

# Section B



## Executive Summary



# Executive Summary

## **Renewal and Resilience**

Chair Williams and Board Members,

As we approach the 2018-19 fiscal year, in the aftermath of unprecedented fire and debris flow disasters, we continue to administer the laws of the State, and ordinances and policies of the Board, in the highest traditions of civic professionalism and competency, to serve our citizens and visitors. A central component of this work is to develop a balanced budget in light of salary and benefit cost increases, increasing and changing federal and State mandates, growing technological demands, unmet service needs, infrastructure maintenance issues, and the continuing threats of natural disasters.

Two primary themes emerge as we plan for FY 2018-19: renewal and resilience. Renew '22, a multi-year transformational initiative to ensure fiscal sustainability and operational efficiency, started last year and will continue to build a stronger and more vibrant organization to serve our community. Ensuring resilience will also be essential: we are taking actions to help the community recover from the Thomas Fire and 1/9 Debris Flow disasters while simultaneously planning and preparing for additional debris flows, which are possible in the next two to five years while the mountains of the national forest revegetate. Measures to mitigate future hazards are being developed and will be proposed to the Federal Emergency Management Agency (FEMA) for funding. But for now, even less intense events could strain our resources without the support of the federal and State governments. We are fortunate for the Board's foresight in building up the Strategic Reserve over the past years, which mitigated the disaster's financial impact on our current year budget, and it is therefore critical that we plan, prepare, and continue to set aside resources for these uncertain times.

In the fall, our five-year forecast projected a budget gap ranging from \$17 million to \$23 million for all funds, or about 2% of our total budget. Much of that was in special revenue funds (Social Services and Behavioral Wellness Departments), as well as the Sheriff and Probation Departments. Since that time, the FY 2018-19 anticipated budget shortfalls have been resolved by departments through restructuring, service level reductions, greater than anticipated State and federal revenue, and other measures, resulting in a balanced budget. Yet significant fiscal challenges remain on the horizon, such as the need for a public safety communications system replacement, large deferred maintenance funding needs, unknown future salary and benefit costs, and changing legislation and regulations.

Renew '22 initiatives are in various stages, and have the potential to transform our County organization. Many of these initiatives are not quantifiable at present, and the benefits will be borne out over many years. These initiatives will result in a more financially secure and agile organization, through efficient and strong systems of service, so that we are able to address future uncertainties and the impacts of the next disaster.

There will be difficult choices in the coming months and years for the County, and we will continue to focus on decisions that allow balancing of short-term needs with long-term impacts, strategic realignment of services and the costs to provide these services, and opportunities for new ways of doing business. We can do

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anything, but we cannot do everything, and we will continue to focus on doing the most essential and important things well to best serve our community.

## **Development of the FY 2018-19 Recommended Budget**

In December 2017, the Board adopted a set of policies to guide budget development, and these policies set the foundation for the recommended budget presented herein.

- **Accountability and Transparency:** Information about how community taxes and other revenues are spent, including the programs, services, and achievements they fund, and how they differ from FY 2017-18 levels are included in department detail pages (Section D of this budget book).
- **Program-Based Budgeting:** Allocations from the General Fund to departments for programs are distributed according to Board policy direction, historical spending, and federal and State mandates. In fall 2017, the CEO received direction to build the initial budget based on flat General Fund Contribution allocations to departments. As a result, this recommended budget is not a status quo budget. Instead, it includes budget reductions in most departments, with some service level reductions (e.g., reductions that will have noticeable impact on services provided to the public or internal customers).
- **Balanced Budget/Fiscal Stability:** The recommended budget is balanced and, with a few exceptions, ongoing sources are matched with ongoing uses to ensure sustainable funding for core services. In the few cases, one-time revenues or use of fund balance is used as a temporary bridge until more sustainable resources or reductions in services are developed.
- **Identification and Mitigation of Fiscal Risks:** Fiscal risks identified in prior years, including new Northern Branch Jail operations, deferred maintenance, inadequate fire funding, and pension and retiree health costs, continue to be funded per Board-established plans and policies. Increased funding for dispatch operations is also recommended in this budget, as are new Sheriff positions in the Main Jail to address issues of confinement raised by disability advocates. Additional issues identified in the December 2017 Fiscal Issues Report have been addressed to the extent they impact FY 2018-19.
- **Reserves:** Due to fiscal impacts of the 2017 storms, Thomas Fire, and 1/9 Debris Flow, the General Fund Strategic Reserve fund balance (currently \$23.6 million) is \$10 million below the adopted policy level. In fall 2017, in light of the forecasted budget shortfall, the Board continued its policy from last year of not augmenting the Strategic Reserve. Therefore, this Recommended Budget does not include additional funding for the Strategic Reserve. However, the CEO is recommending that additional funding received from the State for taxes lost due to the Thomas Fire and 1/9 Debris Flow, currently proposed in the Governor's May Revise, be committed to the Strategic Reserve once received.
- **Identification of Service Level impacts:** Impacts to service levels were included in department presentations to the Board during Budget Workshops, and are discussed in detail later in this section.

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- **Capital and Infrastructure Maintenance:** The challenge to fund capital improvement needs and maintenance of existing infrastructure continues to be a significant concern in FY 2018-19. The recommended budget allocates \$2.3 million in ongoing GFC for capital improvements and infrastructure maintenance, and \$4.4 million of ongoing GFC is committed in the Public Works, General Services, and Parks departments per the 18% funding policy. In addition, one-time GFC of \$1.5 million for General Services and Parks capital projects, including the Waller Park well replacement, tree maintenance as County parks, security upgrades at County facilities, and installation of water reduction measures at County facilities, are included in the CEO's recommended expansions. Along with General Fund resources, approximately \$17 million is provided by Special Revenue sources for Roads capital projects and maintenance. Statewide, additional funding from SB 1 is assisting local governments with road funding, which is \$6.4 million to Public Works for FY 2018-19 and projected to grow to over \$15 million by FY 2026-27.
- **Employee Retention:** Through Renew '22 initiatives led by the Human Resources Department and within individual service departments, several projects are underway or in the planning stages to attract, retain, and develop a high-performing workforce committed to excellent customer services, and the recommended budget includes funding for some initiatives that require ongoing investment to start up and maintain. The benefits of employee retention are difficult to monetize, but the cost of replacing an employee who leaves has been estimated at around 20% of the annual salary, and building a sustainable County organization is therefore critically dependent on maintaining a dedicated, competent workforce.

## Commitments to Adopted Funding Policies

The FY 2018-19 Recommended Budget allocates funding in accordance with ongoing funding commitments.

- **Northern Branch Jail:** The County continues construction of the Northern Branch Jail, which is anticipated to open in the summer of 2019. The Northern Branch Jail project represents a significant ongoing commitment of current and future General Fund revenue. While the State provided a majority of the funding for construction, the ongoing operating costs are the responsibility of the County's General Fund, and are currently estimated at \$18.2 million for the first year of operations (FY 2019-20), with annual increases in future years. By adding incrementally higher amounts of GFC each year to a dedicated jail fund, we are building towards the annual funding amount needed to operate the new jail. The FY 2018-19 Recommended Budget allocates \$10.9 million to this fund, of which the Sheriff anticipates drawing \$10.6 million as they continue the hiring and training of staff necessary to operate the new jail. Additionally, \$2.0 million is being transferred to the jail construction fund to cover additional construction costs, if needed. The fund balance at year end is estimated to be \$11.7 million. Currently, we are a little over halfway to building up sufficient ongoing funding to fully operate the new jail.
- **Fire Tax Shift:** In response to a growing structural deficit and significant capital needs in the Fire Department, the Board adopted a policy that directs an increasing share of property tax revenue to the Fire District to provide a reliable funding stream to ensure adequate staffing, equipment, and facilities. 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, which is

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anticipated to be achieved in FY 2019-20, although this estimate is subject to the impacts of the 1/9 Debris Flow on future property tax revenues. Since its implementation in FY 2012-13, the Fire District has been able to increase staffing, enhance administrative functions, and expand inspection capability. The FY 2018-19 Recommended Budget includes \$9.5 million in ongoing annual funding from the tax shift.

