

COUNTY OF SANTA BARBARA

ADOPTED BUDGET AT A GLANCE
FY 2020-21

**NAVIGATING THROUGH THE
PRESENT TO THE NEXT NORMAL**

ONE COUNTY. ONE FUTURE.

FY 2020-21 ADOPTED BUDGET

Adapting to an Unprecedented Pandemic and Preparing for the Next Normal

The COVID-19 pandemic has caused a national recession, a sudden reduction in State and local revenues, and severe economic distress for businesses, families, community organizations and public agencies. It has jeopardized the health of our communities and our economic livelihood. While the pandemic has caused seismic changes to our daily lives and economy, it is impossible to answer with certainty the essential questions of “for how long” and “how severe” impacts will be from where we stand today.

The adopted budget maintains service levels to the extent possible so as not to further harm members of our community; continues to fulfill commitments and priorities set by the Board of Supervisors; and invests in initiatives that will help mitigate recessionary impacts and prepare for the next normal and recovery. In this vein, increased cannabis tax revenue is being utilized to fill certain gaps created by COVID-19 related expenditures and temporary decreases in key revenues. In addition, one-time sources—such as the County’s strategic reserve—will be used to support expenditures in certain areas to preserve service levels. It is important to emphasize that we enter this next recession with healthy reserves

to draw upon to fill temporary revenue declines. Through the Board of Supervisors’ prudent contributions to our rainy-day funds, restraint in committing cannabis tax revenue to expand ongoing services, and our fiscal discipline with minimal expansions of ongoing revenue in recent years, we are better prepared to face a downturn. We now find ourselves in need of these funds to preserve essential services for our community. However, the County Executive Office intends to return to the Board of Supervisors in fall 2020 with potential ongoing budget reductions should they be necessary.

The County of Santa Barbara is at the forefront of fighting the pandemic; expanding and intensifying health, public safety, and safety net services; and leading emergency operations. Public health employees have been working around the clock on this crisis, and at their side have been employees from almost every County department serving in various capacities to protect our residents. The total impact to the County for lost revenues and additional costs are estimated at \$25.1 million in Fiscal Year (FY) 2019-20 and \$27.3 million in FY 2020-21, for a total of \$52.4 million.



BUDGET SUMMARY

The County of Santa Barbara's FY 2020-21 adopted budget is balanced, with ongoing costs largely supported by ongoing revenues.

KEY POINTS

Discretionary general revenues and special revenues are expected to be impacted by COVID-19.

Service levels have been preserved and reductions have largely been avoided.

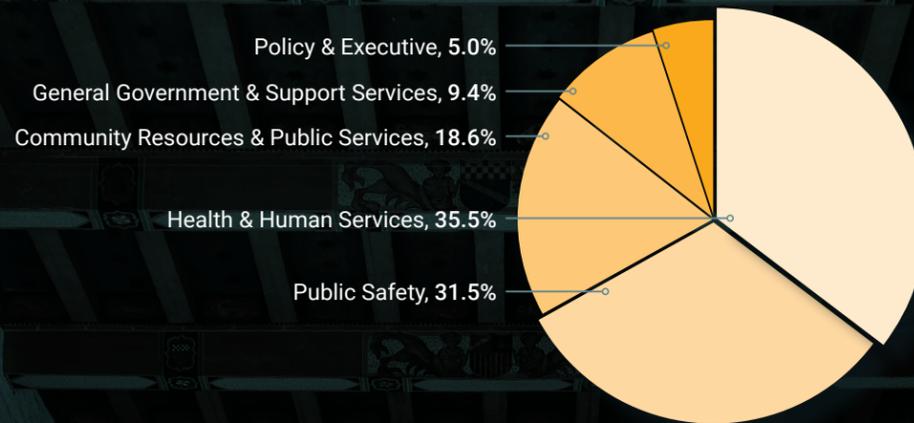
Increasing cannabis tax revenue will help mitigate the immediate impacts of the recession.

Minimal budget expansions have been granted to strengthen the cannabis program and to support key priorities.

Strong reserves will be maintained to weather current year and future year losses in discretionary revenues.

