



**“Challenges, Changes & Choices
Ahead”**

Budget Adoption Hearings

June 13 - 17, 2016

Potter 15

Agenda for Hearings

1. Budget Overview and Summary
2. Updates Since April Workshop
 - Department Updates
 - Response to Board questions raised at workshops and after
3. Outside Agency Requests
4. Board Deliberation and Decision Making
 - Review CEO Recommendations
 - Consider allocating available one-time and ongoing funding
5. Recommended Board Actions

Timeline

- Process began in the fall
- Workshops held in April – Board and public review prior to Recommended Budget completion
 - 1 month before release; 2 months before Budget Adoption hearings
- Recommended Budget released in May
- Finalize now during Budget Hearings



Where are We Today?



As economy improves,
County's fiscal position
is improving

- Balanced budget of \$1,008.1 million in operating expenditures
- Overall, operating revenues increasing at greater rate than costs
- Property values improving
- Strategic Reserve fully funded
- Fulfilling prior commitments and long-term initiatives

Where are We Today?



Well positioned to focus on providing needed resources and continue delivering high quality public service

- Fewer service level reductions; mitigated
- Available GFC funding for expansions; highest priority areas
- Departments continue high quality services
- Still in long shadow of Great Recession; slower recovery and unmet needs

Guidance in Developing the Budget

1. Continuation of prior Board commitments and priorities
2. Continue rebuilding the organization and finances after the recession
3. Create a thriving and engaged workforce
4. Adapt and strategically plan for the future
5. Create efficiencies in department operations through process improvements, technology and innovation
6. Minimize service reductions and impacts to the public
7. Address new and emerging needs

Fiscal Stability and Planning for the Future

Strategic Reserve - Fully funded at \$31.0 M

Plan for Unfunded Liabilities - Plans to eliminate unfunded retiree health and pension liability

Pension or other employee cost reserve - Recommendations include funding set aside for unplanned increases

Internal-facing Strategic Plan - CEO office began initiative to improve effectiveness and efficiency of County government operations; several departments working on strategic plans for their organizations

Commitment to Board Priorities

Northern Branch Jail

- Capital and operations funding
- Board direction on transfer of funds (\$14.7 M) to cover bid overage
- Transitional Hiring Plan from Sheriff; shown in CEO Recommended Expansions

Fire Tax Shift

- Non-GF Fire expansions for improved fire prevention and safety

Maintenance funding

- Continue 18% policy - \$2.5M total for PW, GS and CSD
- CEO Recommendations include additional one-time funding for Roads, GS and Parks

Factors Influencing CEO Expansion

Recommendations

- Inadequate State funding - loss of Gas Tax; flat funding in Child Support
- High demand for inpatient and acute mental health services
- Increase in violent crimes in North County
- Increase in employee-related costs
- Demand for greater support services
- Workforce/succession planning, retention and recruitment needs
- Maintenance needs, capital projects, safety and security improvements
- Maximization of revenue generation opportunities
- New emerging needs and restoration of service levels

Factors (cont'd)

Inadequate State funding - 2.7 million Gas Tax loss; flat CSS funding

- \$1.25 M for road pavement preservation.
- \$100K for 2 years to replace CS Officers, with 2-1 federal match

High demand for inpatient and acute mental health services

- Funding for inpatient beds, contracted acute and long-term beds.

Increase in violent crimes in North County – Serious and violent crime up 42% over past 4 years

- Addition of North County Deputy District Attorney; one-time funds to assist with MS-13 Case; translation/transcription costs related to digital evidence
- Restoration of Santa Maria Branch Jail funding to keep open
- Addition of Deputy Probation Officer to ensure adequate supervision

Factors (cont'd)

Increase in employee-related costs

- Employee/Pension Cost reserve for unexpected future increases

Demand for greater support services

- Addition of Accountant-Auditor for succession planning
- Early restoration of Senior County Counsel (in baseline budget) and flexible promotion adjustment
- Addition of Human Resources Labor Relations Manager for labor and employee relation investigations
- Increase in employee benefits division of 0.25 FTE funded by non GF source
- Real Property assistance in GS for increased workload; one time funding requested until extra help can be reduced