- **Deferred Maintenance Commitment:** In response to growing deferred maintenance needs, the Board developed a funding policy, effective in July 2015, providing a mechanism to increase ongoing funding available for deferred maintenance projects. The policy commits 18% of unallocated discretionary general revenue growth to address maintenance needs on an annual basis, thereby increasing the ongoing funding each year that experiences growth in discretionary revenues. At the time of adoption, the growth projections showed that funding would cumulatively provide approximately \$100 million toward maintenance over a 10-year period. However, because the projection used a percentage of unallocated discretionary revenue growth as the basis of annual calculated dollar amounts, the actual amounts allocated to deferred maintenance needs vary from year to year based on revenue growth, salary and benefit growth, and other funding needs. The FY 2018-19 Recommended Budget allocates \$4.4 million in deferred maintenance funding from the 18% formula, reflecting growth of \$1.1 million from the FY 2017-18 \$3.3 million ongoing level. Despite the annual growth anticipated in funding, the backlog of deferred maintenance projects countywide remains in the \$400 million range, leaving a very significant gap between allocated funding and current need.

## Key Considerations in the FY 2018-19 Recommended Budget

- **Expenditures outpacing revenues:** While the budget is balanced, expenditure growth continues to outpace revenue growth, particularly with the loss of property tax and transient occupancy taxes due to the 1/9 Debris Flow. While the Montecito community constitutes about ¼ of one percent of the total land in the county, it generates approximately 17% of the property tax base and 62% of the transient occupancy tax to the County's General Fund, and its impact is therefore felt on services provided throughout the county. Rebuilding will take time, and therefore will affect our tax base for several years, yet must be done thoughtfully and carefully to address appropriate hazard mitigation and safety for community residents. But even before the disasters, County expenditures have been increasing at a faster rate than revenue growth.
- **Cannabis regulatory program implementation and enforcement:** The recommended budget includes funding for 1) permitting, licensing, and administration of the County's adopted program through licensing and permitting fees (\$1.6 million in various departments), and 2) enforcement through potential cannabis tax revenue (\$1.7 million in various departments), should Measure T2018 be approved by voters. A more detailed description of these budget items is provided later in this section. If the measure is not approved, the Board will be asked to reduce appropriations accordingly.
- **Disaster costs and preparation:** The recent natural disasters were a particularly significant factor in preparing the FY 2018-19 budget due to the short-term and long-term impacts. As of early May, the total estimated cost of responding to and recovering from the Thomas Fire and 1/9 Debris Flow was projected to

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exceed \$55 million in County government costs, with the County's share totaling approximately \$12.3 million (\$6.3 million General Fund). Potential General Fund revenue losses (primarily property tax and transient occupancy tax) are estimated at \$3.4 million in FY 2017-18 and \$3.6 million in FY 2018-19, largely due to disaster impacts.

The County is responsible for the non-reimbursable portion of disaster recovery costs as well as 6.25% of reimbursable costs, which are collectively estimated at \$12.3 million, though this number will not be final until the County's proposed permanent rebuilding projects are approved by FEMA and the State and costs are agreed upon. County staff is continuing to monitor appropriations within all departments, and expects to return to the Board with further budget revisions as costs and reimbursement timing becomes clearer. Future draws on reserves may include non-General Fund departments, and may be needed to cover the local portion of the emergency and permanent disaster-related repair costs as well as address cash flow needs until federal and State reimbursements are received.

These outstanding costs compel us to set aside a significant portion of available financial resources to address the local match and cash flow obligations in FY 2018-19, and the recommended budget includes funding of \$6.3 million set aside for this purpose.

- ***Serving the mentally ill in the criminal justice system:*** Many departments are impacted and involved with this multi-faceted issue. When our mentally ill community members do not receive needed services early on, they often move on to more intensive—and more expensive—parts of our systems of care, such as acute care facilities, emergency rooms, and the criminal justice system. County departments will continue to work together towards the common goal of managing and maintaining a holistic approach to meeting the needs of the mentally ill. Funding to address continual need for more beds is provided in the CEO's Recommendations. Behavioral Wellness is continuing to evaluate a possible in-county Mental Health Rehabilitation Center (MHRC) with funding provided by the Community Corrections Partnership. In addition, the recommended budget includes an expansion of \$130,000 in the Sheriff's Office to address the continued need for a Crisis Intervention Training program, which will entail a partnership between the Sheriff and Behavioral Wellness Departments.
- ***Increasing and changing State and federal mandates:*** These legislative and regulatory changes have impacts on funding, workload, and service delivery systems that often must be immediately implemented. These changes are particularly prevalent among the criminal justice departments, and are typically the responsibility of the County's General Fund. Funding is provided as part of the CEO's recommendations to address some of these needs.
- ***Growing capabilities and demands of technology:*** With the growing capabilities of technology come many challenges. The County is adapting to changing standards, investing in new systems, and implementing new ways of working and processing information, and this transformation will need to continue. Even in an environment of scarce resources, recognizing that investments in technology will have long-term efficiency and effectiveness benefits, the County will need to focus on providing the most efficient

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technology solutions and processes. This will require a level of consistency and standardization in some areas, which General Services will be exploring with executive department leadership in FY 2018-19.

## A Balanced Budget with Service Level Reductions and Expansions

Even before beginning to develop FY 2018-19 budgets, departments had been seeking ways to restructure operations, find efficiencies, and prioritize use of resources through their Renew '22 initiatives. Many departments were thus able to avoid the need for service level reductions despite often uncontrollable cost increases without corresponding revenue increases. Some departments, however, did have recommended service level reductions included in the budget, which were necessary either because of long-standing structural deficits, sharp increases in workload, or changes in revenue availability.

**Early Restorations/Expansions:** In advance of the budget workshop, certain funding needs were addressed given consideration of the severity of the impacts on the County as a whole, or in response to mandated services. In essence, these are items where funding is necessary to avoid liability, address new requirements, or address a chronic problem. The following chart shows these early restorations and expansions included in departments' budgets and presented at budget workshops.

FY 2018-19 Pre-Budget Workshop Restorations/Expansions

Department	Description	FTE	GFC	
			Ongoing	Onetime
<b>General Fund Departments</b>				
Clerk-Recorder-Assessor	<b>Motor voter</b> - Funds cost increases resulting from the New Motor Voter Act, under which eligible DMV customers are automatically registered to vote unless they opt out.	-	\$ -	\$ 340,000
Public Defender	<b>Deputy Public Defenders</b> - Restored three attorney positions to support adequate core staffing.	3.0	325,300	-
Sheriff	<b>Dispatch Call Takers</b> - Added five positions for public safety dispatch as recommended by the consultant report.	5.0	442,500	
	<b>Sheriff Service Technicians</b> - Added ten positions at the Main Jail to address conditions of confinement issues identified by disability advocates.	10.0	945,500	
General County Programs	<b>Disaster recovery</b> - Provides funding to address local portion of disaster cost and cash flow needs in non-General Fund departments.	-		6,250,000
	<b>Behavioral Wellness contingency</b> - Sets aside funding for potential costs in excess of the Department's budget related to IMD/mental health beds for conserved clients.	-		1,000,000
<b>Total</b>		<b>18.0</b>	<b>\$ 1,713,300</b>	<b>\$ 7,590,000</b>

**Service Level Reductions:** Service level reductions presented by departments at the April budget workshops totaled \$5.2 million and 10.9 FTE; however, not all reductions were requested by departments to be restored, and therefore, not all are being recommended for implementation. The following chart shows submitted service level reductions and indicates which are restored in the recommended budget. The remaining reductions included in the recommended budget total \$4.4 million and 6.2 FTE.

