, community services, and other tasks that benefit the county and the Sheriff's Office. These dedicated volunteers receive training in various aspects of the department and are then assigned tasks based upon their availability and skills.
- The District Attorney created an Arson Task Force made up of well over 30 fire officials from throughout Santa Barbara County. The Task Force meets regularly to share ideas and information. Additionally, at no extra cost to the County, two Senior Deputy District Attorneys and one DA investigator have been assigned to this task force. The Arson Task Force has already been instrumental in the investigation of several structure fires throughout Santa Barbara County, which not only leads to quicker resolutions on fire investigations, but more importantly, the Task Force helps save lives.

- Santa Barbara County's Clerk-Recorder was the fifth County in the State of California to implement electronic recording utilizing the delivery system known as SECURE. Electronic document handling creates efficiencies by reducing the level of manual work associated with cashiering, scanning and mailing recorded documents.
- The Assessor continued to make improvements to and promote electronic filing of Business Property Statements to increase the number of electronic filers. Electronic filing creates operating efficiencies by automating the valuation process for business property. Automation of this process is one way in which technology and automation is being used to absorb increasing workload with declining staff resources.
- In order to better focus on the needs of the residents of Santa Barbara County, the Roads Division of Public Works developed the Roadway Enhancement Partnership Program (REPP) to accept voluntary donations of time, material, and funding, for the betterment of the County Right-of-Way (ROW). The majority of the effort is concentrated on trash pick-up, with an average of 300 bags of trash being collected each year. Additionally, items have been collected that cannot be bagged, including carpet, doors, sofas, dressers, mattresses, and other abandoned items on the ROW.
- The Clerk of the Board arranged for and facilitated Spanish-language translation services at Board of Supervisors' meetings at no cost to the County. County employees volunteer on an as-needed basis for Spanish-language translation in both Santa Barbara and Santa Maria.
- The Parks Department has enhanced and expanded services for the community at both Cachuma Lake Recreation Area and Jalama Beach Park. On April 15, 2011, kayaks and canoes were allowed on the Lake for the first time. Even though there is still no body contact, this was a much welcomed activity. Also, Cachuma Lake and Jalama Beach will be installing cabins. For those people who do not like to tent camp or who do not own an RV, this will be another alternative to enjoy our parks.
- The Human Resources Department created successful partnerships with the counties of Ventura and San Luis Obispo (SLO) resulting in increasing the Employees' University and reducing reliance on cell site revenue in FY 2011-12 by 50%. The leadership training that is being provided in Santa Barbara is now also being provided in the two adjoining counties resulting in a regional leadership philosophy.

More Reductions Needed for FY 2011-12

Despite these efforts undertaken by departments to maintain and even enhance services in a time of scarce resources, the size of the budget gap makes major service level reductions unavoidable. To the extent possible, the proposed budget seeks to minimize the impact of reductions on the community. For example, the budget proposes to eliminate the County reprographics operation, which will now be provided by local vendors. In the County Executive Office, staff reductions in Budget and Research, Clerk of the Board, the Legislative Program, and Government Access Television will reduce all areas requiring a focus on only those services mandated or core to the County or Board of Supervisors. The proposed budget also eliminates positions that have been funded but have remained vacant for many years.

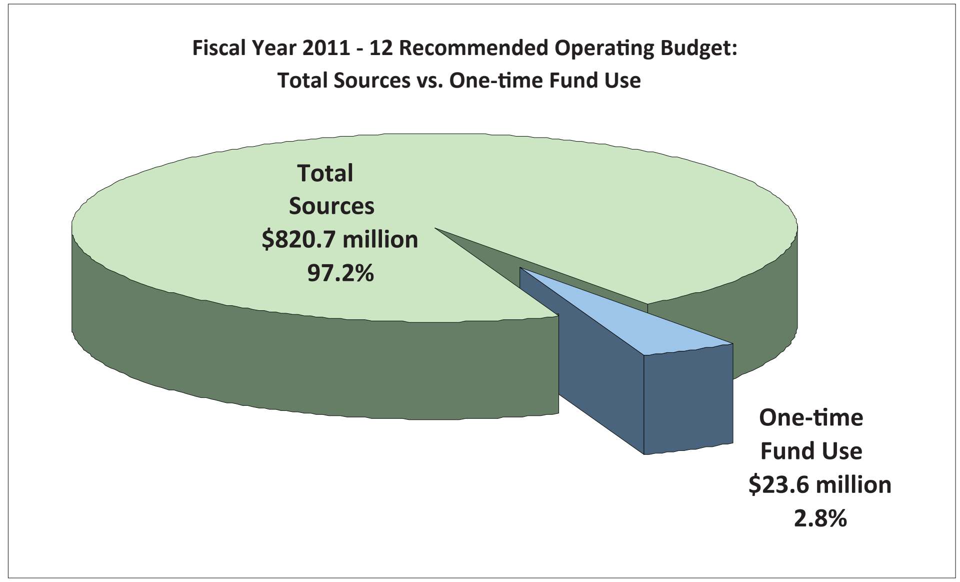
Below are some of the most significant areas of reduction proposed for FY 2011-12 that will directly impact the community:

- Sheriff: Closure of the Santa Maria branch jail, which will reduce the long-term jail capacity by 20 beds. This will also increase travel time for booking of prisoners by North County Sheriff's personnel and allied agencies unless another available alternative such as a custody transport service is used.
- Public Defender: Elimination of social worker services. Elimination of the two social workers on staff will result in the withdrawal from treatment courts, and an inability to continue doing mitigation investigations on capital cases. It would also impact the department's ability to get clients out of jail and into treatment programs contributing to jail overcrowding and negatively impacting the length and severity of sentences.
- Public Health: Elimination of funding for staffing to the Human Services Commission and funding to approximately 65 non-profits for a variety of human service programs. This will result in the reduction or elimination of some of the programs offered in the community.
- General Services: Reduction of maintenance staff of 8.5 FTEs from 33.0 FTEs. This will increase response time for maintenance of County facilities and lead to delays in regular maintenance.
- Probation: Elimination of the Community Service Work program through which 2,000 juvenile and adult offenders provide 83,000 hours of work valued at $830,000 annually to the County, local Cities, and community based organizations.
- Probation: Elimination of shift staffing at the Santa Barbara Booking Station. A standby transportation component will remain to mitigate the elimination of shift staffing. As is current practice for after hour responses, south county law enforcement

would contact the Santa Maria Juvenile Hall to determine if the detained minor meets booking criteria and law enforcement personnel would have to wait for stand-by staff to arrive, take custody and transport the minor to the Juvenile Hall. South county law enforcement books an average of 700 detainees annually; response times will be adversely impacted.