Factors (cont'd)

Workforce/succession planning, retention and recruitment needs

- Addition of HR Recruiter to meet increase in need

Maintenance needs, capital projects, safety and security improvements

- Dead tree clearing for Parks
- Water reduction at county facilities for GS; 2-year payback
- Facility manager assistance in GS
- Pavement Preservation funding for Roads
- Security-related upgrades to be funded by debt
- Capital improvements funded by debt. GF set aside to service annual debt payments for \$20 M in high priority and public-serving projects (projects to be approved at later date by BOS, with approval by DAC).

Factors (cont'd)

Maximization of revenue generation opportunities

- Addition of Appraiser in Clerk-Recorder-Assessor office for timely completion of property tax roll
- Development impact fee study in CEO to update fees are reflective of costs
- (TOT ballot measure revenue is not included in the FY16-17 Budget)

Factors (cont'd)

New emerging needs and restoration of service levels

- Temporary staff cost increases in Elections to process voter registrations under new VoteCal System
- Library funding adjustment in CSD to ensure \$7.80 per capita funding
- Cuyama Pool operations funding in CSD
- Goleta Beach monitoring, surveys and revetment maintenance costs required by Coastal Commission permit
- Bi-annual homeless count in CSD
- Emergency Solutions Grant administration funding, directed by the Board 5/3/16
- Continuation of Everbridge (mass notification system) in OEM

Factors (cont'd)

New emerging needs and restoration of service levels
(cont'd)

- Additional Deputy Public Defender for writs and appeals and training
- Funding for extra help for case management system implementation and costs due to discoverable digital data
- Additional Animal Control Officer to act as dispatcher, as identified in AHA assessment
- Adjustment to convert extra help to Animal Services Attendant

(Non GF Expansions)

- Fire staff expansion for inspection services and helicopter captain

Factors (cont'd)

(Non GF cont'd)

- Public Health expansions
 - Client care through Surveillance and Prevention HIV Disease Program; public health promotion for chronic disease prevention and awareness
 - Additional staff for Santa Maria Health Care Center; Lompoc Health Care Center; Santa Barbara Health Care Center; Franklin Center
 - Staff for restructuring fiscal programs, new capital, maintenance projects and other new initiatives
 - Environmental health interns to digitize plan checks and records

Budget Savings/Efficiencies

- Departments continue to enhance technology to improve customer service and efficiency
- Budget savings (Efficiencies)
 - Probation – reduced need for word processing function
 - Probation – reduced staffing and increased use of CBOs at Alternative Report and Resource Center (ARRC) ; Department to provide plan for programming before new fiscal year.
 - Behavioral Wellness – reduced need of certain CBO services since implementation of Affordable Care Act

Service Level Reductions

- Fewer than in past years
- CEO Recommended Expansions mitigate all but loss of State Gas Tax; backfilling some but not all of loss

Service Level Reductions

Service Level Reduction Summary			
Department	Amount	FTE	Description
Behavioral Wellness	\$ 2,800,000	0.00	Reduction of contracted out of county services (\$2,500,000): Short term acute bed usage from 11 beds/day to 3 beds/day and Reduction of contracted out of county services (\$300,000): Long term IMD bed usage from 43 beds/day to 38.3 beds/day
Child Support Services	146,000	1.70	Case Management and Collections Program: Child support officers retirements
Public Works	2,500,000	0.00	Reductions in Road Maintenance Annual Plan of \$3,000,000 resulting in the reduction of approximately 23 lane miles of pavement preservation that will be deferred
Public Works	800,000	3.00	Road Operations - Reduction of 3 vacant maintenance workers, reductions of Services & Supplies, and reductions in Capital Equipment
Sheriff	951,898	6.00	Close the Santa Maria Branch Jail for all Custodial and booking activities. All staff are shifted to the Main Jail and 6 Custody Deputy positions are zero-funded
Total \$ 7,197,898 10.70			

