Section B

Executive Summary

COUNTY OF SANTA BARBARA

CALIFORNIA

Executive Summary

One County. One Future

Chair Hartmann and Board Members,

As we approach the 2017-18 Fiscal Year, the County is faced with budgetary challenges that are expected to continue for the next few years, requiring rebalancing among existing uses, service reductions or new revenue. Next year, for the first time in several years, the necessary costs of maintaining current service levels are anticipated to exceed available resources. This impact will affect segments of the organization differently, with some departments minimally impacted and others facing significant shortfalls and budget cuts. These effects will vary depending on the nature of departments' funding sources for these services and type of operations.

Unlike in the Great Recession, local revenues are growing at a modest rate, but are outpaced by increasing expenditure demands. Federal, State and other local revenues have increased overall, but recent State program reductions and funding caps in some areas are significantly impacting our ability to provide the same level of service next year, particularly in the Department of Social Services. Many of these services were historically funded by intergovernmental revenues, with minimal General Fund contribution.

Over the years, the County has strived to maintain a 30-day operating General Fund Strategic Reserve. This year, this reserve is recommended to be at 93% of its targeted level of funding due to limited financial resources. This equates to about $2.4 million below a targeted level of $32.2 million. We will continue planning for the future by addressing long-term liabilities, such as paying down unfunded pension and retiree health liabilities over the next two decades, and annually increasing contributions toward the County's deferred maintenance needs.

This year's budget theme, "One County. One Future", recognizes that to successfully address our challenges ahead we will need to increase our coordination and recognize our interconnectedness, building upon the strengths of individual County departments and community partners. Our fiscal challenges also call for a reallocation of limited discretionary revenue not just within but among our departments to ensure the Board's highest priorities for the community and organization are met. These challenges will require a continued commitment to responsible choices to deliver the level and quality of programs and services desired by the residents of Santa Barbara County. Maintaining fiscal stability and ensuring a balanced budget in the coming years will require continued prudence, realistic expectations, and restraint.

General Priorities to guide the budget development process. Similar to last year, general priorities to guide the budget development process are as follows:

- Continue the Board's prior commitments
- Maintain our financial reserves at prudent levels
- Address priority organizational needs and mandates
- Create efficiencies through technology and process improvements
- Strategically plan for the future
- Minimize service reductions and impacts to the public, to the extent possible
- Address new and emerging needs

Continued commitments to Board priorities. The FY2017-18 Recommended Budget continues prior funding commitments. These prior commitments, which obligate future ongoing revenue, reduce our capacity for significant expansions of programs and services, or other expenditure increases, in the near term.

- Northern Branch Jail - For several years, the County has proceeded in developing the Northern Branch Jail, a 376-bed new jail outside of Santa Maria. Construction has begun, and the new jail is scheduled to be in operation spring 2019. While the State is providing most of the construction funding, the operations are expected to cost $17.9 million annually beginning in FY 2019-20 (the first full year of operations), funded by the General Fund. The County's funding plan guides setting aside increasing amounts of General Fund revenues each year to cover the operating costs. The Recommended Budget includes $9.1 million for the eventual operations, per the Board-adopted funding plan.

- Fire Tax Shift - The Board has committed an ongoing shift of property tax revenue to the Fire District to ensure adequate staffing, equipment and facilities for this service. Since its adoption, the Fire District has been able to increase staffing, enhance administrative functions, and enhance inspection capability. One quarter of property tax growth that would have otherwise been allocated to the General Fund is shifted to the Fire District until the District's allocation reaches a 17% share of property taxes (from 14.3% in FY 2012-13). This shift continues, resulting in an additional $8.0 million in revenue to the Fire District in FY 2017-18.

- Maintenance - The County has significant deferred maintenance needs. In recognition of our aging infrastructure and facilities, the Board approved a plan to allocate 18% of unallocated, discretionary General Fund revenue each year. Maintenance funding will increase pursuant to the "18% funding policy" by $0.5 million (to $3.0 million) in FY 2017-18. This is in addition to $2.8 million of discretionary General Fund revenue that is already allocated to maintenance, pursuant to another Board policy. The County's maintenance need for roads, buildings, and park structures continue to be a significant challenge, and staff continues to effectively prioritize the use of these funds, as well as funding received from State, federal and local sources (such as Measure A funding for Roads). In recognition of these maintenance needs, $3.4 million in one-time appropriations is added in the Recommended Budget for road, facility and park maintenance. Additionally, $1.0 million from the Strategic Reserve has been appropriated to be used as local match for emergency storm damage repairs.

- Bargaining Unit Agreements - Employee agreements are being satisfied. The Recommended Budget for FY 2017-18 includes increases for employee salary and benefits, pursuant to negotiated labor agreements.

Also, the Board in March reviewed the following FY 2017-18 countywide work initiatives that involve multiple departments:

- Working with the Board ad-hoc committee, development of a possible ordinance to allow cultivation of cannabis in certain areas and potential ballot measure in FY 2017-18
- Review and enhancement of Public Safety Dispatch services
- Reduction of the inmate jail population where feasible, and in particular, reduction of mentally ill individuals in the jail
- Reduction of costs of mental health inpatient services
- Continued improvement in the organization through:
  - Implementation of the internal-facing Strategic Plan (which includes improvements in Human Resources, Information Technology practices, etc.)
  - Greater technology investments where feasible
  - One-time funding for program audits or evaluations/other Budget Rebalancing suggestions

Key Issues in FY 2017-18 and Near Term. This Recommended Operating Plan reflects several key factors impacting our operations.

- Pension funding – In FY 2016-17, the County Board of Retirement moved to reduce the assumed rate of return from 7.5% to 7.0%, phased in over a 5-year period, per its policy. This determination was based on actuarial studies, historical performance and future expectations of investment returns, and expected inflation rates. The change in assumption will significantly increase the County's retirement contribution rate for the next five years. The increase in costs to the County, if staffing was maintained at FY 2016-17 levels, was estimated to be $10.8 million in FY 2017-18. However, because of reductions in staffing levels, the actual increase in pension costs to the County is $7.3 million, or a 5.9% increase (from $123.8 million to $131.1 million).

- Road funding - In the past few years, funding shortfalls caused by reduction in State funding has put pressure on the General Fund to contribute towards maintaining our roads. The State legislature recently approved a new gas tax that will result in approximately $4.5 million in additional revenue to the County in FY 2017-18, which represents the most significant increase in statewide investment for transportation infrastructure in many years.

- Mental Health Inpatient Services - We continue to experience a higher demand for inpatient mental health services than in the recent past. The recent addition of new services to assist those in crisis have helped address this demand, but there continues to be a need for greater numbers of psychiatric beds to serve severely mentally ill individuals. The increased demand is caused by variety factors, including longer stays in the Psychiatric Health Facility (PHF) for non-acute conditions and more court-ordered placements than in prior years.

- Succession Planning - Departments are experiencing retirements of experienced employees, necessitating the need for increased efforts in workforce (succession) planning, retention and recruitment.

- Public Safety Dispatch - In efforts to improve our dispatch services, the County has been working with a consultant on a dispatch study. $1.1 million of Prop 172 funds has been set aside to address some of the needs that are anticipated from the results of this study.

- Capital Needs - During the Recession, few new capital projects funded by the General Fund were possible. Prior to the recession, the General Fund contributed $0.5 million annually for various capital projects, and several larger projects employed debt financing. The County stopped allocating funding for capital and shifted these funds for maintenance needs. With a growing list of capital needs, work has resumed to identify high priority needs and adequate funding to begin addressing them.

- Public Safety Radio Communications - The County of Santa Barbara has a diverse public safety radio communications environment, with several different land/mobile radio systems deployed to meet specific operational needs of County departments. These systems are in different stages of their lifecycle, and each has diverse technologies and capabilities. There are known areas where radio coverage has not kept pace with development. In the near term, the General Services Department will be implementing several system upgrades to address these areas of inadequate coverage and initiating a radio equipment replacement plan to enhance the safety of the County staff. The department's longer term objective, in conjunction with the Sheriff's, Probation and Fire departments, is to develop and implement a more comprehensive system replacement/upgrade project in order to improve the capabilities of the system and to achieve interoperability with outside agencies.

- Social Safety Net – State program reductions and funding caps are impacting our ability to provide the same level of service next year for some safety net programs. While State and federal revenues will increase overall compared to the prior year, funding for certain programs is not keeping pace with the cost of providing those services. In addition, the State's allocation for FY 2017-18 for the CalWORKs and CalFresh programs are being reduced. These factors result in significant service reductions in the Department of Social Services in FY 2017-18.

Despite the challenges, we are charting a course to address these issues and make strategic decisions that will position the County for long-term success. County government continues to strive to provide high quality work, advancing major initiatives and fulfilling priorities to serve Santa Barbara County residents. Significant services are provided day in and day out by County departments, and all have made substantial progress to accomplish goals set by the Board to better serve our communities.