- General County Programs: Reduction in funding for the libraries, which may impact the hours the libraries will remain open, staffing at the libraries and the amount of materials the libraries will be able to purchase.
- Fire: Deferral of the Fire Season Fuels Crew Program will result in the loss of initial attack fire suppression capabilities within the County. There will be a reduction of wildland fire prevention and flood preparedness such as vegetation removal, debris removal, sand-bagging and fuels reduction throughout the year.
- District Attorney: Elimination of 2 attorneys from the Drug/Alcohol Treatment Courts, including Driving Under the Influence (DUI) Court, Drug Court, Proposition 36 Treatment Court and Mental Health Court, which are largely focused on assisting and monitoring addicts through their recovery with treatment programs. If prosecutors cannot staff these courts, it will force the courts to send a significant number of the cases to the already impacted criminal trial courts which are currently handling many violent crimes.
- Treasurer-Tax Collector: Reduction of one staff position for Veterans Services will result in fewer locations to provide assistance to County veterans in obtaining veterans benefits such as disability compensation, survivor benefits and medical aid.
- Human Resources: Recruiting staff will no longer be able to provide specialized recruiting services such as assessment centers and multi-step exams. The timeliness of completing recruitments and filling vacant positions may be reduced. This saves money in the short-term but will have long-term impacts on the ability of the County to maintain a qualified workforce to deliver services to the community.

In previous years, major service level reductions such as those outlined above have been largely avoided through the use of one-time resources to fund ongoing services. The FY 2011-12 proposed budget continues this reliance on one-time funding, though to a smaller extent than has been past practice.



Throughout the fiscal year, departments will be asked for updates on how they are eliminating the need for the use of these one-time funds. Though the use of these funds is included in the proposed budget, they will not necessarily need to be expended since actual service level demands will differ from budgeted projections. To the extent that one-time funds are not spent on maintaining service levels, the structural deficit carried over to the subsequent fiscal year will be reduced.

A final strategy to close a structural budget gap is the generation of new revenue. While some County fees will increase in the next fiscal year, the impact on overall County revenues will be minimal and no significant new revenue streams are expected to be available in FY 2011-12. Staff will initiate efforts in the future fiscal year to develop and propose a comprehensive plan to enhance revenue opportunities to assist the County to fully recover from the effects of a recessionary economy.

Departments continue to seek opportunities to achieve efficiencies throughout the fiscal year and new programs will be implemented. These efforts will not only minimize the need for service level reductions but in many cases will also improve the quality of services offered. Some highlights include the following:

- The Public Health Department has embarked upon one of its most significant initiatives, the Electronic Health Record (EHR) project. The project will transform the way the health care centers do business. The EHR will enhance patient safety, improve the overall quality of healthcare, increase efficiencies by minimizing the number of duplicative laboratory and radiology tests, improve coordination throughout the health care centers, improve coordination and collaboration with community providers for treatment purposes, provide strict adherence to Health Insurance Portability and Accountability Act (HIPAA) requirements, improve prescription processing with e-Prescribing, and maximize federal financial incentives while avoiding future penalties. The Department has completed its readiness assessment, vendor selection, and is in the implementation stage. The first health care center will go-live in November 2011 and all health care centers will be fully implemented by June 2012.
- In order to reduce the annual electrical power consumption of the Laguna County Sanitation District wastewater treatment facility the District will be installing one mega-watt of solar panels. The system will become operational in August 2011 and will save in excess of $100,000 annually.

In addition to reductions with budgeted savings in FY 2011-12, new strategies to further bring expenditures in line with revenues and focus the County on core service delivery will be implemented during the fiscal year. In some cases, the savings may take more than one year to be realized. Examples of such strategies include the following:

- Implementing departmental consolidations
- Engaging in a broad strategic planning effort to identify resources, needs, goals and actions necessary to transform the organization to the new normal
- Considering internal and external mergers and strategic partnerships that increase long-term sustainability of public services
- Identifying core public services
- Carefully using one-time money for nonrecurring expenses
- Increasing the capacity to respond quickly to changing circumstances through cross training of staff, service delivery redesign, ending services that are not sustainable so that resources can be redeployed to other areas of need
- Increasing the relationships between departments, nonprofit service partners and volunteers to streamline administrative processes and maintaining careful oversight of finances and service outcomes
- Using the strategic reserve for strategic initiatives (e.g. making core directional choices toward an intended future)

Fiscal Year 2011-2012 Proposed Budget Highlights

Figure 1: FY 2011-12 Recommended Budget at a Glance

Budget at a Glance				
Dollars In Millions	**2009-10 Actual**	**2010-11 Adopted**	**2010-11 Estimated**	**2011-12 Recommend**
Total Revenues	$743.0	$758.4	$751.3	$750.2
Other Financing Sources	$103.5	$173.9	$125.1	$ 94.1
Total Sources	$846.5	$932.3	$876.5	$844.3
Total Expenditures	$747.1	$852.5	$797.1	$817.7
Designated for Future Use	$ 99.4	$ 79.8	$ 79.4	$ 26.6
Total Uses	$846.5	$932.3	$876.5	$844.3
Staffing FTEs	4,064.7	3,888.0	3,954.2	3,682.4

The Budget at a Glance shows that efforts are being made to better align the expenditures with revenues in the FY 2011-12 proposed budget. The FY2011-12 recommended budget is 2% less than the estimated actual spending for FY2010-11 and 9.4% below the FY2010-11 Adopted Budget. Due to a significant increase in costs, primarily salaries and benefits, the proposed budget includes a reduction of 205 FTEs from the FY 2010-11 adopted budget, the largest FTE reduction of the past two decades. This is a reduction of 700 FTEs from FY 2001-02; the year of the County's highest staffing level. If adopted, the proposed staffing level of 3,682 FTEs would bring the County back to FY 1989-90 levels.