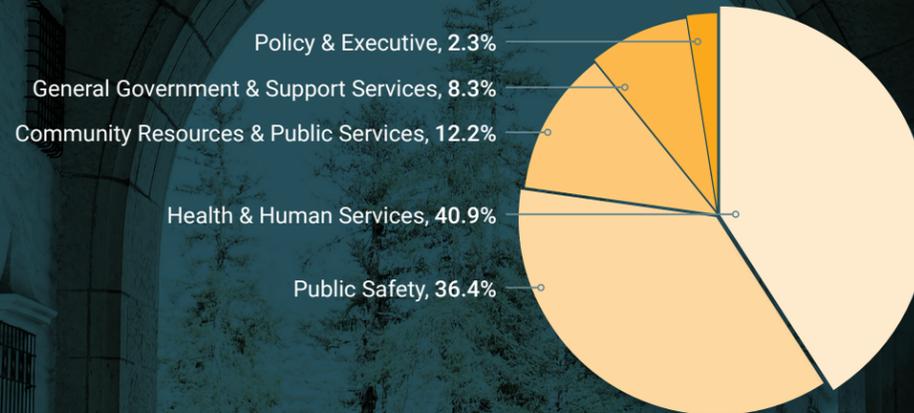
OPERATING BUDGET

\$1.19 BILLION



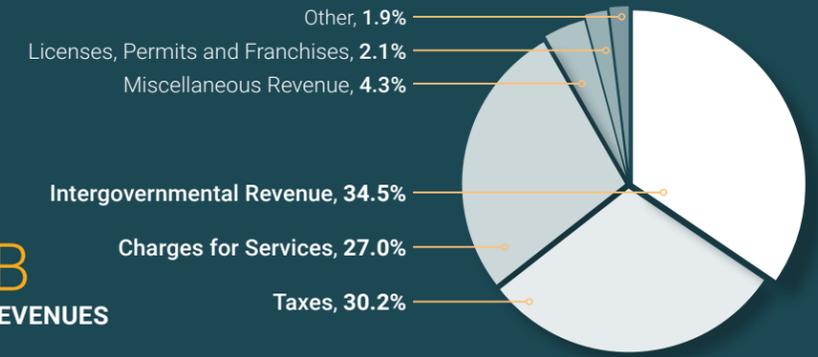
STAFFING

4,307 FTEs



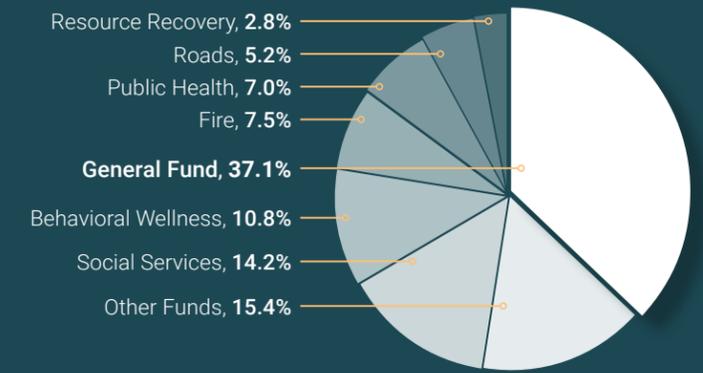
\$1.19B

OPERATING REVENUES BY CATEGORY



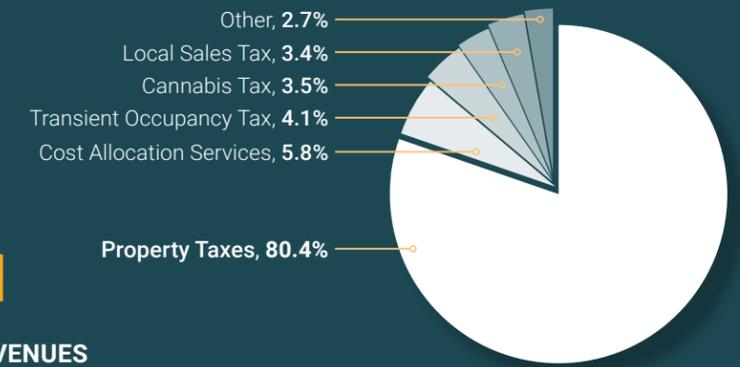
\$1.19B

OPERATING REVENUES BY FUND



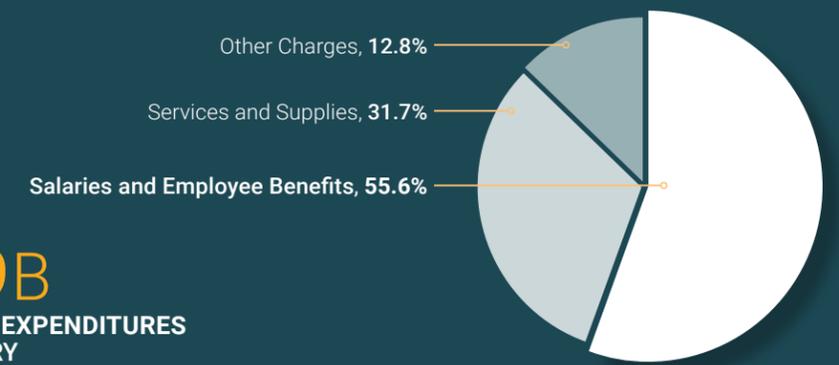
\$300.5M

GENERAL FUND DISCRETIONARY REVENUES



\$1.19B

OPERATING EXPENDITURES BY CATEGORY



Northern Branch Jail

The construction of the Northern Branch Jail is expected to be completed in the summer of 2020, with operations commencing by mid-year. The operations funding plan is currently structured to ensure sufficient funding for the next several years, but given the escalation of project construction and operating costs over time, the plan will likely need to be revised to extend the timeline to achieve adequate ongoing funding. In addition, given the historically low census during the COVID-19 emergency, the staffing needs of the combined jail operations will be evaluated.

ReSource Center

Formerly known as the Tajiguas Resource Recovery Project, the ReSource Center project will convert commercial and residential waste into resources by recovering recyclable materials, transforming organics into landscape nutrients, and creating renewable energy in the process. With this new technology, approximately 60% of additional waste from our trash cans will be diverted from the landfill, bringing our region's diversion rate above 85% while significantly reducing greenhouse gas emissions. The facility broke ground in December 2018 and is anticipated to open in early 2021.

Major Capital Projects

High-priority capital projects were identified in early 2019 for funding through Certificates of Participation (COP), which are expected to be issued within the next year. Funding for debt service payments is carved out in the recommended budget in anticipation of this issuance. These capital projects include:

- Public Safety Radio System Replacement
- Probation Department Headquarters
- Main Jail Renovations
- Cachuma Lake Park Infrastructure Upgrades
- Emergency Operations Center Expansions

Groundbreaking of the ReSource Center at the Tajiguas Landfill on May 30, 2019



Criminal Justice System Partnerships