Budget Savings (Efficiencies). Departments continue to be efficient through process improvements, technology, and innovation to better serve the public. Departments also propose efficiencies, or budget reductions, that may reduce their resources but do not result in a reduction of service to the public or clients.

Service Level Reductions. Departments were asked to examine their operations and identify service level reductions necessary to balance their respective budgets. (See Figure 1: FY 2017-18 Service Level Reduction Summary). Unlike prior years, service level reductions are unavoidable in many departments due to the issues mentioned above. Service level reductions identified by departments total $39.5 million and 304.3 FTE; however, not all reductions are being recommended for implementation. The following chart indicates what restorations (in full or partial) are included in the Recommended Budget.

Figure 1: FY 2017-18 Service Level Reduction Summary

Department	Description	FTE	Amount
General Fund Departments			
County Executive Office	Unfund a Program Manager in Office of Emergency Management.	1.00	$ 131,274
	Unfund a Department Business Specialist in the County Executive Office.	1.00	129,188
County Counsel	Reduce attorney support to General Fund programs, projects, and litigation. ***Restored in CEO Recommendations.***	0.50	89,208
District Attorney	Eliminates Welfare Fraud Investigator due to declining number of reported cases.	1.00	175,926
	Eliminates Welfare Fraud Investigative Assistant due to declining number of reported cases.	1.00	64,336
	Unfunds position responsible for locating and serving witness subpoenas.	1.00	65,808
	Unfunds trial preparation support position.	1.00	98,049
	Unfunds two DA Investigator positions.	2.00	488,370
Probation	Create a restitution collection procedure for unsupervised cases. Unfund 2.0 PAs and refund 1.0 AOP.	2.00	86,709
	Realign home supervision and electronic monitoring duties to juvenile field services. Unfund 1 JIO Sr and 1 JIO.	2.00	277,090
	Reduce staffing to the Community Service Work Program and the Revenue Recovery Unit by 1.0. Unfund 1.0 AOP.	1.00	97,386
	Eliminate funding for Alcohol and Drug Counseling. Unfund 2.0 positions in the Department of Behavioral Wellness.	2.00	486,730
	Restructure north county juvenile supervision and redirect staffing from Lompoc to Santa Maria. Unfund 1.0 SPO, 1 DPO, and 1 PA.	3.00	415,586
	Reduce Juvenile Court Services support staffing by 1.0 PA. Unfund 1.0 PA.	1.00	91,654
	Reduce staffing for Administrative "banked" cases by 1.0 DPO. Unfund 1.0 DPO.	1.00	147,017
	Reduce Juvenile Field Supervision Staffing by 2.0 DPOs. Unfund 2.0 DPO.	2.00	259,076
	Eliminate supervision of all misdemeanor and all low and medium risk felony Prop 36 offenders. Unfund 2.0 DPO. ***Restored in CEO Recommendations.***	-	298,513
Sheriff	Eliminate use of Lompoc Jail.	-	70,000
	Unfund the Sheriff Drug Resistance Education D.A.R.E.	-	95,750
	Unfund 4 Sheriff Special Duty Deputy and 1 Sheriff Sergeant position in Special Investigation Bureau.	5.00	998,184

Executive Summary

Department	Description	FTE	Amount
Sheriff (continued)	Unfund 6 Custody Deputy positions and reduce extra help in Santa Maria Branch Jail.	6.00	$ 939,642
	Unfund 7 Sheriff Deputy positions providing bailiff services within the Civil courts. ***Partially restored in CEO Recommendations.***	7.00	1,217,965
	Unfund 3 Sheriff Special Duty Deputy positions at Santa Ynez, Cabrillo, and San Marcos High Schools, as well as the Community Resource Deputy in Isla Vista. ***Partially restored in CEO Recommendations.***	3.00	539,667
	Unfund 2 Sheriff Special Duty Deputy positions in the Aviation Support Unit.	2.00	519,546
	Unfund 10 Custody Deputy positions at the Main Jail.	10.00	1,325,525
	Unfund 3 Sheriff Sergeants, 2 Sheriff Special Duty Deputies, and 4 Sheriff Deputies and reduce Overtime on the Isla Vista Foot Patrol. ***Partially restored in CEO Recommendations.***	9.00	1,888,917
Community Services	Reduce pass-through funding for Chambers of Commerce and other tourism related agencies.	-	10,000
	Reduce pass-through funding for homeless shelters and warming centers. ***Restored in CEO Recommendations.***	-	19,750
	Unfund 1 Mechanic Welder Position.	1.00	108,000
	Unfund AOP position in Housing and Community Development.	1.00	60,000
	Reduction of pass-through funding for Libraries Administration - per capita. ***Restored in CEO Recommendations.***	-	70,800
	Reduction of pass-through funding for Libraries Administration. ***Restored in CEO Recommendations.***	-	170,689
	Reduction of Landscape Maintenance at Orcutt Community Park. ***Restored in CEO Recommendations.***	-	60,000
Auditor-Controller	Unfund 0.25 Vacant FTE - Accountant-Auditor I.	0.25	24,400
	Unfund 1.0 Vacant FTE - Financial Systems Analyst I.	1.00	131,700
Clerk-Recorder-Assessor	Unfund an Extra Help position for Assessor IT programs.	0.45	50,000
	Unfund an Administrative Office Professional responsible for drafting architectural floor plans to develop accurate building records for assessments.	0.63	60,800
	Unfund an Appraiser added by the BOS in FY 16-17 budget.	1.00	92,296
General Services	Unfund EDP Office Auto Spec I - Network.	1.00	137,469
	Unfund EDP Office Auto Spec I - Security.	1.00	137,469
	Unfund an AOP Sr, Reduces the Administrative Support in Fleet.	1.00	99,319
	Unfund a Facilities Supervisor from South County Maintenance.	1.00	105,887
	Unfund an Administrative Office Professional 0.5 from Facilities Administration.	0.50	32,917
	Unfund the Vacant Capital Facilities Planning Manager position (Program Business Leader) and delete the vacant program.	1.00	178,119
	Reducing the amount of budgeted maintenance in the North County. ***Restored in CEO Recommendations.***	-	68,000
	Reducing the amount of budgeted maintenance in the South County. ***Restored in CEO Recommendations.***	-	100,000
Treasurer-Tax Collector	Unfund one EDP Systems Programmer III.	1.00	165,101
General Fund Departments Subtotal		**76.33**	**$ 12,879,832**

Department	Description	FTE	Amount
Non-General Fund Departments			
Behavioral Wellness	Reduce Non Drug Medi-Cal service Contracts.	-	$ 103,830
	Eliminate one vacant AOP position.	1.00	112,166
	Eliminate one vacant administrative Manager position.	1.00	176,424
	Eliminate two positions Department Business Specialist, ADMHS Supervisor.	2.00	226,491
	Do not fund Year 2 of 3 of AB 1421 Pilot. (Previously referred to as Laura's Law.)	-	606,888
	Reduce Screening, Brief Intervention and Referral to Treatment (SBIRT) Contract.	-	240,000
	Limit the number of Out of County Acute Inpatient Psychiatric Hospital Beds to an average of 5 per day. ***Restored in CEO Recommendations.***	-	599,750
	Limit availability of beds for Institute for Mental Disease and Augmented Board and Care services to 28. ***Restored in CEO Recommendations.***	-	1,518,422
Social Services	Reduction of vacant FTEs across all programs	80.00	7,400,000
	Reduce staffing levels by 43.28 FTEs in CalFresh. ***Partially restored in CEO Recommendations.***	43.28	6,682,765
	Reduce staffing levels by 44.30 FTEs in CalWORKs.	44.30	3,949,447
	Reduce staffing levels by 29.98 FTEs in Medi-Cal.	29.98	1,762,496
	Reduce staffing levels by 6.56 FTEs in IHSS Administration.	6.56	398,988
	Reduce staffing levels by 0.99 FTEs in IHSS.	0.99	101,867
	Reduce staffing levels by 5.12 FTEs in Child Welfare Services.	5.12	228,573
	Reduce staffing levels by 3.13 FTEs in Adult Protective Services.	3.13	379,858
	Reduce staffing levels by 3.75 FTEs in Foster Care.	3.75	571,964
	Reduce Staffing levels by 1.66 FTEs and/or reduce Direct Services in Expanded Subsidized Employment.	1.66	1,053,134
	Reduce staffing levels by 0.42 FTEs in General Relief.	0.42	60,279
Child Support Services	Reduce 2.3 FTE Child Support Officers, 1.0 FTE Supervisor, and 0.5 FTE IT Support.	3.80	313,878
First 5	Unfund One Enterprise Leader.	1.00	173,383
Non-General Fund Departments Subtotal		**227.98**	**$ 26,660,603**

Total		**304.31**	**$ 39,540,434**

To address some of these issues, the County Executive Office reduced General Fund allocations to all departments to create a pool of discretionary General Fund revenue to be reallocated to the areas of greatest need. Additionally, the CEO identified various sources such as federal Property In Lieu of Tax revenues, capital and maintenance balances, TSAC Fund Balance, Strategic Reserve, and prior year-end savings to help address major issues and board priorities.