The proposed budget estimates that the major County discretionary revenue sources will remain relatively flat from the current year. The largest nominal growth is expected to be in secured property taxes, which are budgeted to increase by $1.4 million; however, this represents only a 1% increase.

Key Challenges to Balancing FY 2011-12

Increased Demands for Service

As the nation continues the slow recovery from the worst recession since the Great Depression, the County faces the fourth consecutive year of budget reductions. Demand for County Public Health and Social Services is at an all-time high as community members have seen their incomes decline over the past several years and they have turned to the County's social safety net for assistance. The crime rate has also risen as a result of the dampened economy, placing increased demand on the County's public safety and law and justice services.

Increased Costs of Doing Business

Not only has the demand for services risen, but the cost of providing these services has also grown significantly as a result of increased costs of services and supplies, previously negotiated salary increases for represented employees and the increasing costs of providing health insurance, pensions, and other benefits to employees.

Economic Downturn Reduces Revenue

Due to the decline in consumer spending, leisure travel and home values during the recession, the revenues that the County depends upon—primarily property, sales and transient occupancy taxes—experienced little growth over the past few years. Revenue growth would normally balance some or all of these expenditure drivers noted above. However, major ongoing revenue sources are expected to remain relatively flat in FY 2011-12, leaving nearly the full amount of the projected budget gap to be solved through expense reduction strategies.

Federal and State Budget Challenges

The uncertainty of state and federal budgets has increased the difficulty of building a balanced budget for FY 2011-12. County departments derive upwards of 36.7% of their budgets from state and federal revenues and significant changes in levels of funding or how services are funded increase the difficulty of getting a clear picture of the resources that will be available to deliver services to County residents. The federal budget for FY 2010-11 was passed in April 2010, six months into the fiscal year. In Sacramento, the picture remains very unclear. While the vast majority of spending bills have been passed by the legislature at the time of printing, the spending bills will reduce state spending by approximately 50%. Governor Brown and the legislature have not reached an agreement on how to close the remaining $12 billion deficit for FY 2011-12. The options under consideration are tax extensions or additional cuts. Realignment of many public safety services from the State to the County is likely to change the scope of safety responsibilities and the funding sources to support those activities.

The FY 2011-12 proposed budget reflects a continued commitment to minimizing the impact of budget reductions on the community. However, after four years of budget reductions, there are few budget reduction strategies that don't involve service level reductions. The FY 2011-12 proposed budget reflects input from all Department Directors and maintains services to the extent possible in the County's core service areas.

As we enter FY 2011-12, the County finds itself with reduced reserve funds and the need to significantly reduce services to bring costs in line with available funding. The budget gap between the cost of maintaining services at FY 2010-11 levels and available revenues is estimated to be $72.2 million in FY 2011-12. Figure 2 displays the five major areas of expenditure growth composing the estimated budget gap:

Figure 2: Major Areas of Expenditure Growth Projected in FY 2011-12

Growth Area	Description	FY 2011-12 Projected Increase
One-time fund use	One-time sources used to fund ongoing services in FY 2010-11 are no longer available.	$21.5 million
Pension fund stability	Costs of the County's defined benefit pension will increase as a result of investment losses during the recession and new actuarial assumptions adopted by the Board of Retirement.	$20.7 million
Expiration of concession agreements	Certain labor groups agreed to defer planned salary increases. As the deferrals expire and employees are granted salary increases, salary and benefit costs increase.	$9.2 million
Five-year forecast increases	The five-year financial forecast includes base assumptions regarding anticipated cost increases. These include previously negotiated compensation increases, anticipated benefit cost increases, and one-time increases in contributions to public safety and social services funding to maintain service levels.	$19.8 million
New Certificates of Participation issuance	The Board of Supervisors took action to issue new Certificates of Participation to fund the Public Defender Courthouse Remodel, Emergency Operations Center Construction, and the Betteravia Administration Building and Back-Up Emergency Operations Center Construction.	$1.1 million

Revenue is not available to match growth of these expenditures. The actual growth of the expenditures in the proposed budget is less as a result of service level reductions.

The proposed budget reflects a commitment to continuing to provide core services to ensure the safety and well-being of the most vulnerable members of the community.

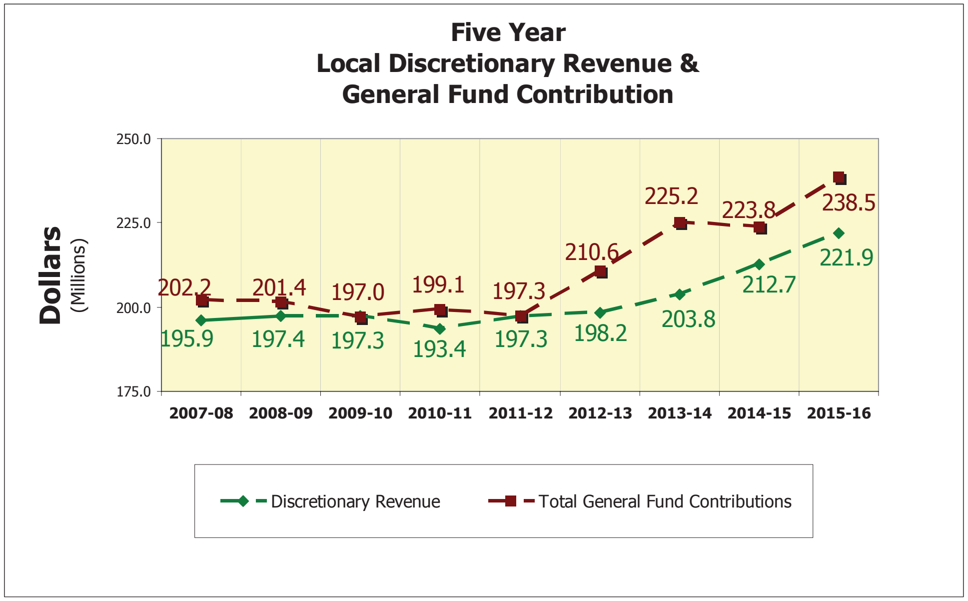
Budgeting for the Future

The significant expenditure reductions proposed in this budget will better align spending with available resources. However, new and ongoing challenges remain on the horizon and further spending reductions will clearly be necessary in FY 2012-13.