Criminal justice partners and the Behavioral Wellness Department continue to implement major initiatives to reduce the numbers of mentally ill individuals entering the criminal justice system and increase referrals to appropriate mental health services. The County has received four major grants to support these efforts. In addition, a Mental Health Rehabilitation Center (MHRC) in Lompoc is expected to open this summer.

New Funds Set Aside for Social Justice Equity

During the budget adoption process, the Board set aside \$500,000 to be used throughout the year to support initiatives that advance social justice equity in our communities.

Internal Process Improvement and Innovation Efforts

We have embarked upon several initiatives designed to re-imagine how we do business to ensure our activities align with our mission to deliver exceptional services. Now, responding to the COVID-19 emergency and beyond, these initiatives will help us shape the "next normal."

Management reviews of County departments by KPMG

Comprehensive analysis of the County's core business applications and development of an action plan to replace them with an integrated and modern solution

Implementation of Renew '22 Big Picture Goals across the organization to drive systemic change by focusing departmental efforts on shared goals

Establishment of a process improvement and innovation training program to help build continuous improvement, efficiency, and innovation into the County's culture

ESSENTIAL PRIORITIES & COMMITMENTS FOR THE FUTURE

In the next few years, as we navigate the recession caused by the pandemic, the County of Santa Barbara will need to focus on the essential priorities of health and safety, and ways to position it in the "next normal" or life after the pandemic, through revenue enhancement, cost savings, and new ways of operating. Initiatives that were established in prior years will be continued or implemented in FY 2020-21.

Board of Supervisors

Das Williams, First District

Gregg Hart, Second District, *Chair*

Joan Hartmann, Third District

Peter Adam, Fourth District, *Vice Chair*

Steve Lavagnino, Fifth District

County Executive Office

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Nancy Anderson, Assistant County Executive Officer

Terri Maus-Nisich, Assistant County Executive Officer

Barney Melekian, Assistant County Executive Officer

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Steven Yee, Fiscal and Policy Analyst

Reese Ellestad, Management Fellow



County Executive Office

countyofsb.org/ceo