The CEO is recommending restoring, and in some cases enhancing, services in select areas using the available, discretionary General Fund revenue. (See Figure 2 – CEO FY 2017-18 Recommended Budget Restorations/Expansions). Departments are also reallocating resources within their operations to address these and other emerging needs. Unfortunately, the County's capacity for addressing the needs of all programs and services is limited, and service level reductions are necessary in many County Departments.

Executive Summary

Pre-Budget Workshop Restorations/Expansions. These appropriations were included in Departmental budgets, and presented at the time of Budget Workshops.

Department	Description	GFC	
		Ongoing	One-time
General Fund Departments			
Sheriff	**Jail Medical Contract-** Covers increased cost of the new board-approved medical services contract with CFMG	$1.9 M	
Probation	**Jail Medical Contract-** Covers increased cost of the new board-approved medical services contract with CFMG	$0.1 M	
	Prison Rape Elimination Act - Covers additional cost of adhering to federal law passed dealing with the sexual assault of prisoners with funding for 4.0 FTE.	$0.5 M	
Social Services	**IHSS MOE Increases -** Covers increases to the County's IHSS costs due to changes in the Governor's January budget		$2.0 M
	CalFresh & IHSS MOE Increases - Covers increasing costs of the County match.	$0.9 M	
Courts	**Courts Maintenance of Effort** - Restore to meet full MOE	$0.4 M	
Total		**$3.8 M**	**$2.0 M**

CEO Recommended Restorations/Expansions. CEO Recommended Restorations/Expansions for FY 2017-18 are shown in Figure 2 below, totaling $14.7 million in General Fund ($5.7 million of ongoing funding and $9.5 of one-time funding) and adding 60.1 FTE to Departments, which are largely to restore positions in the Social Services Department . Requests were evaluated and recommendations made based on the following: new or existing mandates or requirements; Board established priorities and policies; significant financial, legal, health or safety risk or liability; well documented need based on past studies or data; or self-funded or cost-covering initiatives.

Figure 2: CEO FY 2017-18 Recommended Restorations/Expansions

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
General Fund Departments					
County Counsel	**Deputy County Counsel** - Restoration of 0.5 FTE attorney to support General Fund programs, projects, and litigation	0.50	$ 89,207	-	-
District Attorney	**Extra-Help Deputy DA** - Addition of one extra-help Deputy District Attorney to support prosecution efforts of multi-defendant gang murder case in North County, bringing total funding to $380,000.	-	-	80,000	-
	Data Management - Replacement of existing case management system with a new web-based application. The Department is also using $150,000 in fund balance towards this purchase.	-	-	400,000	-
Probation	**Deputy Probation Officers** - Restoration of 2.0 FTE Deputy Probation Officers to supervise Proposition 36 Substance Abuse Crime Prevention Act caseloads	2.00	298,513	-	-
	Los Prietos Boys Camp Remodel - Remodel of bathroom and replacement of carpet at the Los Prietos Boys Camp using Los Prietos Donation Fund Balance	-	-	-	175,000

Executive Summary

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
Sheriff	**Lost Time Mitigation** - Creates a pool of funds for the department to draw on to help mitigate employee lost time due to illness or injury in order to reduce the need for overtime. This will allow the Department to fund 8 previously unfunded positions and adds 2 additional positions.	10.00	-	$1,250,000	-
	IV Foot Patrol Station - Restoration of 3.0 FTE Sheriff Sergeants, 2.0 FTE Sheriff Special Duty Deputies, and 4.0 FTE Sheriff Deputies for the Isla Vista Foot Patrol Station for three quarters of the fiscal year.	6.60	1,416,675	-	-
	IV Community Resource Deputy - Restoration of 1.0 FTE Sheriff Special Duty Deputy for Isla Vista	1.00	178,200	-	-
	Court Bailiffs - Creation of a pool of funds to staff civil courtrooms with security on an as-needed basis		500,000	-	-
Community Services	**Orcutt Community Park Maintenance** - Ongoing maintenance for Orcutt Community Park	-	60,000	-	-
	CCE Launch - Expansion to begin Phase 3/Program Launch of Community Choice Energy implementation activities	-	-	300,000	-
	Libraries - Addition of $241,489 in ongoing funding for a total award of $3,485,349 to maintain library per capita funding at $7.80	-	241,489	-	-
	Dead Tree Clearing - Removal of dying and dead trees at parks and trails	-	-	200,000	-
	Parks Deferred Maintenance - Address back log of Parks deferred maintenance needs	-	75,000	310,000	-
	Homeless Shelters - Restoration of pass-through to full funding of homeless shelters and warming centers	-	19,750	-	-
General Services	**Maintenance** - Restoration of maintenance funding from FY 2017-18 proposed service level reduction	-	175,000	-	-
	Maintenance - Increase of maintenance funding to address deferred needs	-	-	1,190,000	-
	IVCC Maintenance - Ongoing maintenance funding for the Isla Vista Community Center	-	18,000	-	-
	Public Safety Radio System - Funding for critical public safety radio system and equipment replacement needs	-	-	925,000	-
Public Works	**Winter Storm Road Repairs** - Expansion to provide local match toward the cost of repairing damage to the County's road system due to the 2017 Winter Storms from the Strategic Reserve	-	-	1,000,000	-
	Roads Maintenance - Restoration of funding for road deferred maintenance	-	250,000	1,700,000	-
General County Programs	**Cannabis** - Expansion to fund the preparation of an Environmental Impact Report and election costs associated with proposed County cannabis ordinance	-	-	430,000	-
General Fund Departments Subtotal		**20.10**	**$3,321,834**	**$7,785,000**	**$ 175,000**

Executive Summary

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
Non-General Fund Departments					
Fire	**Fire Division Chief** - Addition of State-funded 1.0 FTE Fire Division Chief to oversee Dispatch and Logistics and increase command and control on large fire incidents	1.00	-	-	$ 392,000
	Civilian Inspector - Addition of 1.0 FTE Civilian Inspector for inspections, plan reviews, and land use project support	1.00	-	-	147,437
Behavioral Wellness	**IMD Beds** - Restoration of 19 Institute for Mental Disease (IMD) beds to increase total beds from 28 to 47 per day	-	1,500,000	-	-
	IMD Beds - Addition of 7 IMD beds to increase total beds from 47 to 54 per day	-	-	600,000	-
	Inpatient Hospital Beds - Addition of 2 hospital beds to increase total beds from 5 to 7 per day	-	-	600,000	-
	Crisis Residential Treatment - Development of new 6-bed Crisis Residential Treatment (CRT) program with grant funds	-	-	-	1,100,000
Social Services	**IHSS Wage Increases** - Addition of $450,000 in ongoing matching funds to cover the local-mandated share of costs associated with the FY 2017-18 In-Home Supportive Services Individual Provider wage increase	-	450,000	-	-
	CalFresh Match - Addition of one-time matching funds required to maximize CalFresh program allocation by drawing down additional State and federal funds totaling $764,000	10.00	-	106,000	764,000
	CalFresh Match - Addition of one-time matching funds required to draw down additional State and federal Redistribution funds for CalFresh totaling $2,190,000	28.00	-	386,000	2,190,000
Non-General Fund Departments Subtotal		**40.00**	**$1,950,000**	**$1,692,000**	**$4,593,437**

Total	**60.10**	**$5,271,834**	**$9,477,000**	**$4,768,437**

Financial Stability and Planning for the Future. The challenge today is balancing immediate financial needs and high priorities with future reductions. It is likely that service level reductions and rebalancing efforts will be required in FY 2018-19 and beyond, given current assumptions of revenue and expenditure growth. This Recommended Budget attempts to strike a balance of meeting the most immediate, critical needs and planning for the future. Ongoing restorations and expansions of General Fund dollars are limited to the Board’s highest priorities, and one-time funding is recommended for necessary one-time expenses or to provide transition time to phase down or revamp programs or services. Even with this approach, it is likely that costs in some of the special revenue funded areas, such as Social Services or Behavioral Wellness, will continue to rise at a rate faster than State and federal funding provides, which will continue to prove challenging in future years.

Even with these issues, the FY 2017-18 and FY 2018-19 Operational Plan continues to represent financially prudent choices while addressing critical needs, mitigating risks, and delivering on the Board’s highest priorities. With this coming year’s budget, we have the opportunity to address these challenges and make decisions that will position the County for success in the future.