CEO Recommended Expansions

General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
General Fund Expansions					
Auditor - Controller	Accountant Auditor - This adjustment funds one Accountant-Auditor for the New Auditor Training & Development program, which will maintain and enhance the Auditor's commitment to the development of strong fiscal staff throughout the County. It will be partially offset by payments through the cost allocation plan in the future.	1.00	\$ 94,000		
Behavioral Wellness	*Inpatient beds - This expansion will provide funding to cover anticipated demand for inpatient contracted acute and long term beds.			1,606,556	
CEO	Development Impact Fee - This adjustment would fund a Development Impact Fee (AB1600) study by outside consultants to ensure that County assessed fees are reflective of the current cost structure and that the County is achieving full cost recovery.			250,000	
	Everbridge - This adjustment would fund software licensing fees (\$82,000 ongoing) for the continuation of the Everbridge mass notification system as the County's primary tool for emergency public information and warning; and fund a half time staff position (\$45,000 onetime) for expanded Everbridge implementation.	0.50	82,000	45,000	

*Service Level Reduction Restoration

CEO Recommended Expansions

General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
General Fund Expansions					
Child Support Services	*Child Support Officers - This adjustment will enable the Department to hire (replace) two Child Support Officers for a two-year period by using a 2-1 match of Federal dollars. Total General Fund cost for each position is \$25,000 per year, for a total of \$100,000 over two years. Federal matching funds will be approximately \$200,000 over the two-year period. The department will reduce staff or take other cost reduction measures after two years if more state funding is not provided.	2.00		100,000	
Clerk-Recorder-Assessor	VoteCal System - This expansion will allow the Elections Division of the Clerk-Recorder-Assessor's office to increase temporary staff costs needed to process voter registration under the new VoteCal rules, which now require continual processing of voter registration.		120,000		
	Appraiser - This adjustment provides on-going funding for 1 property appraiser position to assist with property appraisals and timely completion of the County's annual property tax roll.	1.00	88,900		

*Service Level Reduction Restoration

CEO Recommended Expansions

General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
General Fund Expansions					
Community Services	Libraries - This adjustment adds an additional \$33,135 to a total award of \$3,414,578 to maintain the libraries per capital funding at \$7.80, per the Board's previous direction last year to maintain this dollar level of per capita funding.		33,135		
	Cuyama Pool Operations - This adjustment will fund on-going operations for the Cuyama Pool, scheduled to re-open in FY16-17.		170,000		
	Goleta Beach - This adjustment will allow the department to fulfill it's 20 year conditional permit and obligation to the California Coastal Commission (CCC) for required monitoring, surveys, and maintenance (including cover of the revetment) of Goleta Beach Park's revetment.		130,000		
	Dead Tree Clearing - This adjustment will help address Parks' significant need for maintenance of dead and dying trees, which are a safety concern countywide. Parks plans on leveraging these funds by applying for a CAL FIRE grant in early 2017.				100,000
	Homeless Count - This adjustment will fund the County's share of the bi-annual Point in Time Count for the Homeless Program required by HUD.				15,000
	Emergency Solutions Grant Administration - This adjustment funds 0.50 FTE for part-time assistance administering the State's Emergency Solutions Grant program, offset by administration fee revenue of \$8,000 annually, as directed by the Board on May 3, 2016.	0.50	46,000		

CEO Recommended Expansions

General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
General Fund Expansions					
County Counsel	Flexible Promotions - This adjustment reflects positions within the salary model for FY 2016-17 which are eligible for flexible promotion.		28,000		
District Attorney	North County Deputy DA - This adjustment will add 1.0 Deputy District Attorney in the North County to assist with the increased workload and complexity associated with the 42% increase in violent crime cases over the past 4 years.	1.00	171,000		
	Translation & Transcription Costs - This adjustment will fund increasing costs for translations and transcription services. The department is experiencing an increase in costs primarily due to an increase in discoverable digital evidence used to prosecute criminal cases.			80,000	