The continued use of one-time sources to fund ongoing operations is a challenge for the near term. Fortunately the County had built up prudent fiscal reserves over the years that allowed service levels to be maintained to a degree and avoided dramatic budget cuts during this economic downturn. The Board of Supervisors has chosen to use one-time funding to mitigate some service level reductions for high priority programs, but this practice cannot be sustained as the availability of the County's reserve funds has decreased. Structural deficits develop when ongoing expenditures are not reduced to meet available ongoing revenue. In a time of large expenditure growth, primarily in the area of employee salaries and benefits, and nearly flat revenues, the use of one-time funding to fill the gap exacerbates the problem in future years.

To better understand the challenges on the horizon, the County's five-year forecast provides a snapshot of the anticipated revenue and cost growth in the near future. The five year forecast of discretionary General Fund revenues and their uses is intended to provide a context that may be helpful in weighing the financial consequences of current year decisions. In keeping with prior forecasts, the revenue projections focus on discretionary General Fund revenues. Discretionary revenue is derived from local taxes, especially taxes on property and property transactions. On the expenditure side, the forecast projects the use of discretionary revenue for salaries and benefits, maintenance of effort requirements, and other specific uses directed by the Board of Supervisors.

Figure 3: Five-year Forecast of Local Discretionary Revenue and General Fund Contribution



This chart demonstrates a continuing structural deficit for the County. The forecasted gap between revenue and General Fund Contribution to meet expenditures is driven by:

- The use of one-time sources to maintain levels of service for FY 2011-12 which, with flat revenue projections, exacerbate the structural imbalance in future years;
- A General Fund base budget that is higher than is sustainable by annual revenues requiring reductions in the cost of providing services or reductions in services;
- A structural imbalance within the Fire Department as the growth of its primary revenue, a dedicated portion of the property tax, fails to match the growth of its expenditure demands;
- Continuing strong demands for mandated social services as a result of the recessionary economy;
- Diversion of General Fund Contribution for the future operation of a new County jail, a strategy that significantly closes the budget gap in future years;
- Increased use of local discretionary revenue to meet the Public Health Department's Maintenance of Effort (MOE) requirements;
- Annual wage increases of 3.0% for those previously negotiated with assumptions of zero increases as agreements expire;
- An average 6.25% increase in the actuarial cost of funding existing retirement obligations; and
- Flat revenues slowly rebounding as the economy improves with adjustments relating to the existing Goleta Revenue Neutrality Agreement in FY 2012-13, the City of Santa Barbara's Redevelopment Agency in FY 2014-15, and additional revenue relating to the opening of the Miramar Hotel in FY 2014-15.

This gap is ongoing and demonstrates that future costs exceed the available ongoing discretionary revenue by $12 million in FY 2012-13 and by nearly $21 million in FY 2013-14 as the expenditures increase and as one-time sources cease to be available to support expenditure levels. Closing the gap will require services to shrink, employees to be compensated less, and/or new revenue sources to be created, from economic development, natural growth of the economy (if any), fee increases, and/or voter approved tax increases.

Forecast Revenue Detail

The revenue forecast projects that FY 2010-11 marked the low point for local discretionary revenues. Modest increases in discretionary revenue have occurred since that time and are expected to continue during the forecast period.

The nation fell into a recession in the second half of 2008 following the real estate market crash and precipitated by the turmoil in the financial markets. California's economy showed an even more troubled trend. It is estimated that the economic recovery will continue; however, as a result of the adjustment from the Goleta Revenue Neutrality Agreement, the net increase is projected at 0.46% in FY 2012-13, increasing by 3.29% in FY 2013-14, 4.36% in FY 2014-15, and 4.32% in FY 2015-16.

Figure 4: Five-year FY 2011-12 through FY 2015-16 Discretionary Revenue Projections

Revenue Source (Dollars in Millions)	FY09-10 Actual	FY10-11 Adopted	FY10-11 Estimated	FY11-12 Budget	FY12-13 Projected	FY 13-14 Projected	FY 14-15 Projected	FY 15-16 Projected
Secured Property Tax	$111.241	$111.200	$111.553	$112.972	$115.231	$116.926	$121.252	$125.739
Unsecured & Unitary Property Tax	8.088	6.940	7.058	7.075	7.252	7.252	7.542	7.844
Supplemental Property Tax	1.696	1.900	1.942	2.500	2.563	2.575	2.652	2.732
Property Transfer Taxes	2.442	2.200	2.272	2.500	2.563	2.575	2.652	2.732
Retail Sales Tax	9.137	9.200	9.303	9.900	8.785	10.148	10.528	10.923
Transient Occupancy Tax	5.950	6.000	6.628	7.000	5.745	7.105	9.065	11.069
Property Tax In Lieu of MVL Fees	41.986	41.656	42.152	42.680	43.534	44.174	45.808	47.503
Franchise Fees	2.712	2.960	2.646	2.794	2.850	2.850	2.907	2.965
Interest Earnings	2.548	1.900	1.511	1.279	1.000	1.500	1.500	1.500
Other Revenue	11.529	9.458	9.425	8.600	8.686	8.686	8.773	8.861
TOTAL	**197.329**	**193.414**	**194.490**	**197.300**	**198.209**	**203.790**	**212.680**	**221.866**
Dollar Change Per Year	**-$0.092**	**-$3.915**	**$1.076**	**$3.886**	**$0.909**	**$6.490**	**$8.890**	**$9.187**
GROWTH RATES:								
Secured Property Tax	0.43	-0.04	0.32	1.27	2.00	3.50	3.70	3.70
Unsecured & Unitary Property Tax	6.65	-14.19	1.70	0.24	2.50	2.50	4.00	4.00
Supplemental Property Tax	-49.25	12.03	2.21	28.73	2.50	3.00	3.00	3.00
Property Transfer Taxes	13.32	-9.91	3.27	10.04	2.50	3.00	3.00	3.00
Retail Sales Tax	-4.27	0.69	1.12	6.42	1.25	2.50	3.75	3.75
Transient Occupancy Tax	-7.48	0.84	10.47	5.61	1.50	1.50	2.25	2.25
Property Tax In Lieu of MVL Fees	0.89	-0.79	1.19	1.25	2.00	3.50	3.70	3.70
Franchise Fees	-11.89	9.14	-10.61	5.59	2.00	2.00	2.00	2.00
Other Revenue	-2.66	-17.96	-0.35	-8.75	1.00	1.00	1.00	1.00
TOTAL % Change from Prior Yr	**-0.05**	**-1.98**	**0.56**	**1.44**	**0.46**	**3.29**	**4.36**	**4.32**