Executive Summary

- The County Executive Office began a countywide, internal-facing strategic planning initiative in FY 15-16 which will continue in FY 2017-18 to improve the efficiency and effectiveness of the County's operations.

- The County continues its plans to reduce the unfunded pension and retiree health liabilities, assuming investment returns meet expectations, with the projection that they will be paid down by 2034. The Recommended Budget funds the required contributions per these plans.

- The County Executive Office and Steering Committee of department directors started a Budget Rebalancing project in fall 2016 to reshape the organization and strategically realign services and costs to provide those services. These efforts will continue into the coming year with recommendations to the Board for the FY 2018-19 year.

- The Board has prudently rebuilt the Strategic Reserve over the last few years to help address future economic downturns, and the County has not incurred much debt.

- Departments are collaborating, making their organizations more efficient, and reducing costs or maximizing revenue.

As we look to FY 2017-18 and FY 2018-19, the County remains optimistic but realistic about what we can achieve and dedicated to providing high-quality services through an engaged and accountable workforce. All of these actions allow us to chart a course for a sustainable and sound future so that we can continue to serve our community and meet your Board's highest priorities, and make responsible decisions that balance short-term and long-term impacts.

The plan was prepared in accordance with the Board's adopted Budget and General Fund Allocation Policies with consideration of the Board's six goals adopted on April 21, 1998, and revised on November 21, 2006. These adopted organizational goals help to unify, focus, and align the wide variety of services provided by the County of Santa Barbara and identifies how the organization should operate. The goals are:

- 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.

Executive Summary

Fiscal Year 2017-18 At-A-Glance

The CEO Recommended Operational Plan for Fiscal Years 2017-18 and 2018-19 presents a balanced budget, with Total Operating Revenues of $1,079.1 million (5.8% increase) and Operating Expenditures of $1,073.7 million (5.3% increase). Improving revenues, up $59.4 million (5.9%), and expenditure constraints have helped to develop a balanced Recommended Budget.

In FY 2018-19, Operating Expenditures are projected to decrease by $50.5 million (5.4%) to $1,023.2 million and in the FY 2018-19 Proposed Budget largely due North County Jail construction expenditures in FY 2017-18 that will not reoccur in FY 2018-19.

The FY 2017-18 Recommended Staffing levels will be reduced by 187.7 Full Time Equivalents (FTEs) (4.3%) from 4,400.9 in the FY 2016-17 Adopted Budget, to 4,213.2 FTEs in the FY 2017-18 Recommended Plan. A 10 year history of Countywide FTEs can be found in Section C.

Figure 3: FY 2017-19 Recommended and Proposed Budgets at a Glance

(in millions)

	FY 2015-16 Actual	FY 2016-17 Adopted	FY 2017-18 Recommended	FY 2018-19 Proposed
Total Operating Revenues	968.1	1,019.7	1,079.1	1,036.5
Total Operating Expenditures	910.1	1,019.5	$ 1,073.7	1,023.2
Net Operating Impact*	$ 58.0	$ 0.2	$ 5.4	$ 13.3
Staffing FTE's	4,207.0	4,400.9	**4,213.2**	4,156.8

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

Executive Summary

Fiscal Year 2017-18 Recommended Budget

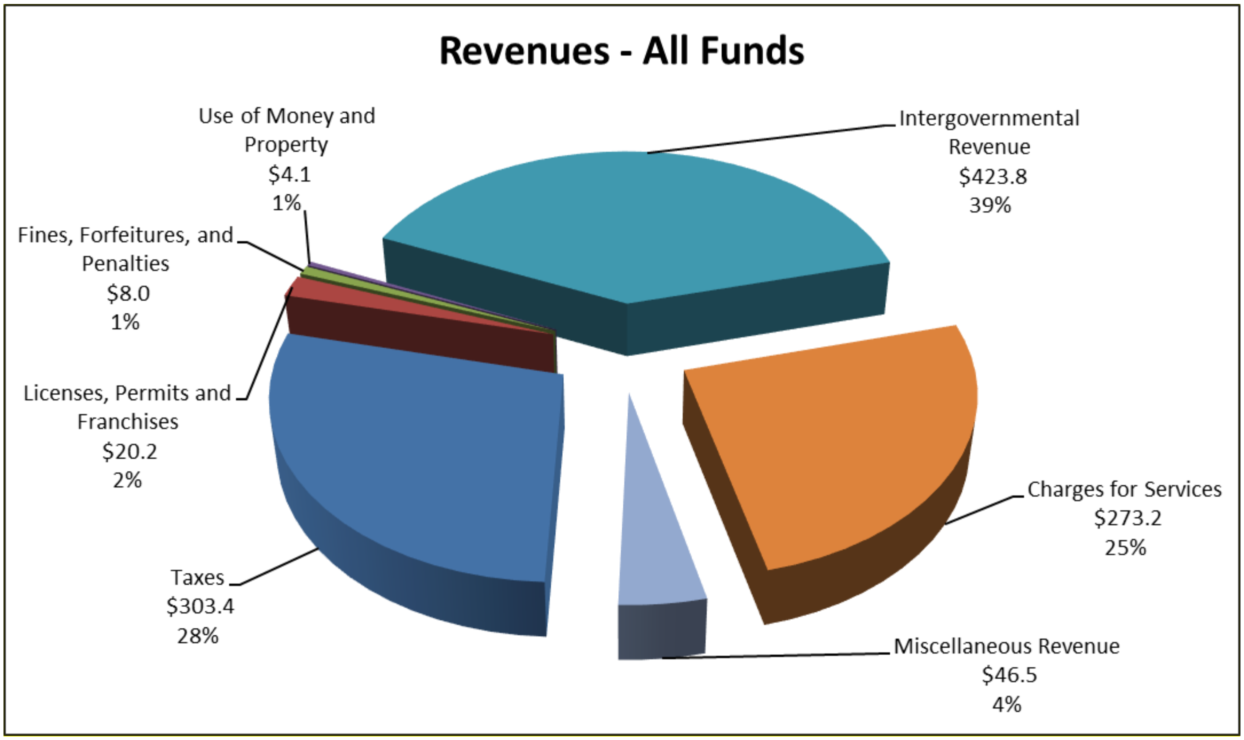
Operating Revenues: All Funds

Figure 4: All Funds – Revenue by Category

Budget By Categories of Revenues	Actual FY 15-16	Adopted FY 16-17	Change from FY16-17 Ado to FY17-18 Rec	Recommended FY 17-18	Proposed FY 18-19
Taxes	$ 281,301,768	$ 292,322,108	$ 11,075,044	$ 303,397,152	$ 315,837,352
Licenses, Permits and Franchises	17,571,058	18,612,318	1,571,367	20,183,685	20,478,472
Fines, Forfeitures, and Penalties	9,161,025	7,930,817	99,657	8,030,474	8,044,013
Use of Money and Property	6,086,900	4,033,323	35,506	4,068,829	4,854,850
Intergovernmental Revenue	353,077,082	387,607,803	36,170,652	423,778,455	358,659,382
Charges for Services	254,084,112	263,221,268	9,943,792	273,165,060	281,450,494
Miscellaneous Revenue	46,843,152	45,948,761	528,723	46,477,484	47,182,550
Total Operating Revenues	**968,125,098**	**1,019,676,398**	**59,424,741**	**1,079,101,139**	**1,036,507,113**

The Operating Revenues for all funds is $1,079.1 million, reflecting an increase of $59.4 million or 5.8% from the FY 2016-17 Adopted Budget. The graph below identifies the major categories of County revenues.

Figure 5: Operating Revenue - All Funds $1,079.1 million
(in millions)



Revenues by Category - Significant Areas of Revenue Change

Revenues from all taxes are projected to increase by $11 million or 3.8% from the FY 2016-17 Adopted Budget for total Recommended Tax revenue of $303.4 million; and as a percent of operating revenues is 28.2%. The primary drivers of the increase are Property Taxes from Secured, In-Lieu of Vehicle License Fee (VLF), and Local Sales Taxes.

Secured Property Taxes are projected to increase by $4.0 million or 3.1% and is the largest source of the tax category. The growth, net the Fire property tax shift, reflects continued increases in the assessed value of local real estate (4.5% gross) that has been occurring for the last few years. Property Taxes In-Lieu of VLF are projected to increase by 4.0% or $2.1 million and Local Sales Tax is expected to increase by $0.4 million or 4.3% from the FY 2016-17 Adopted Budget.

Intergovernmental revenues are comprised of State, federal, and other governmental sources and are projected to increase by $36.2 million or 9.4% to $423.8 million. The increase reflects anticipated State Revenue from the Board of State and Community Corrections (BSCC) for the construction of the Northern Branch Jail. The project's one-time funding is anticipated to be $64.5 million in FY 2017-18.