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## FY 2018-19 Identified Service Level Reductions

Department	Description	FTE	Amount
<b>General Fund Departments</b>			
County Counsel	Unfund 1.0 FTE Legal Office Professional I. <i>Restored in CEO Recommendations</i>	1.0	\$ 71,300
	Unfund 0.5 FTE Extra Help Deputy County Counsel, Sr. <i>Restoration not requested by Department</i>	0.5	88,500
District Attorney	Unfund 1.0 FTE Deputy District Attorney, Sr. from the South County Collaborative Justice Program. <i>Restored in CEO Recommendations</i>	1.0	241,500
Public Defender	Unfund 1.0 FTE Legal Office Professional and 1.5 FTE Extra Help Legal Office Professionals. <i>Restoration not requested by Department</i>	1.0	187,400
	Unfund 1.0 FTE Chief Deputy Public Defender. <i>Restoration not requested by Department</i>	1.0	291,200
Sheriff	Unfund 1.0 FTE Community Resource Deputy in Isla Vista. <i>Restored in CEO Recommendations</i>	1.0	184,500
	Unfund 1.0 FTE Sheriff Sergeant in the Air Support Unit. <i>Restoration not requested by Department</i>	1.0	249,600
	Unfund 1.09 FTE Sheriff Deputy, 0.24 FTE Sheriff Deputy Special Duty, and 0.36 FTE Sheriff Sergeant in Isla Vista Foot Patrol. <i>Restored in CEO Recommendations</i>	1.7	294,900
	Reduce overtime in law enforcement patrol. <i>Restoration not requested by Department</i>	-	425,000
	Reduce overtime in custody operations. <i>Restoration not requested by Department</i>	-	425,000
Community Services	Unfund 0.7 FTE Parks Planner (eliminate 1.0 FTE Parks Planner for a portion of a year). <i>Restoration not requested by Department</i>	0.7	111,000
	Reduce annual trout fish plants from 4 to 1. <i>Restoration not requested by Department</i>	-	75,000
<b>General Fund Departments Subtotal</b>		<b>8.9</b>	<b>\$ 2,644,900</b>
<b>Non-General Fund Departments</b>			
Behavioral Wellness <i>Reductions partially mitigated by \$2 million contingency</i>	Reduce long-term Institute for Mental Disease and Augmented Board and Care services by 22 beds per day (from 63 beds per day to 41 beds per day).	-	\$ 1,570,850
	Reduce out-of-county short-term psychiatric inpatient hospital services (from average 7 beds per day to 4.5 beds per day).	-	780,000
Child Support Services	Unfund 1.0 FTE Legal Office Professional, Sr. and 1.0 FTE Financial Office Professional, Sr. <i>Restoration not requested by Department</i>	2.0	221,700
<b>Non-General Fund Departments Subtotal</b>		<b>2.0</b>	<b>\$ 2,572,550</b>
<b>Total</b>		<b>10.9</b>	<b>\$ 5,217,450</b>

**Expansion and Restoration Requests.** Following the workshops whereby the Board and public provided input and comment on the departments' budgets, the County Executive Office continued to work with departments on specific issues and conducted more analysis as to available revenues and expenditures. As a result, some restorations and expansion requests were considered and included in this recommended budget. CEO Recommended restorations and expansions total \$8.2 million in General Fund (\$3.8 million in ongoing funding and \$4.4 million in one-time funding) and 9.7 FTE. Funding recommendations were based on consideration of State and federal requirements, Board priorities, established needs, and areas in which the County could face significant financial, legal, health, or safety risk or liability.

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## FY 2018-19 Recommended Restorations and Expansions

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
<b>General Fund Departments</b>					
CEO	<b>ADA Transition Plan</b> - Funds development of a comprehensive countywide five-year ADA transition plan.	-	175,000	-	-
	<b>OEM Structural Deficit</b> - Provides ongoing funding for 3 FTE in the Office of Emergency Management that were previously funded with one-time funds.	-	409,400	-	-
Sheriff	<b>IV Foot Patrol</b> - Restores 1.09 FTE Sheriff Deputy, 0.24 FTE Sheriff Deputy Special Duty, and 0.36 FTE Sheriff Sergeant in Isla Vista Foot Patrol, for a total of 16.9 FTE assigned to the IV Foot Patrol.	1.7	294,900	-	-
	<b>IV Community Resource Deputy</b> - Restores 1.0 FTE Sheriff Special Duty Deputy for Isla Vista.	1.0	184,500	-	-
	<b>CIT Training</b> - Earmarks funds to implement a Crisis Intervention Training program, which will entail a collaboration between the Sheriff's Office and Behavioral Wellness Department to establish an ongoing training program.	1.0	-	130,000	-
	<b>Scheduling Software</b> - Funds the purchase and installation of software to automate the scheduling process.	-	60,000	40,000	-
	<b>Overtime Mitigation</b> - Sets aside funds for the implementation of the Sheriff's overtime reduction plan. To access these funds, a Board-approved budget revision would be required.	-	-	1,750,000	-
	<b>Collaborative Courts</b> - Restores a Deputy District Attorney position to staff the South County Collaborative Justice Program.	1.0	241,500	-	-
District Attorney	<b>Investigator</b> - Funds an additional investigator position.	1.0	146,900	-	-
Public Defender	<b>Investigator</b> - Funds an additional investigator position.	1.0	117,700	-	-
	<b>Experts &amp; Evaluations</b> - Increases funding for experts and evaluations now required in certain cases.	-	45,800	-	-
Probation	<b>Deputy Probation Officer</b> - Adds a Deputy Probation Officer to address increased workload as a result of Prop. 63 and the need for a higher level of supervision of sex offenders.	1.0	120,400	-	-
Public Works	<b>Maintenance</b> - Increases the 18% maintenance funding by \$550,000, for a total of \$2.2 million to address deferred maintenance needs.	-	550,000	-	-
	<b>Vintage Ranch</b> - Earmarks initial funds to construct a required bridge at Vintage Ranch in Orcutt. This is year one of a multi-year funding plan to address this potential issue.	-	-	130,000	-
Community Services	<b>Maintenance</b> - Increases the 18% maintenance funding by \$165,000, for a total of \$655,000 to address deferred maintenance needs.	-	165,000	-	-
	<b>Homeless Count</b> - Funds County's share of the biennial point-in-time count for the HUD homeless program.	-	-	15,000	-
	<b>Fair Housing Assessment</b> - Funds County's share of the HUD required Fair Housing Assessment.	-	-	50,000	-
	<b>Tree Maintenance Program</b> - Provides funding to conduct surveys, emergency removal, and maintenance of dead or dying trees in County parks.	-	-	200,000	-
	<b>Waller Well</b> - Funds the replacement of a well at Waller Park.	-	-	750,000	-

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## FY 2018-19 Recommended Restorations and Expansions, continued

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
General Services	<b>Maintenance</b> - Increases the 18% maintenance funding by \$392,000, for a total of \$1.5 million to address deferred maintenance needs.	-	392,000	-	-
	<b>Public Safety Radios</b> - Provides additional funding for upgrades to the public safety radio tower infrastructure.	-	-	263,000	-
	<b>ADA Facility Assessment</b> - Provides funding for the identification of ADA deficiencies within County facilities.	-	-	150,000	-
	<b>Security Upgrades</b> - Funds installation of security-related upgrades at County facilities.	-	-	400,000	-
	<b>Water Reduction Measures</b> - Funds installation of water reduction measures at County facilities.	-	-	100,000	-
County Counsel	<b>Legal Office Professional</b> - Restores an LOP to provide support to attorneys.	1.0	71,300	-	-
	<b>Deputy Counsel</b> - Provides two years of funding for a Counsel IV to assist with ongoing disaster recovery operations.	1.0	-	422,000	-
General County Programs	<b>Renew '22</b> - Provides funding for Renew '22 initiatives, primarily management audits of departments.	-	815,000	-	-
<b>General Fund Departments Subtotal</b>		<b>9.7</b>	<b>\$ 3,789,400</b>	<b>\$ 4,400,000</b>	<b>\$ -</b>
<b>Non-General Fund Departments</b>					
Fire	<b>Fire Crews</b> - Converts two extra help Fire Crew positions to regular Squad Leader positions.	2.0	-	-	116,200
Public Health	<b>Epidemiologist</b> - Funds a Senior Epidemiologist for public health surveillance and analysis of emerging trends (offset by a reduction in extra help).	1.0	-	-	-
	<b>Medical Assistants</b> - Converts two extra help Medical Assistants to regular Medical Assistants at the Lompoc Health Care Center (offset by a reduction in extra help).	2.0	-	-	-
<b>Non-General Fund Departments Subtotal</b>		<b>5.0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 116,200</b>
<b>Total</b>		<b>14.7</b>	<b>\$ 3,789,400</b>	<b>\$ 4,400,000</b>	<b>\$ 116,200</b>

### Cannabis

The impacts—on both the revenue and expenditure side—of establishing the necessary programs and processes related to cannabis operations in the County are addressed in the recommended budget through staffing expansions and offsetting tax revenue. Cannabis-related staffing expansions are detailed in the table below.