REVENUE PROJECTION ASSUMPTIONS

Over the past five years, annual increases in the assessed value of property have ranged from three to eleven percent. The estimated FY 2010-11 increase is 0.32%. This modest positive growth is better than the negative growth anticipated in the adopted budget. Unlike other California jurisdictions, the County's secured property tax did not experience negative growth during the recent recession. The proposed budget is based on a 1.27% increase from the FY 2010-11 estimate. The growth rate shows a strengthening return of 2% in FY 2012-13, followed by a 3.5% rise in FY 2013-14, and 3.7% growth in FY 2014-15 and FY 2015-16.

Unsecured and Unitary Property Taxes

Unsecured tax revenues have remained stable in recent years. The most significant variable is the level of activity of contractors for various satellite ventures at Vandenberg Air Force Base. Changes here could cause fluctuations in future unsecured property tax values, and thus future unsecured tax revenues. Unitary taxes – which are based on State assessments of railroads, inter-county pipelines and communication cables (including fiber optic) running through the County – have shown declines in the past four years. These revenues together are projected to be flat in FY 2011-12 and begin a modest rebound in FY 2012-13 and beyond.

Supplemental Property Taxes and Property Transfer Taxes

Both revenues are directly dependent on property sales prices and the number of transactions. Supplemental property taxes are based on existing assessed value compared to the sales price and any new construction. Property transfer taxes are levied at $1.10 per $1,000 of the sales price of the property transferred. Thus, they are a leading indicator of future secured property tax growth. Supplemental property taxes are expected to begin recovery in FY 2012-13. The Property Transfer Taxes are budgeted to grow based on the expectation of an increasing number of sales and stabilizing sale prices.

Retail Sales Tax

The sales tax began to rebound in late 2010 and early 2011. The FY 2011-12 forecast shows an annualized rebound of 6.42% from the FY 2010-11 estimated actual. Subsequent fiscal years show modest growth of sales tax as the economy continues to recover. The projected FY 2012-13 growth rate of 1.25% is more than offset by a loss of revenue from the shift in the City of Goleta revenue neutrality agreement; sales tax growth projections will be on a smaller tax base and therefore there will be a decrease in sales tax revenues. That shift results in a net ongoing annual revenue loss beginning in FY 2012-13 of $1.24 million.

Transient Occupancy Tax

This source of revenue is highly dependent on tourism and the availability of lodging in the unincorporated County. The County experienced growth in the transient occupancy tax revenue in FY 2010-11; rebounding significantly from the predictions in the adopted budget. The projected FY 2012-13 growth rate is 1.5%; however, this is more than offset by a loss of revenue from the shift in the City of Goleta revenue neutrality agreement. Therefore, there will be a decrease in revenues as the growth rate will be applied to a smaller base. The shift results in a net ongoing annual revenue loss beginning in FY 2012-13 of $1.36 million.

Property Tax In-lieu of Motor Vehicle License Fees

Prior to FY 2004-05, the County received a share of vehicle license fee revenues collected statewide based on a population formula. Beginning with FY 2004-05, the State, as part of a complicated revenue reduction and refunding plan, has replaced (swapped) this source with property taxes. A portion of the property tax revenues that are taken from local governments to fund schools are returned to cities and counties in lieu of vehicle license fees. From the FY 2004-05 base, now adjusted, revenue growth is based on property tax growth. Thus, increases in these revenues mirror secured property tax revenue projections.

Franchise Fees

About 45% of these revenues come from cable television franchises, the other 55% are from gas and electric utilities. Franchise fee revenues are expected to remain flat during the forecast period.

Interest Income

Interest income earnings are volatile and are based on the amount of cash in the treasury and the interest rate earned. Interest earnings are forecast to decline as General Fund balances and reserves and designations decrease. This projection also assumes a stable State budget. Interest earnings on Tax Revenue Anticipation Notes are included in the estimate for FY 2010-11.

Other Revenues

This category has four main components: 1) State payments, other than payments in lieu of vehicle fees, 2) cost allocation revenue (internal charges) for structure and equipment use, 3) federal payments in lieu of property taxes, and 4) property tax delinquency penalties. State payments averaged $1.6 million a year until Williamson Act subventions were reduced. The forecast assumes these revenues, annually approximating $600 thousand, will not return. Federal payments have been growing slightly and are about $1 million annually. Cost allocation revenue fluctuates between $1.5 and $2.3 million. For planning purposes, cost allocation revenue estimates are at the low end of this range. Property tax delinquency penalties are anticipated to drop slightly in FY 2011-12 and remain flat in the forecast period. Together, these and the remaining revenues that comprise the category of Other Revenue generate approximately $8.6 million per year and are projected to remain flat over the forecast period.

Forecast Expenditure Detail

The expenditure forecast depicts how the local discretionary revenue is anticipated to be required. Local discretionary revenue is primarily spent as base budgets, for General Fund departments, to fund operations. The remaining local discretionary revenue is either designated for one-time needs or used to fund maintenance of effort requirements. The forecast is comprised of three categories: 1) non-salary cost increases, 2) maintenance of effort increases, and 3) salary and benefit increases.