Charges for Services are expected to grow $9.9 million or 3.8% over FY 2016-17 Adopted Budget figures. The growth is spread across many different sources. Charges for Services include revenue such as, but not limited to, Medi-Cal and Medicare services performed, allocated costs for administrative and other services, State Federally Qualified Health Centers (FQHC), and Development Fees.

Fines, Forfeitures, and Penalties are projected to remain relatively flat, with a small increase of $99.6 thousand or 1.3% from the FY 2016-17 Adopted Budget. The main reason for the small increase is related to Property Tax penalties which usually correlates to the health of the real estate market.

Miscellaneous Revenue is comprised of numerous sources that do not fall into a specific category. It is estimated that Miscellaneous Revenues will increase by $0.5 million or 1.2% in FY 2017-18. The main drivers are increased insurance premium contributions.

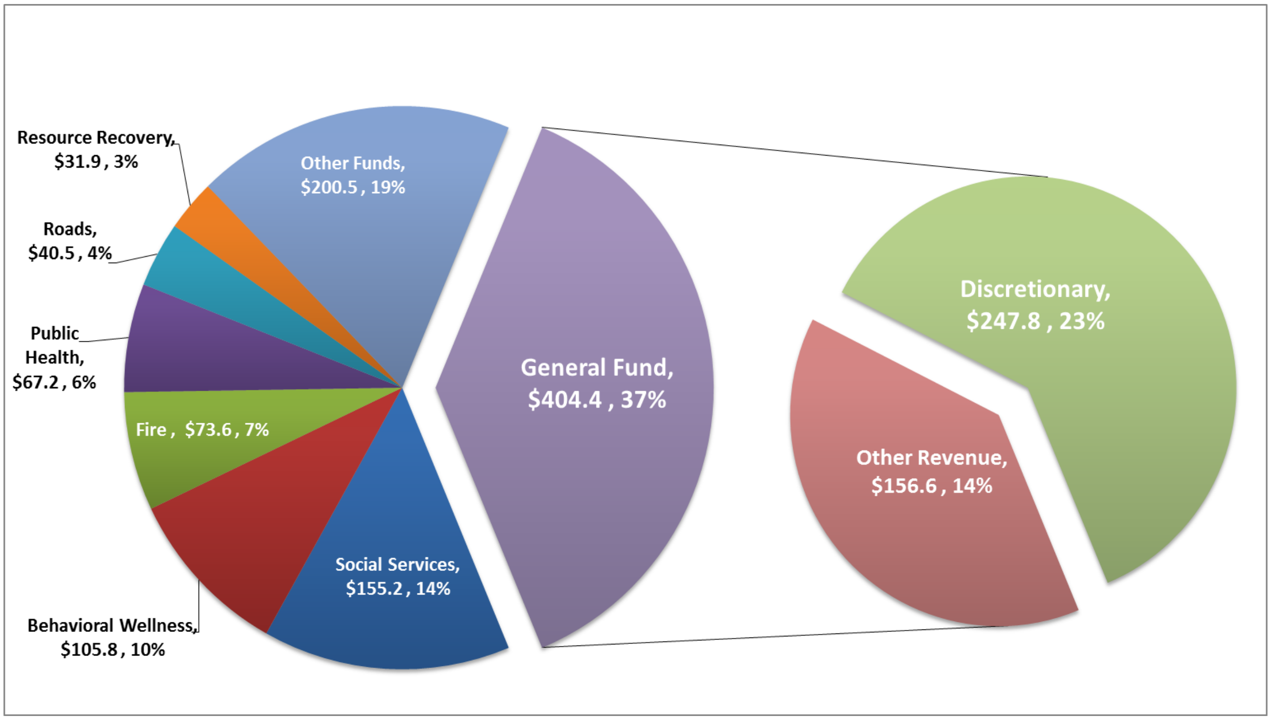
Revenues by Fund

Countywide revenues can also be viewed by fund. The majority of revenues are derived in the General Fund and Special Revenue Funds. The General Fund is the chief operating fund of the County and Special Revenue Funds are typically used when revenues are restricted for a specific purpose, such as gasoline tax for road maintenance or specific funding for food stamp programs. A description of Government Funds can be found in Section F, Annual Budgetary Processes, Policies and Fund Structure.

The table below displays the Recommended Revenues for FY 2017-18 by major funds, the largest of which is the General Fund representing 37% of countywide revenues. The General Fund can be further broken down into Discretionary General Revenues and Other Revenues.

Figure 6: Operating Revenues by Fund, $1,079.1 million

(In millions)



Local Discretionary Revenues

The FY 2017-18 Recommended All Funds Operating Revenues are $1,079.1 million. Of these total revenues, the locally elected Board of Supervisors has some discretion over the allocation of about 23% or $247.8 million. This latter revenue figure, predominately from local taxes, is called local discretionary revenue.

The table below summarizes the General Fund discretionary revenues available in FY 2017-18 and compares them with prior fiscal periods. Property taxes, sales taxes, and Transient Occupancy Taxes (TOT) are the three major local sources of revenue generated from the performance of the local economy. Significant property taxes (including secured, unsecured, In-Lieu of Vehicle License Fees, and property transfer taxes) make up 82.2% of total discretionary revenues and 85.6% if RDA proceeds are included.

In the Recommended Fiscal Year 2017-18 budget, local discretionary revenues increased $8.0 million from the FY 2016-17 Adopted revenues, for a total of $247.8 million. This increase is most notably from property taxes, sales tax, and Transient Occupancy Tax (TOT).

Figure 7: FY 2015-16 through FY 2018-19 Discretionary Revenue
(in millions)

Discretionary General Revenue Summary:				
Source (Dollars in Millions)	**FY 2015-16 Actual**	**Adopted FY 2016-17**	**FY 2017-18 Recommend**	**FY 2018-19 Proposed**
Significant Property Taxes	$ 190.0	$ 198.1	$ 203.6	$ 210.8
RDA Dissolution Proceeds - One time	-	-	-	-
RDA Prop. Tax - Ongoing	5.6	5.7	6.0	6.2
Subtotal Property Taxes	**$ 195.6**	**$ 203.8**	**$ 209.6**	**$ 217.0**
Cost Allocation Services	11.9	11.2	10.6	11.9
Local Sales Tax	8.7	10.2	10.7	10.9
Transient Occupancy Tax	9.1	9.4	11.8	12.8
Payments in Lieu of Tax	2.0	-	-	-
All Other (Franchise, interest, misc State)	10.2	5.2	5.1	5.6
Total Discretionary Revenues	**$ 237.4**	**$ 239.8**	**$ 247.8**	**$ 258.2**
Growth Year over Year			**$ 8.0**	**$ 10.4**
Rate of Growth			**3.3%**	**4.2%**

Significant Property Taxes depicted in Figure 7 above include but are not limited to secured and unsecured property taxes, property taxes in-lieu of vehicle license fees, and fines and penalties.

The main drivers of the revenue changes depicted above are as follows:

Property Tax Growth

Property values are a key component of the local economy, and modest growth is expected to continue, thereby providing increased property tax revenue. Property taxes are the largest source of discretionary funds for the County's budget. The FY 2017-18 Recommended Budget of $203.6 million projects that there will be net 2.8% growth ($5.5 million) over FY 2016-17 Adopted amount of $198.1 million. In the FY 2017-18 Recommended Budget, increases in secured property tax and property tax in-lieu of VLF are partially offset by anticipated decreases in supplemental and property transfer taxes. The FY 2018-19 Proposed Budget is expected to have a 3.5% growth ($7.2 million) over the FY 2017-18 Recommended Budget.

Dissolved Redevelopment Agencies (RDA)

The County General Fund will receive $6.0 million in FY 2017-18 and $6.2 million in FY 2018-19 from ongoing Redevelopment Property Tax Trust Funds that distribute RDA dissolution proceeds from the seven dissolved redevelopment agencies in the County. These ongoing revenues are ultimately expected to grow to approximately $9.0 million dollars in annual taxes for the County's General Fund, once all outstanding RDA debt obligations of the dissolved agencies are paid.

Local Sales Tax

Local retail sales tax represents the local portion of the retail sales tax collected by the State from sales generated within the unincorporated areas of the County. Retail sales tax is an economically sensitive revenue source that is used to support the general operations of the County. Sales taxes are expected to have modest growth in FY 2017-18, up $0.5 million (4.9%) for the Recommended Budget.

Transient Occupancy Tax (TOT)

This source of revenue is highly dependent on tourism and the quantity of lodging in the unincorporated County. TOT is projected to grow by 25.5% ($2.4 million) to a total of $11.8 million. The increases in TOT are largely due to the TOT measure on the November 2016 ballot that raised the TOT from 10% to 12%, consistent with the rate in several cities of the county. Since the passing of that ballot measure, TOT revenues have increased and will be used to help maintain basic County services that residents and visitors use and rely on, such as clean parks, safe public buildings and roads, mental health services and available public safety services.