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## FY 2018-19 Cannabis-Related Staffing Expansions

Department	Position	FTE	Amount
<b>Cannabis Permitting</b>			
County Counsel	Deputy Counsel IV	0.50	\$ 102,300
Planning & Development	Supervising Planner	0.50	93,400
	Planner III	1.00	152,900
	Planner I/II	1.00	129,700
<b>Cannabis Permitting Subtotal</b>		<b>3.00</b>	<b>\$ 478,300</b>
<b>Cannabis Licensing</b>			
CEO	Enterprise Leader	0.45	\$ 76,900
Sheriff	Sheriff's Deputy Special Duty	2.00	389,800
	Admin. Office Professional II	1.00	96,600
Public Health	Env. Health Specialist	1.00	127,000
Ag Commissioner	Ag Bio/Weights & Measures Supervisor	1.00	145,800
	Ag Bio/Weights & Measures Inspector	2.00	232,400
Treasurer-Tax Collector	Financial Office Professional, Senior	0.50	60,800
<b>Cannabis Licensing Subtotal</b>		<b>7.95</b>	<b>\$ 1,129,300</b>
<b>Cannabis Enforcement</b>			
CEO	Enterprise Leader	0.55	\$ 96,700
County Counsel	Deputy Counsel IV	0.50	102,300
District Attorney	Deputy District Attorney III	1.00	169,100
	Legal Office Professional	0.50	33,800
Sheriff	Sheriff's Sergeant	0.50	111,400
	Sheriff's Deputy Special Duty	3.00	584,800
Public Health	Health Educator	1.00	100,000
Ag Commissioner	Ag Bio/Weights & Measures Inspector	1.00	116,200
Planning & Development	Supervising Planner	0.50	93,400
	Planner III	1.00	152,900
	Planner I/II	1.00	129,700
<b>Cannabis Enforcement Subtotal</b>		<b>10.55</b>	<b>\$ 1,690,300</b>
<b>Total</b>		<b>21.50</b>	<b>\$ 3,297,900</b>

The FY 2018-19 Recommended Budget includes \$1.6 million in permitting and licensing costs, completely offset by permitting fees of \$0.5 million and licensing fees of \$1.1 million. An ordinance establishing a cannabis licensing fee was brought to the Board on May 8 for a first reading, and adopted on May 15. Permitting fees are allowable under the existing Planning & Development Department fee ordinance. The recommended budget also includes \$1.69 million of costs associated with enforcement. The cannabis tax measure will be decided by the voters on June 5<sup>th</sup>, 2018, after this budget book is published. The recommended budget assumes \$1.69 million of revenue associated with passage of the tax to fund these enforcement costs; if the measure fails, the revenue and associated positions will be removed from the final adopted budget.

### Looking Forward, Beyond FY 2018-19

The recommended budget presents funding for important initiatives, ongoing and new mandates and liabilities, and increased levels of funding to Board prior commitments, all within the context of recovering from one of the largest disasters we have encountered in recent history. The County has managed through these and past financial challenges largely through growth of its property tax base and increased federal or State funding.

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As the County continues to encounter growing deferred maintenance needs, changing legislation and regulations, employee-related cost increases, and demands to keep pace with technology advances and public expectations, improved revenue and lower costs will continue to be critical. Cannabis tax revenue, should the voters approve the ballot measure on June 5<sup>th</sup>, will be inconsistent and uncertain initially, as the market and the commercial cannabis industry adjusts to the new environment.

There will be difficult choices in the coming months and years for the County, and we will continue to focus on decisions that allow balancing of short-term needs with long-term impacts, strategic realigning of services and the costs to provide those services, and opportunities for new ways of doing business. We will focus on doing the most essential things well to best serve our community.

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## Fiscal Year 2018-19 Recommended Budget

### Budget Summary

The recommended budget for FY 2018-19 is balanced, with total operating revenues of \$1,101.7 million, total operating expenditures of \$1,103.9 million, and a net \$2.2 million in other sources (primarily use of fund balance). Operating expenditures include both ongoing and one-time costs, and ongoing costs are largely supported by ongoing revenues. The FY 2018-19 recommended budget includes full-time equivalent (FTE) staffing of 4,167.

### FY 2018-19 Recommended Budget Summary (in millions)

	FY 2016-17 Actual	FY 2017-18 Adopted	FY 2018-19 Recommended
Total Operating Revenues	\$ 1,010.9	\$ 1,083.0	\$ 1,101.7
Total Operating Expenditures	962.6	1,076.8	1,103.9
Net Operating Impact*	\$ 48.3	\$ 6.2	\$ -2.2
Staffing FTEs	3,939.1	4,083.3	4,166.7

\*Net operating impact is funded by other financing sources or use of fund balance.

### Operating Revenues: All Funds

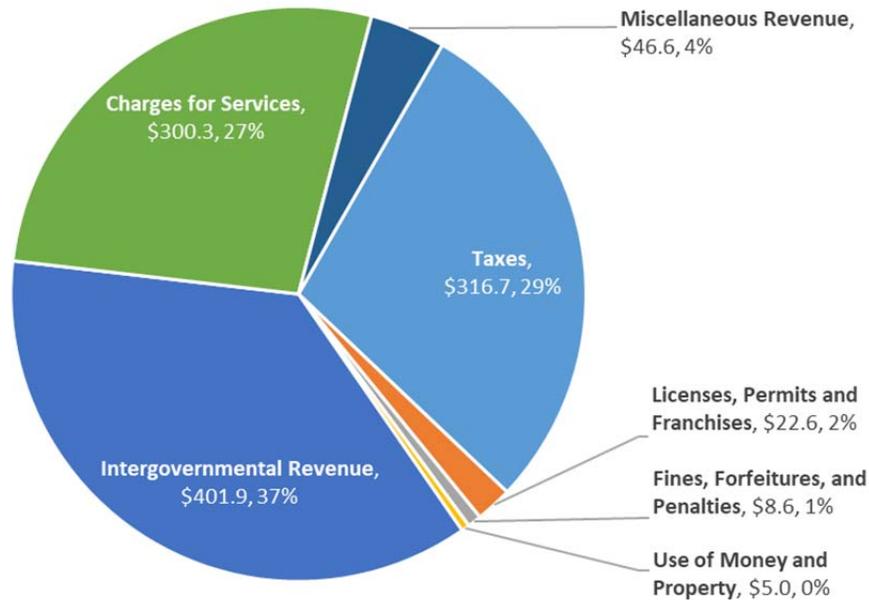
#### All Funds – Revenue by Category

Budget by Category of Revenue	FY 2016-17 Actual	FY 2017-18 Adopted	FY 2017-18 Est Actual	FY 2018-19 Recommended	Change from FY 2017-18 Ado to FY 2018-19 Rec
Taxes	\$295,066,487	\$304,859,152	\$303,571,900	\$316,740,900	\$11,881,748
Licenses, Permits and Franchises	17,338,237	20,483,685	19,720,300	22,580,900	2,097,215
Fines, Forfeitures, and Penalties	9,141,318	8,305,474	8,112,200	8,570,700	265,226
Use of Money and Property	4,316,232	4,068,829	5,004,200	4,996,700	927,871
Intergovernmental Revenue	369,890,395	425,449,347	400,208,800	401,896,800	(23,552,547)
Charges for Services	265,141,042	273,306,663	281,029,400	300,310,000	27,003,337
Miscellaneous Revenue	49,992,831	46,477,484	46,625,100	46,647,300	169,816
<b>Total Operating Revenues</b>	<b>\$1,010,886,542</b>	<b>\$1,082,950,634</b>	<b>\$1,064,271,900</b>	<b>\$1,101,743,300</b>	<b>\$18,792,666</b>

Operating revenues for all funds total \$1,101.7 million, reflecting an increase of \$18.8 million or 2% from the FY 2017-18 Adopted Budget. The graph below identifies the major categories of County revenues.