Total local discretionary revenue is appropriated in three broad ways. First, in FY 2011-12 the base budget for General Fund departments (the General Fund target) totals $155.3 million. Second, the budget earmarks $6.1 million for certain future uses including deferred maintenance, Board contingency, a designation for future capital projects, and a designation for future jail operations. Third, the remaining $29.3 million available in local discretionary revenue is recommended to be appropriated for maintenance of effort requirements or payments to a non-General Fund department for specific services, in this case a local match for transportation funding in the Road Fund.

The Five-year Expenditure Projections table (Figure 5) includes both actual and projected numbers. The actual numbers, including those in the Recommended FY 2011-12 Budget, are to the left of the vertical double line while forecast projections are to the right of the line. The top portion of the table includes aggregate numbers of the three uses of discretionary revenue. The details of that spending are at the bottom portion of the table. The numbers in the gray box are presented only for historical comparison and are part of the aggregate numbers in the top section of the table.

Figure 5: Five-year FY 2011-12 through FY 2015-16 Expenditure Projections

Salary & Benefit Costs (Dollars in Millions)	*FY07-08 Actual*	*FY08-09 Actual*	*FY09-10 Actual*	*FY10-11 Estimated*	*FY11-12 Budget*	*FY12-13 Projected*	*FY13-14 Projected*	*FY 14-15 Projected*	*FY 15-16 Projected*
Departmental Targets - GFC base budget	150.8	159.1	155.7	152.4	155.3	155.3	171.9	171.9	183.6
Contribution to Designations	14.7	7.9	7.1	3.3	6.1	4.3	4.3	4.3	4.3
MOE & Base GFC to non-GF depts	30.6	29.1	27.6	26.2	29.3	29.9	32.7	32.7	38.0
Appropriation of Prior Year Revenue	6.1	5.3	6.6	17.2	6.6	2.3	0.0	0.0	0.0
Non-Salary increases						12.7	6.9	4.9	5.3
MOE increases						2.2	4.7	3.0	2.5
Salary and benefit increases						3.9	4.7	7.0	4.7
Annual Total	**202.222**	**201.403**	**196.964**	**199.129**	**197.300**	**210.599**	**225.245**	**223.822**	**238.459**
Other Future Year Impacts									
BASE GROWTH RATES:									
Target % change	5.3%	5.5%	-2.2%	-2.1%	1.9%	10.7%	18.2%	18.4%	12.6%
TOTAL % Change from Prior Yr	**5.1%**	**-0.4%**	**-2.2%**	**1.1%**	**-0.9%**	**6.7%**	**7.0%**	**6.3%**	**5.9%**
GFC Calculation									
Non-Salary Cost	Gray information is included as part of the base budget above but are here for historical detail								
Cost to maintain service funded by one-time				6.65	17.18	6.59	2.28	0.00	
Fire Department level of service	2.63	1.91	1.60	2.06	3.95	2.73	3.34	3.59	3.85
Completed COP payments					-0.65				
New COP				1.05					
Jail COP						2.40			
New jail operations						1.00	1.30	1.30	1.50
ADMHS non-mandated services & repayments	7.55	6.55	1.30	6.30	8.83				
Maintenance of Effort									
MOE: Social Services Mandate Match	11.27	8.50	9.66	8.20	11.03	2.20	1.90	1.50	1.00
MOE: Courts Mandate Match	7.75	8.63	7.61	7.61	8.54				
MOE: ADMHS Mandate Match	1.85	1.85	1.75	1.58	0.97				
MOE: Public Health Mandate Match	8.33	8.31	7.29	6.94	7.12		2.80	1.50	1.50
MOE: Roads Match	1.41	1.79	1.29	1.89	1.63				
Salary & Benefit Increases									
Salaries	3.28	8.16	-4.31	-4.24	10.04	2.35	1.21	1.23	0.00
Health	0.70	0.30	0.38	0.10	1.27	0.40	0.42	1.07	1.36
Retirement	1.46	1.49	-0.95	3.65	6.11	1.02	2.92	4.40	3.03
OPEB		3.87	0.35	-0.06	0.26	0.14	0.15	0.31	0.33
Total Annual GFC Increase	**9.90**	**-0.82**	**-4.44**	**2.16**	**-1.83**	**13.30**	**14.65**	**13.22**	**13.21**
Total Cumulative $ Change from FY 06-07 Actual	**9.90**	**9.08**	**4.64**	**6.81**	**4.98**	**18.28**	**32.92**	**31.50**	**46.14**

Non-salary cost increases include the cost to maintain services funded by one-time local discretionary reserves, maintaining the Fire department's level of service, certificate of participation (COP) payments, costs of a new County jail, and funding for ADMHS not related to current year maintenance of effort requirements.

- The cost to maintain services funded by one-time local discretionary reserves demonstrates the ongoing cost of maintaining the service levels in the FY 2011-12 proposed budget. The $17.18 million in FY 2011-12 represents the amount of one-time local discretionary designations appropriated in the FY 2010-11 budget to the departments of Public Health, Social Services, Housing and Community Development, County Counsel, Parks, the Public Defender, District Attorney, Probation, and Sheriff.

- The Fire Department level of service is based on the Fire Department's five-year financial plan. It shows that in FY 2011-12 the Department has expenditures that exceed its revenue and starting in FY 2012-13 those expenditures exceed its reserve and designation balances. The General Fund Contribution to the Fire Department doubles in the FY 2011-12 budget and in FY 2012-13 the Department will require an additional $2.73 million in General Fund dollars to maintain levels of service growing by another $3.34 million in FY 2013-14, $3.59 million in FY 2014-15, and $3.85 million in FY 2015-16. This projection shows that the Fire Department will require an annual appropriation of local discretionary revenue in FY 2015-16 of $17.46 million compared to $2.06 million in the FY 2010-11 adopted budget.

- Certain General Fund certificates of participation payments are complete in FY 2011-12. This results in a savings to the General Fund of $650 thousand annually net of the FY 2010-11 issuance.

- The costs of the new County jail begin with capital costs in FY 2012-13 ($2.4 million), construction beginning FY 2014-15, construction completing FY 2017-18, and operational costs beginning in FY 2017-18.