Payments In-Lieu of Tax (PILT)

PILT are federal payments to local governments that help offset losses in property taxes due to non-taxable federal lands within their boundaries. Once the federal Budget has been adopted and the County's allocation is confirmed, the County's budget is adjusted to show the revenue. Until the adoption of the federal Budget, PILT funding is considered uncertain and not recognized in the County budget until the federal allocations are confirmed per accepted accounting standards. Allocations are usually confirmed mid-year after the beginning of the federal fiscal year (October) and the funds are generally received by the County in the May/June time frame. The PILT revenues received by the County in May/June 2017 (anticipated to be approximately $1.6M) will be incorporated in the FY 2017-18 Recommended Budget for the Board's consideration at Budget Hearings. The County continues to advocate for full PILT funding each year through its Legislative Advocates.

All Other Discretionary Revenues

This category is made up of Franchise Fees, Interest Income, State, and Federal Payments. These revenues are anticipated to decrease slightly in FY 2017-18 Recommended, but are projected to see a modest increase in the Proposed Budget year.

Operating Expenditures: All Funds

Significant Changes from FY 2016-17 Adopted Budget

The County's Recommended FY 2017-18 operating expenditures are $1,073.7 million, a $54.3 million (5.3%) increase over the FY 2016-17 Adopted Budget of $1,019.5 million. Salaries and Benefits show a projected 1.7% increase ($9.6 million). Contractual Services show the largest increase in this object level from FY 2016-17 with $48.2 million due to budgeted capital expenditures for the North County Jail and various Public Works projects. The table below identifies significant categories of these expenditures.

Figure 8: Significant Changes from FY 2016-17 Adopted Budget

(Dollars in millions)	FY 2015-16 Actual	FY 2016-17 Adopted	Change from FY 2016-17 to FY 2017-18	FY 2017-18 Recommend	FY 2018-19 Proposed
Salaries and Employee Benefits					
Regular Salaries	$ 303.0	$ 350.0	$ (4.1)	$ 345.9	$ 356.2
Budgeted Salary Savings	0.0	(19.0)	$ 6.9	(12.1)	(14.5)
Retirement Contribution	112.5	123.8	7.3	131.1	137.9
Retiree Medical OPEB	11.3	14.1	(0.2)	14.0	14.4
Health Insurance Contrib	30.1	40.4	(0.0)	40.4	43.6
Workers Compensation	16.5	17.4	0.2	17.6	19.1
Other Salaries & Benefits	62.6	52.2	(0.5)	51.7	52.0
Total Salaries and Benefits	$ 536.0	$ 578.9	$ 9.6	$ 588.5	$ 608.7
% Change			1.7%		
Services and Supplies					
Contractual & Special Services	87.6	127.6	48.2	175.8	100.2
All Other Services & Supplies	167.7	186.7	(2.5)	184.2	181.9
Total Services and Supplies	$ 255.2	$ 314.3	$ 45.7	$ 360.0	$ 282.0
% Change			14.5%		
Other Charges					
Cash Assistance Payments	47.8	51.4	(1.9)	49.5	51.1
All Other Charges	71.1	74.9	0.8	75.8	81.4
Total Other Charges	$ 118.9	$ 126.3	$ (1.1)	$ 125.2	$ 132.5
% Change			-0.8%		
Total Operating Expenditures	**$ 910.1**	**$ 1,019.5**	**$ 54.3**	**$ 1,073.7**	**$ 1,023.2**
% Change			5.3%		

Salary Costs in comparison to Reduction in Staffing

Recommended salaries & benefits of $588.5 million in FY 2017-18 represents the net effect of salaries and benefits increases and the reduction of 188 FTE. The cost per employee is projected to increase by 6.2% to $139,700 in FY 2017-18.

Figure 9A illustrates the trend in County staff and historic salary costs. Note that total salaries and benefits are increasing slightly by 1.7% while the number of FTE is decreasing by 4.2%.

Figure 9A: Change in FTE (All Funds) FY 2008-09 to 2017-18

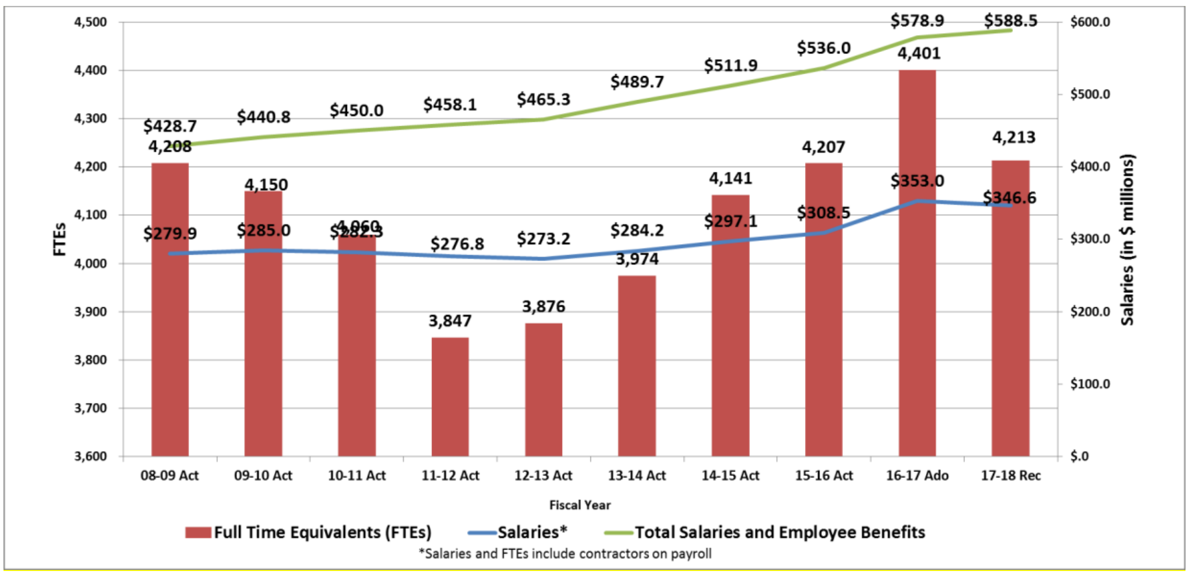
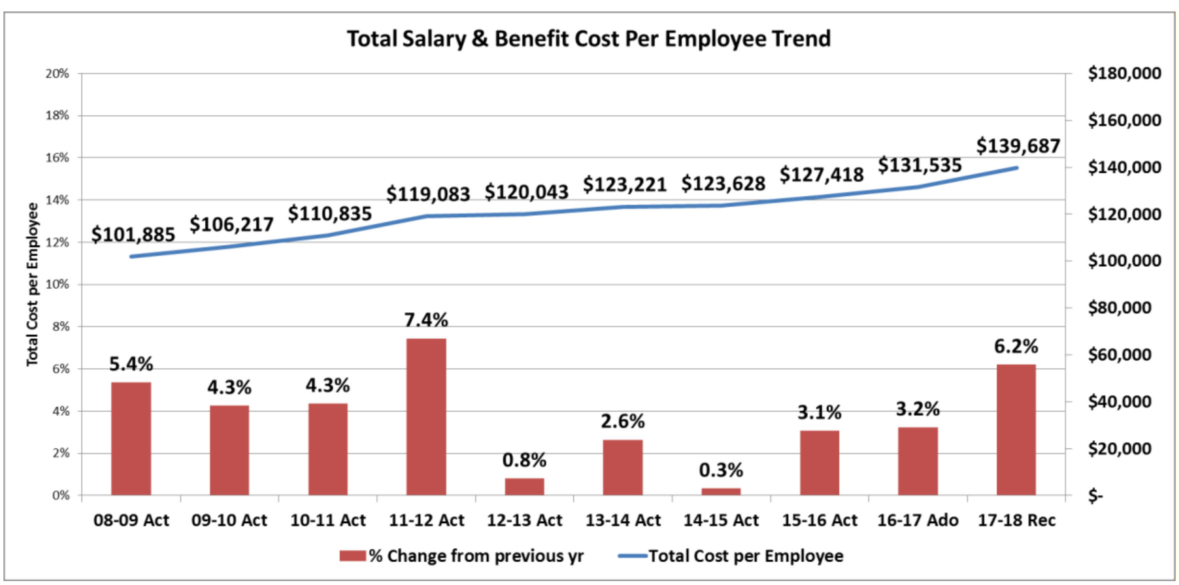