# Executive Summary

**Operating Revenue - All Funds, \$1,101.7 Million**  
(in millions)



## Operating Revenues by Category

**Revenues from taxes** are projected to increase by \$11.9 million or 3.9% from the FY 2017-18 Adopted Budget for total recommended tax revenue of \$316.7 million, making up 28.7% of operating revenues. The primary drivers of the increase are Secured Property Tax and Property Tax In-Lieu of Vehicle License Fee (VLF).

Countywide, Secured Property Taxes are projected to increase by \$8.6 million—or 4.5%—and is received by the County’s General Fund, Fire Protection District, and Flood Control Districts as well as various minor funds. The projected growth in the County General Fund is \$3.3 million and reflects an increase of 2.5%, which is lower than in prior years due to impacts of the Thomas Fire and 1/9 Debris Flow. Property Tax In-Lieu of VLF is projected to increase by 3% or \$1.6 million from the FY 2017-18 Adopted Budget.

**Use of Money and Property** is expected to increase by \$0.9 million or 22.8%, and includes interest income, revenue from building and land leases, and revenues from public phone and vending machine use.

**Intergovernmental Revenues** are comprised of State, federal, and other governmental sources and are projected to decrease by \$23.6 million or 5.5% to \$401.9 million. The decrease reflects a reduction in 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 \$23.8 million in FY 2018-19.

**Charges for Services** are expected to grow by \$27 million or 9.9% over FY 2017-18 Adopted Budget levels. The growth is spread across many different sources. The largest revenue growth areas are in Medi-Cal

# Executive Summary

reimbursement, sanitation services, public health pharmacy charges, allocated costs for administrative and other services, and fire protection services for government incidents.

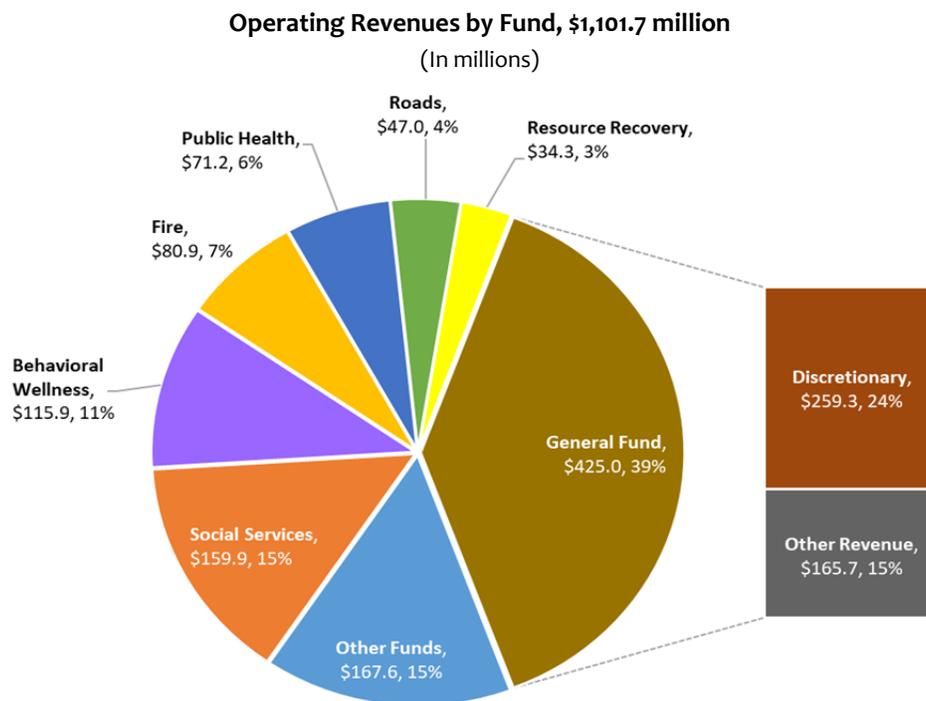
**Fines, Forfeitures, and Penalties** are projected to increase by \$0.3 million or 3.2% from the FY 2017-18 Adopted Budget. This increase reflects revenue from delinquent property tax penalty charges, which are calculated as a percent of the unpaid property tax amount. Although delinquency rates in Santa Barbara County are among the lowest in the State, penalty revenues tend to increase from year to year as property values increase.

**Miscellaneous Revenues** are expected to remain relatively flat, with 0.4% growth of \$0.2 million. These revenues comprise numerous sources that do not fall into a specific category, largely insurance premium contributions.

## Revenues 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 FY 2018-19 operating revenues by major fund, the largest of which is the General Fund, comprising 39% of countywide revenues. The General Fund can be further broken down into Discretionary General Revenues and Other Revenues.



# Executive Summary

## Local Discretionary Revenues

The FY 2018-19 Recommended All Funds Operating Revenues are \$1,101.7 million. Of these total revenues, the Board of Supervisors has some discretion over the allocation of about 24% or \$259.3 million, and is mainly made up of property tax revenues. This local discretionary revenue is allocated out to departments as General Fund Contribution, with 87% to General Fund departments and 13% to other funds. GFC funds services that do not have alternate funding sources, including administrative costs, and, in Special Revenue Funds, often serves as match funding for State and federal sources.

The table below summarizes the General Fund discretionary revenues anticipated in FY 2018-19 and compares them with prior fiscal years. Property taxes, sales taxes, and Transient Occupancy Taxes (TOT) are the three major local sources of revenue generated based on the performance of the local economy. Significant property taxes (including secured, unsecured, In-Lieu of Vehicle License Fees, and property transfer taxes) make up 81% of total discretionary revenues.

In the recommended budget, local discretionary revenues increased by \$9.7 million from the FY 2017-18 adopted budget level, for a total of \$259.3 million. This increase is most notably from property taxes and cost allocation plan revenue.

### FY 2016-17 through FY 2018-19 Discretionary Revenue

(in millions)

	FY 2016-17 Actual	FY 2017-18 Adopted	FY 2018-19 Recommended
Significant Property Taxes	\$198.3	\$205.3	\$210.4
RDA Dissolution Proceeds	0.0	0.0	0.0
RDA Prop. Tax - Ongoing	6.7	6.0	6.3
<b>Subtotal Property Taxes</b>	<b>\$205.1</b>	<b>\$211.3</b>	<b>\$216.7</b>
Cost Allocation Services	11.2	10.7	12.8
Local Sales Tax	10.4	10.7	10.7
Transient Occupancy Tax	10.1	11.8	11.2
Payments in Lieu of Tax	1.9	0.0	0.0
All Other	7.6	5.1	7.8
<b>Total Discretionary Revenues</b>	<b>\$246.2</b>	<b>\$249.6</b>	<b>\$259.3</b>
<b>Growth Year over Year</b>			\$9.7
<b>Rate of Growth</b>			3.9%

Significant Property Taxes referred to in the table 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 discretionary revenue growth are as follows:

### Property Taxes

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

# Executive Summary

for the County's budget. The FY 2018-19 Recommended Budget of \$216.7 million projects that there will be net 2.6% growth (\$5.4 million) over the FY 2017-18 Adopted Budget of \$211.3 million. In the FY 2018-19 Recommended Budget, increases in secured property tax and property tax in-lieu of VLF are partially offset by anticipated decreases in unsecured and unitary property taxes. Projected growth in property tax revenue for the 2018-19 fiscal year is dampened by the significant reduction in property values within the areas impacted by the 1/9 debris flow event.