- The category of ADMHS non-mandated services and repayments includes contributions to the department of Alcohol, Drug and Mental Health Services for amounts above those required as the local match for current year ADMHS services. FY 2010-11 includes both a mid-year contribution from the Strategic Reserve for $5 million and an additional $1.3 million to fund the Santa Maria Crisis and Recovery Emergency Services (CARES) facility. The FY 2008-09 amount of $6.55 million includes $1.3 million for full-year operation of the North County CARES facility, $850 thousand related to audit settlements, and $4.4 million granted to the Department at the budget hearings. FY 2010-11 and FY 2011-12 includes an appropriation of the $12.5 million liability (spread over the two years) to ADMHS for prior period adjustments and the ongoing cost of North County CARES ($1.3 million annually).

The maintenance of effort increases are projections from the five-year financial forecasts of the Public Health and Social Services funds plus projections for the courts facilities mandate, the Alcohol, Drug and Mental Health Services Department, and the Road Fund.

- The local match requirements for Social Services will cost $17.6 million annually by FY 2015-16, an increase of $6.6 million from the required match included in the FY 2011-12 proposed budget. This projection results from a combination of caseload growth, constrained intergovernmental revenues ("cost of doing business" capped

State allocation), modest growth in departmental revenues (realignment), and the depletion of the department's reserves and designations.

- The Courts Mandate Match is the payment from the County to the State's Trial Court Trust Fund of $10 million required by California Government Code 77201.1 (b)(1) and 77201.1(b)(2). Certain court generated revenues reduce the amount needed to be appropriated from local discretionary reserves to $7.6 million. This appropriation has been stable in recent years. When court generated revenues are below estimates the County is obligated to appropriate additional local discretionary revenue as occurred in FY 2008-09. FY 2011-12 shows an increase of contributions to the Court to cover required conflict defense costs.

- The General Fund contribution to the Alcohol, Drug, and Mental Health Services Department has declined due to budget constraints and the Department's adjustment of business practices. This is the base contribution to the department and does not include the additional non-mandated services (North County CARES), nor any audit settlement amounts. FY 2011-12 reflects a reduction in General Fund Contribution per the Board of Supervisors' adopted budget policies.

- Public Health utilizes the General Fund Contribution as the required local match to certain federal and State revenues and to maintain services for the uninsured as part of the County's Federally Qualified Health Center certification and Welfare and Institutions Code requirements. The Department has been successful in developing alternative funding for its programs and mandates, however, given the volatility of the economy, wage and benefit increases, threats of pandemics, and changing federal and State laws, it is anticipated the Department will require increased General Fund Contribution beginning in FY 2013-14.

- The local match to the Road Fund to secure intergovernmental revenue for transportation improvements is anticipated to remain unchanged in the forecast period. A future Board of Supervisors may determine additional General Fund Contribution is required to maintain an adequate and safe transportation network. State budget impacts may require additional use of local discretionary revenues for road maintenance or for local match requirements, but are not anticipated in this forecast.

- The salary and benefit increases include anticipated personnel related expenditures. They are determined based on negotiated Memoranda of Understanding (MOUs), health insurance and retirement benefit cost projections, and mandated costs such as Social Security contributions. Additionally, the County is currently funding certain OPEB benefits related to providing medical coverage to retirees. The assumptions behind these increases include: 1) no net increase in FTE (reductions will be required), 2) no enhancements of health or retirement benefits, and 3) all costs associated with salaries are relatively flat projected at 3% or lower.

- Salary cost estimates for FY 2011-12 and the future years of the forecast incorporate current terms of negotiated MOUs and plan for potential growth impacts in future years. Five labor contracts for non-safety employees are scheduled to expire in 2011 and four contracts for safety employees expire in 2013. Executive and management salaries have been subject to a wage freeze since January 2008.

- Health insurance amounts assume a continued County obligation to pay 100% of the lowest cost premium. Health insurance costs have been rising at a staggering rate jumping 29% in FY 2006-07 and another 26% in FY 2007-08. Human Resources has been proactively managing health insurance and is developing strategies to mitigate future rate spikes. The forecast projects health insurance costs will increase on an annual average rate of 8.50% as the County continues to implement cost avoidance and reduction strategies.

- The employer's share of retirement costs are set by the independent Board of Retirement and paid by the County. The annual increases have been between twelve and twenty percent since FY 2005-06. The investment losses during FY 2008-09 had a huge impact on the FY 2010-11 retirement rate paid by the County. Smoothing formulas enable the rates to increase more modestly in future years (6.25% average annual increases). It should be noted that while some ameliorative measures have been discussed, the Retirement Board has the sole authority to set rates. Moreover, these measures add to the total cost of the system's debt and ultimately must be paid. The Board of Retirement's annual actuarial valuation study may include unforeseen costs due to market returns and the effects of demographic changes that are not reflected in these projections.

- In September 2008, the County and the Retirement System adopted an Internal Revenue Code Section 401(h) account that provides for Other Post Employment Benefits with the County currently assuming the costs of retiree medical coverage. The County's defined benefit postemployment healthcare plan (OPEB Plan) provides medical benefits to eligible retired County employees and their beneficiaries pursuant to California Government Code Section 31694 et. seq. Members of the OPEB Plan include retirees of the County and of the other employer plan sponsors, as well as their eligible dependents. Pursuant to the OPEB Plan, the Board of Supervisors has determined to provide a monthly insurance premium subsidy from the 401(h) Account for Eligible Retired Participants participating in a County sponsored health insurance plan in the amount of $15 per year of credited service. The County is required to calculate and record the annual required contribution of the employer, an amount actuarially determined. The contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of fifteen years. The County contribution consists of two components: 1) the normal cost for the year for current active employees, and 2) a component for amortization of the total unfunded actuarial accrued liabilities (UAAL) of the OPEB Plan consisting of current retirees, current vested terminated, and current active employees. This forecast assumes increasing General Fund Contributions to meet these contribution requirements. The cost of OPEB is expected to increase 7% annually. This amount may be impacted by future changes to the benefit.