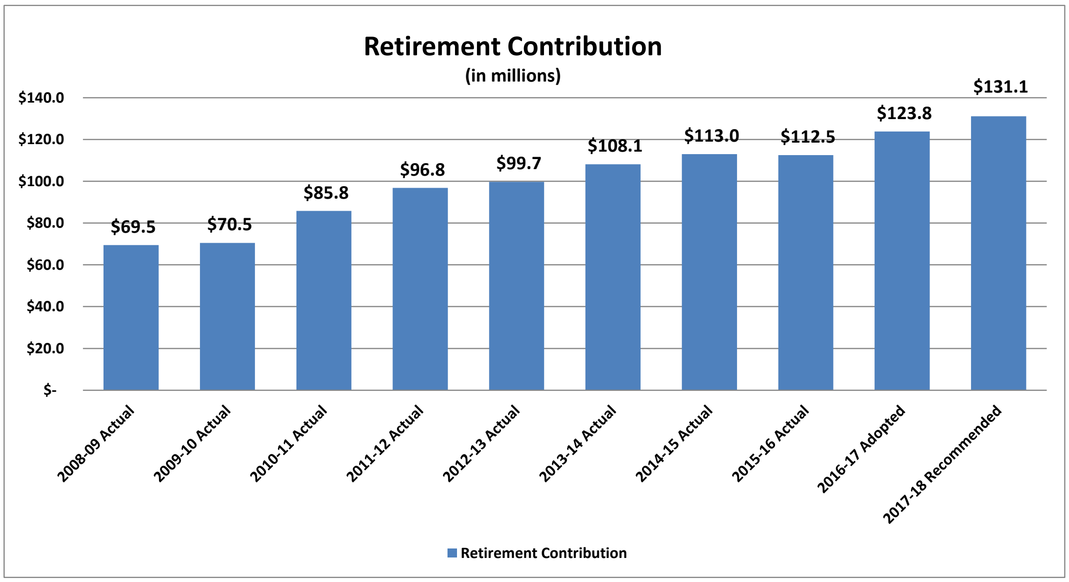
Figure 9B: Change in Salary & Benefit Cost Per Employee (All Funds) FY 2008-09 to 2017-18



Retirement - Pension Costs Increases

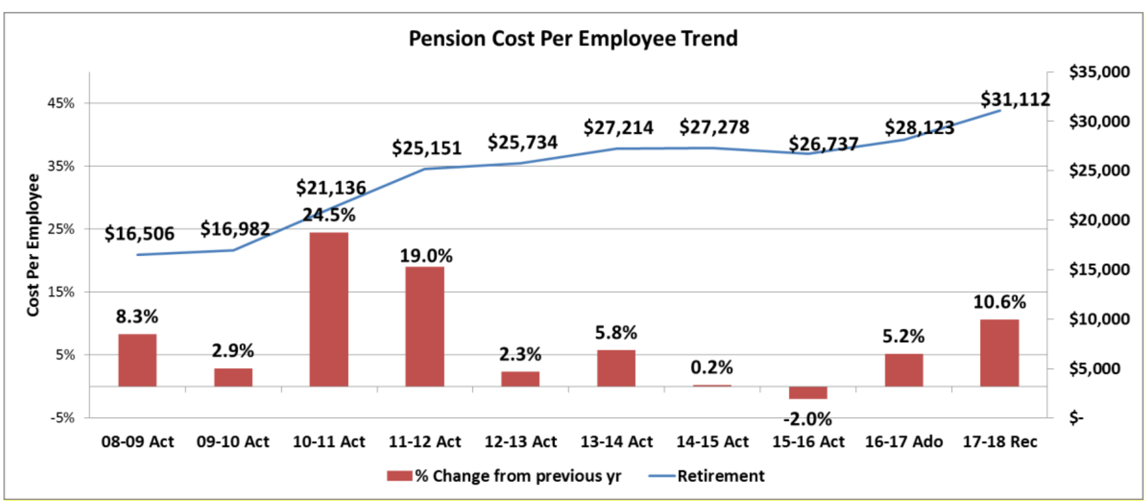
The annual County pension contribution increased significantly, with an increase of $7.3 million (5.9%) to $131.1 million in the FY 2017-18 Recommended Budget. Like many other public entities, pension costs have been one of the fastest growing cost elements in the budget.

Figure 10: FY 2008-09 to FY 2017-18; Countywide Retirement Contribution



The total pension costs as shown above may increase or decrease based on the change in the number of employees. To normalize the data, it can be helpful to view these costs as pension cost per employee. As can be seen in the graph below, the pension cost per employee increased significantly from FY09-10 through FY 2017-18.

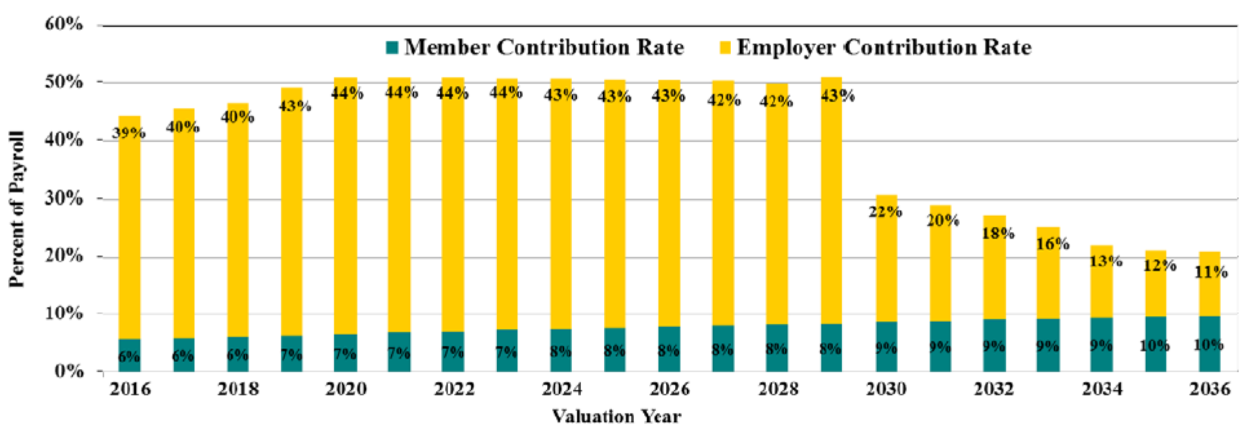
Figure 11: FY 2008-09 to FY 2017-18; Countywide Pension Cost per Employee



Executive Summary

Employer contribution rates are set by the independent Santa Barbara County Employee's Retirement System (SBCERS) Board and paid by the County and shown in the following graph. The rate of growth in pension contributions accelerated between FY 2009-10 and FY 2013-14 due to investment losses that were absorbed into the ongoing rates. Smoothing formulas have enabled the rates to increase incrementally during these prior periods. At the same time, the projected rate of return included in the actuarial assumptions was reduced from 8.16% to 7.75% for FY 2011-12, from 7.75% to 7.50% for FY 2014-15 and 7.50% to 7.00% for FY 2017-18. These assumption changes equated to an increase in the County's blended pension contribution rates (all plans) from 36.55% of pensionable payroll to 38.71% of pensionable payroll for next fiscal year, which grows to approximately 44% of pensionable payroll by the fifth year. Additionally, the unfunded liability as of 6/30/2013 was fixed and is being amortized over 15 years starting with the pension rates for FY 2014-15 and will be fully amortized by 2030, at which time the employer rate will significantly decrease (if all other assumptions are met). Future gains and losses will be amortized over a 19 year period. As of June 30, 2016, the pension fund had a funded ratio of 71.5%.

Figure 12: FYs 2017-38 Actuary's Projected Countywide Retirement Contribution Rate



Other Post-Employment Benefits (Retiree Health Care Costs)

The Santa Barbara County Employees' Retirement System (SBCERS) administers a cost sharing multiple-employer defined benefit post-employment healthcare plan, which the County participates in. The Plan is closed to all new employees. This Other Post-Employment Benefit (OPEB) Plan provides medical benefits to eligible retired County employees and their eligible dependents. In recent years, the Board approved a budget policy to address requirements to fund current retiree health care costs and the unfunded liability for Other Post-Employment Benefits (OPEB). In FY 2015/16, the Board formalized that policy and approved a plan to pay down the unfunded liability by contributing 4% of payroll annually. The unfunded liability is currently $113.0 million. This plan would eliminate the unfunded liability by 2034, if all investment return assumptions are met. In the FY 2017-18 budget, funding is included to reflect this policy.

Northern Branch Jail (AB 900), Construction and Operations Funding

The Northern Branch Jail (NBJ) Project is located near the City of Santa Maria, California; when completed, the facility will provide capacity to hold 376 individuals, of which 32 beds are reserved in a separate housing unit for individuals with medical and mental health challenges. The entire jail complex is composed of several buildings estimated to be approximately 139,000 square feet for inmate housing and ancillary support functions.

On January 15, 2013, the Board of Supervisors approved a Project Construction and Delivery Agreement with the State of California that stipulated the terms of an $80 million award of funds towards the construction of a new Northern Branch jail near the City of Santa Maria. The cost to build the jail was originally anticipated to be $96 million. One June 21, 2016, the Board awarded construction contracts for the Northern Branch Jail. Subsequently on August 18, 2016, the State authorized the County to proceed with a start date of September 6, 2016.