## **Local Sales Tax**

Local 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, and is expected to have low growth (0.9% or \$0.09 million) which is consistent with historical trends.

## **Transient Occupancy Tax (TOT)**

This source of revenue is highly dependent on tourism and the quantity of lodging in the unincorporated County. As a result of the Thomas Fire and 1/9 Debris Flow events, TOT is projected to decrease for the first time in many years (not including the drop in FY 2012-13 as a result of the expiration of the Goleta revenue neutrality agreement) by \$0.6 million—or 5%—to \$11.2 million.

## **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. These allocations are not certain until adoption of the federal budget, which falls in the middle of the County's fiscal year. Once the funds are received, they are set aside in fund balance and may be appropriated for spending in the following year's budget. As such, the \$1.6 million in FY 2017-18 PILT revenue that is anticipated to be received in May or June 2018 is included in the recommended budget to fund one-time expenditures. 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 increase slightly in the FY 2018-19 Recommended Budget.

# Executive Summary

## Operating Expenditures: All Funds

### Significant Changes from FY 2017-18 Adopted Budget

The County's Recommended FY 2018-19 operating expenditures are \$1,103.9 million, a \$27.1 million or 2.5% increase over the FY 2017-18 Adopted Budget of \$1,076.8 million. Salaries and benefits show a projected 3.7% increase of \$22.1 million; services and supplies are expected to decrease by \$4.2 million or 1.2%; and other charges are expected to increase by \$9.2 million or 7.4%. The table below identifies significant categories of these expenditures.

### Significant Changes from FY 2017-18 Adopted Budget

(in millions)

	FY 2016-17 Actual	FY 2017-18 Adopted	FY 2018-19 Recommended	Change from FY 2017-18 Ado to FY 2018-19 Rec
<b>Salaries and Employee Benefits</b>				
Regular Salaries	\$314.6	\$347.0	\$362.6	\$15.6
Budgeted Salary Savings	0.0	(12.2)	(16.1)	(4.0)
Retirement Contribution	112.7	131.3	138.7	7.4
Retiree Medical OPEB	12.6	14.0	14.6	0.6
Health Insurance Contribution	34.5	40.5	41.7	1.2
Workers Compensation	16.4	17.6	16.3	(1.3)
Other Salaries and Employee Benefits	63.0	52.1	54.6	2.5
<b>Total Salaries and Employee Benefits</b>	<b>\$553.7</b>	<b>\$590.3</b>	<b>\$612.4</b>	<b>\$22.1</b>
<i>% Change</i>				3.7%
<b>Services and Supplies</b>				
Contractual and Special Services	\$109.6	\$176.9	\$150.5	(\$26.4)
All Other Services and Supplies	178.6	184.3	206.5	22.2
<b>Total Services and Supplies</b>	<b>\$288.2</b>	<b>\$361.2</b>	<b>\$357.0</b>	<b>(\$4.2)</b>
<i>% Change</i>				-1.2%
<b>Other Charges</b>				
Cash Assistance Payments	\$47.8	\$49.4	\$48.8	(\$0.7)
All Other Charges	72.9	75.8	85.7	9.9
<b>Total Other Charges</b>	<b>\$120.7</b>	<b>\$125.2</b>	<b>\$134.5</b>	<b>\$9.2</b>
<i>% Change</i>				7.4%
<b>Total Operating Expenditures</b>	<b>\$962.6</b>	<b>\$1,076.8</b>	<b>\$1,103.9</b>	<b>\$27.1</b>
<i>% Change</i>				2.5%

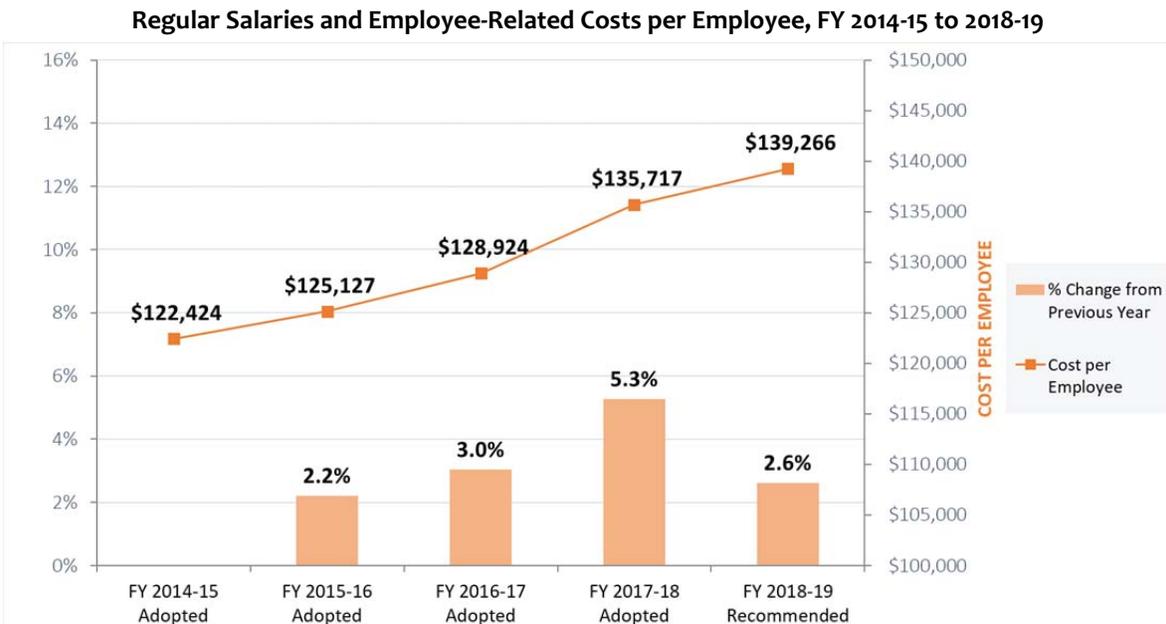
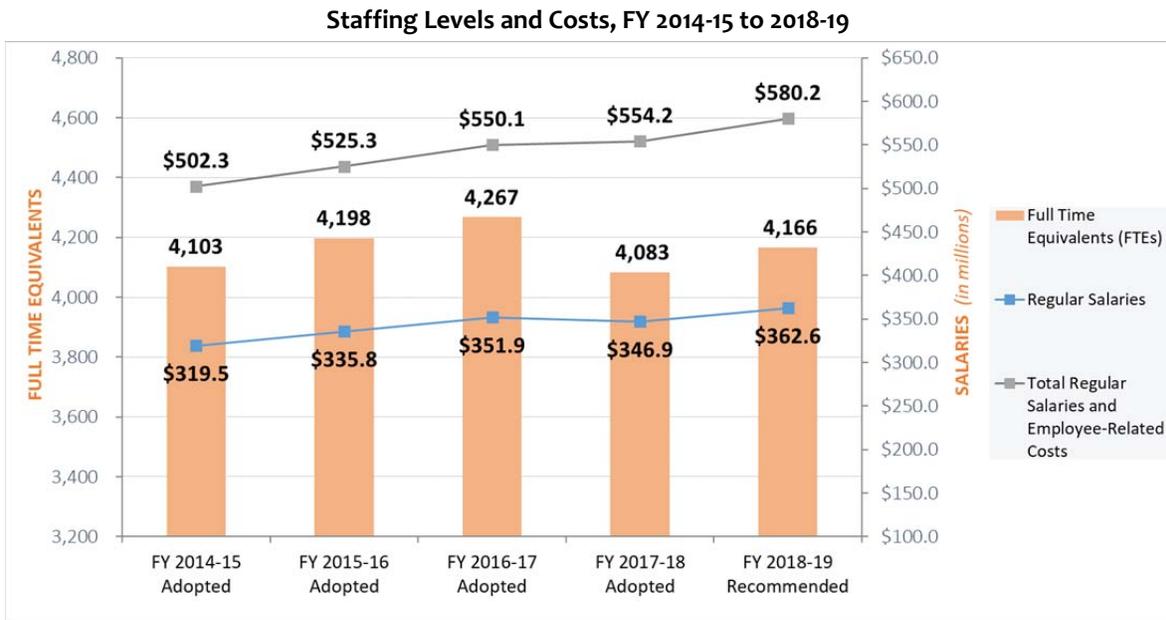
### Salaries and Employee Benefits