Investing in the Future

In recognition of continued expenditure growth outpacing revenue growth, strong fiscal planning is crucial to ensure core services can be maintained over the next several years. Public safety is one of the Board of Supervisors' core values and the need for a new jail has been well documented over the past two decades. This budget proposes a solution that will set aside General Fund discretionary revenue over a period of ten years to fund future jail operations with a goal of the jail becoming operational in FY 2017-18 (see Figure 6). The FY 2011-12 proposed budget includes a $1 million set-aside for future jail operations.

Figure 6: Plan for Future Jail Operations Funding

JAIL OPERATIONS DESIGNATION												
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Added	1,000,000	1,000,000	1,300,000	1,300,000	1,500,000	1,500,000	1,800,000	1,800,000	1,800,000	2,000,000	2,055,309	2,652,350
Ongoing GFC	1,000,000	2,000,000	3,300,000	4,600,000	6,100,000	7,600,000	9,400,000	11,200,000	13,000,000	15,000,000	17,055,309	19,707,659
Cost	-	-	-	-	-	-	17,000,000	17,510,000	18,035,300	18,576,359	19,133,650	19,707,659
Cost Increase								3%	3%	3%	3%	3%
Balance	1,000,000	3,000,000	6,300,000	10,900,000	17,000,000	24,600,000	17,000,000	10,690,000	5,654,700	2,078,341	0	(0)

The County Executive Officer recommends that any new funding that becomes available FY 2011-12, such as unanticipated growth in ongoing revenue streams like property and sales taxes, be used to reduce the one-time fund use and fund deferred maintenance projects. The cycle of service reductions is not sustainable for the long-term and therefore the priority must be to reduce the structural deficit as opportunities present themselves during the year. County facilities are aging and deteriorating and in need of repair, but funding for deferred maintenance is not available to the full extent needed to adequately maintain all facilities. It is less expensive to perform preventive maintenance now than to wait until later to make major repairs.

The future of the County depends on the fiscal health of the State and nation. In these difficult budget times, the focus must be on creating a smaller leaner organization that does more with less. Once the economy recovers fully and begins to grow, the County will have the opportunity to explore areas for expansion and restoration of previously provided services. However, until that happens, the County must continue to focus on core services and seek efficiencies wherever possible to maintain the quality of core services to ensure we fulfill our commitment to the public safety and health of our most vulnerable citizens.

Planning for the Future

Santa Barbara County's Strategic Plan is the overarching guide that defines and measures the expected results of County government services as illustrated in Figure 7. It includes six General Goals, three Organizational Values and six broad Policy Plan Areas that enable the County to focus on its priorities. The departmental budget pages (Section D) describe current year accomplishments and alignment of services to the six General Goals. The Goals were initially adopted by the Board of Supervisors on April 21, 1998 and revised on November 21, 2006 and include:

Goal 1: EFFICIENT AND RESPONSIVE GOVERNMENT: An efficient professionally managed government able to anticipate and to effectively respond to the needs of the community;

Goal 2: HEALTH AND SAFETY: safe and healthy communities in which to live, work, and visit;

Goal 3: ECONOMIC VITALITY: A community that is economically vital & sustainable;

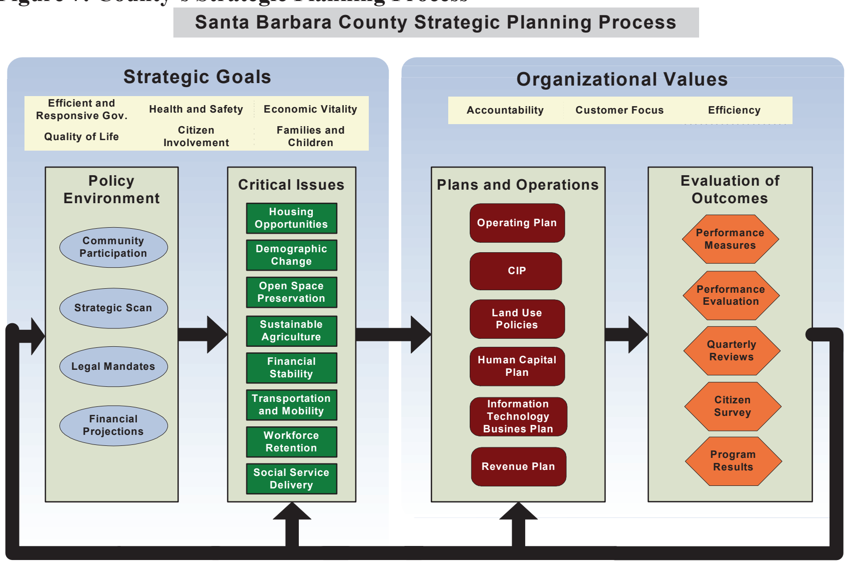
Goal 4: QUALITY OF LIFE: A high quality of life for all residents;

Goal 5: **CITIZEN INVOLVEMENT:** A County government that is accessible, open, and citizen-friendly; and

Goal 6: FAMILIES AND CHILDREN: A community that fosters the safety and well-being of families and children.

Organizational Values of *accountability*, *customer service*, and *efficiency ("ACE")* are a critical component of the Strategic Plan and represent important principles that embody a work ethic that is embedded within all County efforts. While the context for public policy is constantly evolving, the organization's values reflect the fixed ideals of ethical public service.

Figure 7: County's Strategic Planning Process



Given the substantial changes that the organization has gone through in the last ten years and the need for even more significant change in the years ahead it is time to invest in renewing the County's Strategic Plan. The County Executive Office intends to begin that process during the coming fiscal year with a goal of incorporating the Strategic Plan adoption prior to the budget process for the 2012-13 fiscal year. A renewed Strategic Plan will lead to a re-focused Management System that monitors progress toward goals and community-focused outcomes for FY 2013-14 to 2016-17. A new strategic plan and management system will enhance the organization's ability to focus on priorities, anticipate and avoid obstacles, take advantage of new opportunities, increase effectiveness in the services we deliver, work collaboratively to meet goals and provide a framework for living out our ACE values – Accountability, Customer-focus and Efficiency.

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