A consulting firm estimated the additional operating costs of the new jail, including shift relief at $16.8 million in the first full year of operation. Including additional maintenance staff and costs, the total annual operating cost of the new facility is estimated at $17.9 million. The County adopted a funding plan in FY 2011-12 to annually allocate an increasing amount of General Funds towards the ultimate operating costs. Funding for the NBJ operating costs has been occurring per the original funding plan (shown below) and is accumulating in a NBJ Operations fund balance. Construction completion is projected for 2018 with occupancy in early 2019.

Figure 13: Plan for Future Jail Operations Funding

If Jail Opens Fully Staffed March 1, 2019

Fiscal Year	GFC Base	GFC Increase	Total GFC	County Match Construction	Operating Costs	End of Year 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	-	(0.2)	13.8
2016-17	6.1	1.5	$ 7.6	(12.3)	(1.4)	7.7
2017-18	7.6	1.5	$ 9.1	-	(4.0)	12.9
2018-19	9.1	1.8	$ 10.9	-	(11.4)	12.3
2019-20	10.9	1.8	$ 12.7	-	(17.9)	7.2
2020-21	12.7	2.2	$ 14.9	-	(18.4)	3.7
2021-22	14.9	2.2	$ 17.1	-	(19.0)	1.8
2022-23	$ 17.1	$ 2.2	$ 19.3	$ -	(19.5)	**1.6**

Based on the anticipated increase to pension contribution rates, the incremental cost of hiring approximately 100 new employees for the NBJ will increase approximately $900,000 (FY 2019-20). A more complete analysis of the existing funding plan will be revisited after budget adoption.

Capital Expenditures

The County has a large list of capital items, both funded and unfunded including new capital improvements, and capital replacement of systems to address significant deferred maintenance. A complete summary of projects and recommended appropriations for Capital Expenditures can be found in Section E of this document.

All Funds Operating Expenditures by Functional Area

The County's Recommended FY 2017-18 expenditures can also be viewed by Functional area. The increases were primarily in the functions of Public Safety, Community Resources & Public Facilities, and General Government & Support Services. General Government & Support Services show a large increase due to the anticipated costs of construction of the North County Jail. The main drivers of the increase in these functions are summarized below by department. Significant changes are explained more fully in Section D of this book.

Figure 14: Total Operating Expenditures by Functional Group/by Department

	Actual FY 15-16	Adopted FY 16-17	Change from FY16-17 Ado to FY17-18 Rec	Recommended FY 17-18	Proposed FY 18-19
Policy & Executive					
Board of Supervisors	$ 2,855,030	$ 3,038,300	$ 63,172	$ 3,101,472	$ 3,186,892
County Executive Office	32,966,954	37,960,917	(1,575,546)	36,385,371	37,661,659
County Counsel	7,362,722	7,987,804	356,063	8,343,867	8,714,722
Sub-Total	**43,184,705**	**48,987,021**	**(1,156,311)**	**47,830,710**	**49,563,273**
Public Safety					
Court Special Services	15,002,017	15,248,900	8,000	15,256,900	15,256,900
District Attorney	22,403,593	24,042,118	310,290	24,352,408	25,459,696
Fire	63,255,477	66,918,589	4,899,811	71,818,400	75,146,114
Probation	51,118,500	54,000,348	1,797,384	55,797,732	57,994,848
Public Defender	10,928,142	11,590,494	(96,888)	11,493,606	12,127,187
Sheriff	123,906,188	129,866,209	6,887,963	136,754,172	141,870,549
Sub-Total	**286,613,916**	**301,666,658**	**13,806,560**	**315,473,218**	**327,855,294**
Health & Human Services					
Behavioral Wellness	102,913,421	111,642,814	1,008,466	112,651,280	109,943,130
Child Support Services	9,409,896	9,582,883	1,000	9,583,883	9,907,831
First 5, Children & Families	4,442,836	3,950,090	285,426	4,235,516	4,471,746
Public Health	83,781,209	90,379,117	(1,847,167)	88,531,950	91,133,850
Social Services	165,018,366	174,239,198	(6,532,807)	167,706,391	170,553,654
Sub-Total	**365,565,728**	**389,794,102**	**(7,085,082)**	**382,709,020**	**386,010,211**
Community Resources & Public Facilities					
Agricultural Comm./W&M	4,738,909	5,145,771	63,220	5,208,991	5,469,256
Community Services	22,532,049	27,052,177	842,963	27,895,140	25,170,504
Planning & Development	14,991,157	19,305,807	1,031,648	20,337,455	20,144,197
Public Works	86,046,279	101,817,413	4,348,551	106,165,964	105,617,957
Sub-Total	**128,308,393**	**153,321,168**	**6,286,382**	**159,607,550**	**156,401,914**
General Government & Support Services					
Auditor-Controller	8,188,338	9,001,000	(72,000)	8,929,000	9,288,000
Clerk-Recorder-Assessor	14,869,222	17,030,195	456,923	17,487,118	18,060,460
Debt Service	2,120,427	2,015,630	(112,984)	1,902,646	1,788,596
General Services	41,568,981	47,195,093	354,487	47,549,580	46,839,497
Human Resources	7,492,044	8,472,435	192,226	8,664,661	8,357,131
North County Jail	2,605,689	32,389,202	41,460,403	73,849,605	9,453,142
Treasurer-Tax Collector-Public	6,739,713	7,528,001	195,198	7,723,199	7,990,637
Sub-Total	**83,584,414**	**123,631,556**	**42,474,253**	**166,105,809**	**101,777,463**
General County Programs					
General County Programs	2,889,607	2,075,442	(76,847)	1,998,595	1,580,805
Sub-Total	**2,889,607**	**2,075,442**	**(76,847)**	**1,998,595**	**1,580,805**
Operating Appropriations Total	**$ 910,146,763**	**$1,019,475,947**	**$ 54,248,955**	**$1,073,724,902**	**$1,023,188,960**

Executive Summary

Policy & Executive

County Executive Office: The FY 17-18 Budget decreases by $1.6 million (4.3%) to $36.4 million from the FY 2016-17 Adopted Budget of $38.0 million due primarily to decreases to Risk Management insurance costs.

Public Safety

Fire: The FY 2017-18 Budget increases by $4.9 million (7.4%) to $71.8 million from the FY 2016-17 Adopted Budget of $66.9 million due primarily to additional staff, capital purchases, increases in retirement costs. The increases are more than offset by increases in revenue from property taxes, including the County Property Tax Shift to Fire.

Probation: The FY 2017-18 budget increases by $1.8 million (3.4%) to $55.8 million from the FY 2016-17 Adopted Budget of $54.0 million due primarily to anticipated increases in salaries, retirement costs, and workers compensation costs along with increased costs for Services & Supplies for health care for incarcerated juveniles and contracts for services with Community Based Organizations for Adult and Juvenile programs.

Sheriff: The FY 2017-18 budget increases by $6.9 million (5.4%) to $136.8 million from the FY 2016-17 Adopted budget of $129.9 million due primarily to anticipated increases in salaries, retirement costs, and workers compensation costs along with increased costs for Services & Supplies for the jail medical contract.

Health & Human Services

Behavioral Wellness: The FY 2017-18 budget increases by $1.0 million (0.9%) to $112.7 million from the FY 2016-17 Adopted budget of $111.6 million due to increased volume of Institute for Mental Disease (IMD) and inpatient hospital beds.

Public Health: The FY 2017-18 budget decreases by $1.8 million (2.0%) to $88.5 million from the FY 2016-17 Adopted Budget of $90.4 million due primarily to a decrease in services and supplies for pharmaceutical contract expenditures, offset by salary and benefit increases.

Social Services: The FY 2017-18 Budget decreases by $6.5 million (3.8%) to $167.7 million from the FY 2016-17 Adopted Budget of $174.2 million due primarily to reductions in staff related State and federal sources and a decrease in cash assistance payments related to decreasing CalWORKs caseloads.

Community Resources & Public Assistance

Planning & Development: The FY 2017-18 Budget increases by $1.0 million (3.8%) to $20.4 million from the FY 2016-17 Adopted Budget of $19.4 million due primarily to increases in overall salaries and employee benefits and an increase in applicant-funded consultant services

Executive Summary

Public Works: The FY 2017-18 budget increases by $4.3 million (4.3%) to $106.2 million from the FY 2016-17 Adopted Budget of $101.8 million mostly due to an increase in capital project contracts and maintenance in Transportation partially related to emergency storm damage.

General Government & Support Services

The increases in this functional group are primarily derived from construction costs associated with the Northern Branch Jail Project which is budgeted at $73.8 million in FY 2017-18.