Recommended salary and benefit costs of \$612.4 million in FY 2018-19 represent the combined impacts of the addition of 83 FTE, negotiated salary increases, overtime cost increases, and increased retirement contribution costs. The increase in FTE is largely from additional Sheriff positions for the Northern Branch Jail, drawing partial-year funding of 42 FTE from the Jail Operations account for the final phase of transition hiring. Additional drivers of the increase in FTE are 5 positions added in Dispatch, 10 at the Main Jail, as well as the 21.5 positions added countywide related to cannabis discussed earlier in this section. Each department gives a

# Executive Summary

detailed breakdown of the changes in their FTE in Section D of this book. The cost per employee is projected to increase by 2.6% to \$139,000 in FY 2018-19.

The chart below illustrates the trend in County staffing levels and costs.

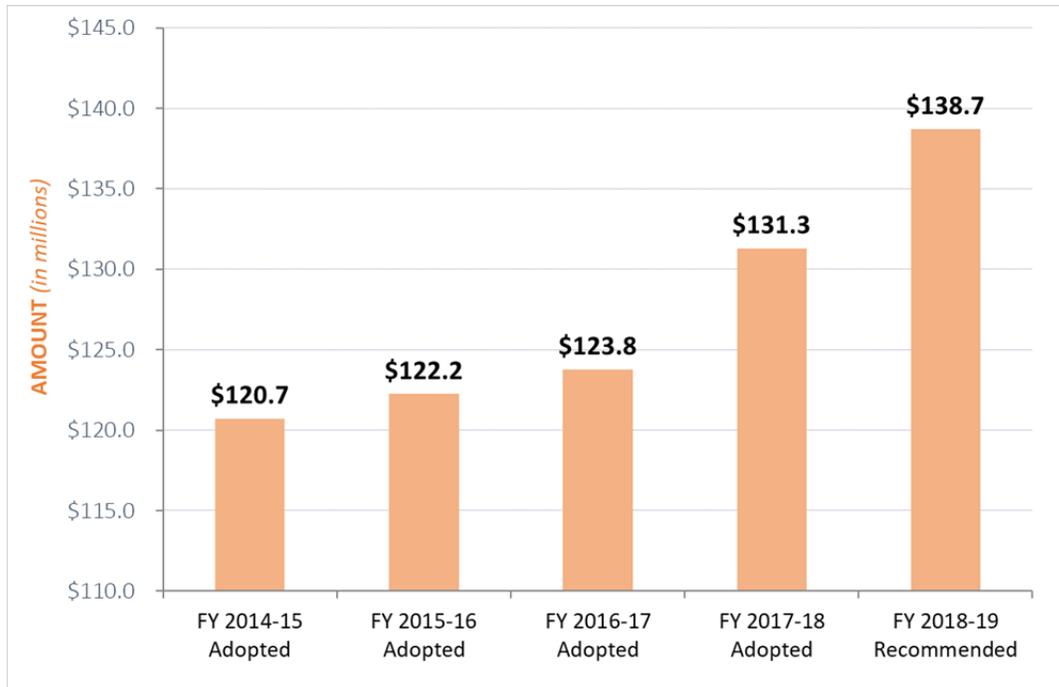


# Executive Summary

## Retirement - Pension Costs Increases

The annual County pension contribution increases significantly, with a \$7.4 million—or 5.6%— increase to \$138.7 million in the FY 2018-19 Recommended Budget. Like many other public entities, pension costs have been one of the fastest growing cost elements in the budget.

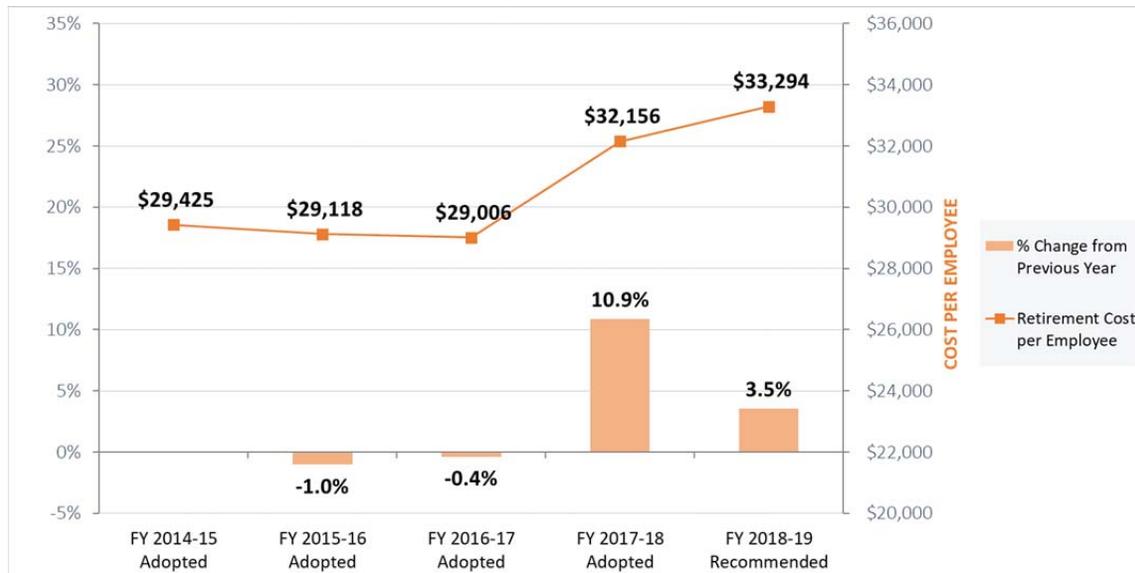
Countywide Retirement Contribution, FY 2014-15 to FY 2018-19



Total pension costs, as shown above, are impacted not only by changes in retirement rates or assumptions, but also by staffing changes. To normalize the data, it is helpful to view these costs as average cost per employee. As can be seen in the graph below, the pension cost per employee has increased significantly over a five-year period, but the increase from FY 2017-18 to FY 2018-19 is not as significant as the prior year's increase was.

# Executive Summary

Countywide Pension Cost per Employee, FY 2014-15 to FY 2018-19



## Northern Branch Jail Construction and Operations

The Northern Branch Jail 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 to be reserved in a separate housing unit for individuals with medical and mental health challenges. The entire jail complex is composed of several buildings totaling approximately 139,000 square feet for inmate housing and ancillary support functions.

The County continues construction of the new jail, which, after some delays, is anticipated to open in the summer of 2019. The Northern Branch Jail project represents a significant ongoing commitment of future General Fund revenue. While the State provided a majority of the funding for construction through an AB 900 grant, the ongoing operating costs are the responsibility of the County General Fund, and are currently estimated at \$18.2 million for the first year of operations (FY 2019-20), with annual increases in future years.

By adding incrementally higher amounts of GFC each year to a dedicated jail fund, we are slowly building towards the annual funding amount needed to operate the new jail. As shown below, \$10.9 million is allocated to this fund in the FY 2018-19 budget, of which the Sheriff anticipates drawing \$10.6 million as they continue the hiring and training of staff necessary to operate the new jail, and \$2.0 million is being transferred to the jail construction fund to cover additional construction costs, if needed. The fund balance at year-end is estimated to be \$11.7 million. Currently, we are over halfway to building up sufficient ongoing funding to fully operate the new jail. A \$0.5 million shortfall from the full funding level is showing in FY 2022-23, though this is not likely to occur, given probably delays in hiring in FY 2018-19 due to the construction delays.

# Executive Summary

## Plan for Future Jail Operations Funding

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)	(1.3)	7.8
2017-18	7.6	1.5	\$ 9.1	-	(3.5)	13.4
2018-19	9.1	1.8	\$ 10.9	(2.0)	(10.6)	11.7
2019-20	10.9	1.8	\$ 12.7	-	(18.2)	6.2
2020-21	12.7	2.2	\$ 14.9	-	(18.8)	2.3
2021-22	14.9	2.2	\$ 17.1	-	(19.3)	0.1
2022-23	\$ 17.1	\$ 2.2	\$ 19.3	\$ -	(19.9)	(0.5)

### 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

FY 2018-19 recommended expenditures are grouped functional area in the table below. Increases are primarily in the Community Resources and Public Facilities, Health and Human Services, and Public Safety functional areas, with a large decrease in the General Government and Support Services functional area. The main drivers of these changes are summarized below by department, and significant changes are explained more fully in the department detail pages in Section D of this book.

# Executive Summary

## Total Operating Expenditures by Functional Group and Department

	2016-17 Actual	2017-18 Adopted	2017-18 Estimated Actual	2018-19 Recommended	Change from FY17-18 Ado to FY18-19 Rec
<b>Policy &amp; Executive</b>					
Board of Supervisors	\$2,961,068	\$3,101,472	\$3,061,000	\$3,111,600	\$10,128
County Executive Office	31,591,957	36,470,371	38,297,700	38,498,500	2,028,129
County Counsel	7,694,856	8,343,867	8,443,200	9,374,400	1,030,533
<b>Sub-Total</b>	<b>42,247,880</b>	<b>47,915,710</b>	<b>49,801,900</b>	<b>50,984,500</b>	<b>3,068,790</b>
<b>Public Safety</b>					
Court Special Services	14,829,360	15,256,900	14,663,600	14,576,000	(680,900)
District Attorney	23,138,501	24,352,408	23,748,600	25,306,900	954,492
Fire	67,477,246	71,818,400	78,449,800	77,805,100	5,986,700
Probation	52,681,593	56,056,807	54,629,000	57,428,700	1,371,893
Public Defender	10,922,651	11,493,606	11,457,900	12,293,600	799,994
Sheriff	132,487,759	138,183,131	141,882,200	147,239,600	9,056,469
<b>Sub-Total</b>	<b>301,537,111</b>	<b>317,161,252</b>	<b>324,831,100</b>	<b>334,649,900</b>	<b>17,488,648</b>
<b>Health &amp; Human Services</b>					
Behavioral Wellness	106,511,124	113,399,771	112,227,400	125,217,200	11,817,429
Child Support Services	9,386,120	9,583,883	9,529,700	9,547,300	(36,583)
First 5, Children & Families	4,247,658	4,235,516	4,155,900	3,768,500	(467,016)
Public Health	87,653,514	88,557,840	88,676,400	90,844,600	2,286,760
Social Services	165,530,838	167,254,804	165,974,500	172,107,900	4,853,096
<b>Sub-Total</b>	<b>373,329,254</b>	<b>383,031,814</b>	<b>380,563,900</b>	<b>401,485,500</b>	<b>18,453,686</b>
<b>Community Resources &amp; Public Facilities</b>					
Agricultural Commissioner/W&M	4,690,290	5,208,991	5,117,400	5,981,700	772,709
Community Services	25,588,773	28,822,140	28,128,200	30,575,600	1,753,460
Planning & Development	14,900,355	20,365,455	17,618,700	21,917,700	1,552,245
Public Works	90,878,688	106,165,964	111,732,600	123,910,400	17,744,436
<b>Sub-Total</b>	<b>136,058,106</b>	<b>160,562,550</b>	<b>162,596,900</b>	<b>182,385,400</b>	<b>21,822,850</b>
<b>General Government &amp; Support Services</b>					
Auditor-Controller	7,880,813	8,929,000	8,408,400	9,056,800	127,800
Clerk-Recorder-Assessor	15,625,220	17,487,118	16,960,900	17,968,100	480,982
Debt Service	2,008,470	1,902,646	1,906,500	1,792,300	(110,346)
General Services	43,888,048	47,558,580	44,892,600	49,001,700	1,443,120
Human Resources	8,069,634	8,664,661	8,237,500	8,511,700	(152,961)
North County Jail	23,050,318	73,849,605	40,535,400	37,364,200	(36,485,405)
Treasurer-Tax Collector-Public	6,824,801	7,723,199	7,261,900	7,896,200	173,001
<b>Sub-Total</b>	<b>107,347,306</b>	<b>166,114,809</b>	<b>128,203,200</b>	<b>131,591,000</b>	<b>(34,523,809)</b>
<b>General County Programs</b>					
General County Programs	2,036,723	1,998,595	1,979,400	2,810,300	811,705
<b>Sub-Total</b>	<b>2,036,723</b>	<b>1,998,595</b>	<b>1,979,400</b>	<b>2,810,300</b>	<b>811,705</b>
<b>Operating Appropriations Total</b>	<b>\$962,556,379</b>	<b>\$1,076,784,730</b>	<b>\$1,047,976,400</b>	<b>\$1,103,906,600</b>	<b>\$27,121,870</b>

# Executive Summary

## Policy & Executive

**County Executive Office:** The FY 2018-19 budget increases by \$2 million from the FY 2017-18 budget, primarily reflecting increases in general liability costs and salary and benefit increases (related to general increases and the addition of 2 FTE).

**County Counsel:** The FY 2018-19 budget increases by \$1 million, reflecting salary and benefit increases related to general increases and the addition of 3.3 FTE.

## Public Safety

**Fire:** The FY 2018-19 budget increases by \$6 million, primarily due to salary and overtime cost increases. The increases are more than offset by increases in revenue from property taxes, including the County Property Tax Shift to Fire.

**Probation:** The FY 2018-19 budget increases by \$1.4 million, primarily due to the addition of 7 FTE and increased costs for contracts for services with community-based organizations for adult and juvenile programs.

**Sheriff:** The FY 2018-19 budget increases by \$9.1 million or 6.6%, primarily due to the addition of 52.7 FTE, the majority of which are new hires for the Northern Branch Jail.

## Health & Human Services

**Behavioral Wellness:** The FY 2018-19 budget increases by \$11.8 million, primarily due to increases in contractual services for the new Drug Medi-Cal Organized Delivery System.

**Public Health:** The FY 2018-19 budget increases by \$2.3 million, primarily due to salary and benefit increases and increased cost allocation charges from the General Fund.

**Social Services:** The FY 2018-19 budget increases by \$4.8 million, primarily due to salary and benefit increases and increases in IHSS costs.

## Community Resources & Public Facilities

**Planning & Development:** The FY 2018-19 budget increases by \$1.6 million due to general salary and benefit cost increases as well as increased staffing for cannabis-related activities.

**Public Works:** The FY 2018-19 budget increases by \$17.7 million, primarily due to landfill projects, disaster-related maintenance, projects funded by SB 1 and Federal Highway Bridge resources, and flood control increases related to the Prop 1 Implementation Round.

# Executive Summary

**Agricultural Commissioner:** The FY 2018-19 budget increases by \$0.8 million as a result of a staffing increase of 4 FTE, 3 FTE of which are for cannabis activities, and general salary and benefit cost increases.

**Community Services:** The FY 2018-19 budget increases by \$1.8 million, primarily due to anticipated HOME- and in lieu-funded housing projects.

## **General Government & Support Services**

The significant decrease of \$34.5 million reflects a reduction in Northern Branch Jail construction costs.