CEO Recommended Expansions

General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
General Fund Expansions					
General Services	Security Enhancements - This will provide funds for installation of security-related upgrades to front reception areas of high use or high profile across several departments countywide. No funding is shown here as it is anticipated to be funded by debt financing (see General County Programs).				
	Real Property Assistance - This adjustment will add 1.0 FTE in Real Property to assist in the day to day operation and management of the increasing workload (the division recently assumed responsibility for all Public Works real property work). The funding source is General Fund Contribution of \$68,000 and revenue for services charged to County departments (mostly State and Federal sources) of \$68,000. The request is for one-time funds until extra help can be reduced in FY 2017-18 to offset the General Fund Contribution.	1.00		68,000	
	Water Reduction Measures - This adjustment will provide water reduction measures which, due to the extended drought, will continue to be reviewed at all facilities to identify cost efficiencies. This investment is estimated to have a two-year payback, and would save 5 million gallons of water annually.			100,000	
	Facility Manager Assistance - This adjustment will add 0.5 FTE to assist the Facility Manager with contract administration, permits, annual reporting to regulatory agencies, and budget preparation. There has been an increase in workload associated with additional projects, including deferred maintenance.	0.50	47,000		

CEO Recommended Expansions

General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
General Fund Expansions					
Human Resources	HR Recruiter - This adjustment adds funding for an additional recruiter position to address the increasing needs of Human Resources' customers and to upgrade HR's recruiting capacity to meet the significant increase in needed services and tightening labor market.	1.00	134,096		
	Labor Relations Manager - This adjustment adds funding for an additional Labor Relations Manager to handle increasing workload in labor relations and investigations. This adjustment will also allow HR to be more proactive and responsive in resolving Employee Relations issues.	1.00	155,369		
Probation	Deputy Probation Officer - This adjustment will add 1.0 Deputy Probation Officer to supervise caseloads. This will allow better alignment of caseloads to evidence-based standards.	1.00	131,666		
Public Defender	Writs & Appeals - This adjustment creates a Writs and Appeals attorney/training director position for the Office of the Public Defender. The position will serve as a resource for the trial attorneys in the Office. Additionally, this position will function as the attorney training director, ensuring that newly hired attorneys are quickly and appropriately trained, as well as providing on-going best practices training for all the attorneys.	1.00	158,700		
	Data Management - This adjustment funds extra help for implementation of a new case management system (\$40,000) and increased contract costs related to electronic discoverable digital data management (\$40,000).				80,000

CEO Recommended Expansions

General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
General Fund Expansions					
Public Health	Animal Control Officer - This adjustment will add 1.0 FTE Animal Control Officer position to act as the Dispatcher for officer field services. This position will assign field service calls and monitor officers in the field for efficiency and safety purposes and was identified as a key finding in the AHA assessment.	1.00	92,119		
	Animal Services Extra Help Conversion - This adjustment is requesting general fund contribution to convert 1.0 FTE extra help Animal Services Attendant to a regular position. This position was identified by the Animal Services Oversight Committee as a necessary addition.		31,386		
Public Works - Roads	*Maintenance for Roads - This adjustment would provide \$1.25M to the Road Maintenance Annual Plan for pavement preservation program deferred maintenance work; reductions resulted from State Board of Equalization approval of gas tax rate reductions (new HUTA). This will bring the total General Fund for Roads to \$3M (an increase of \$500,000 over last year).			1,250,000	

*Service Level Reduction Restoration

CEO Recommended Expansions

General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
General Fund Expansions					
Sheriff	*Santa Maria Branch Jail - This budget expansion restores, on a one-time basis for FY 2016-17, the Service Level Reduction (SLR) included in the Sheriff's Recommended Budget that would otherwise close the Santa Maria Branch Jail.	6.00		951,898	
General County Programs	Employee/Pension Costs Reserve - This adjustment will set aside funds to be used in the event of unexpected increases to employee costs, or changes to pension contributions.		1,250,000		
	Debt Service - This adjustment will set aside funds necessary for annual debt service of approximately \$20 million in proceeds to be used for needed capital improvements. This amount may be paired with non-General Fund capital needs for a larger debt issuance.		1,400,000		
General Fund Subtotals		18.50	\$ 4,363,371	\$ 4,646,454	\$ -

*Service Level Reduction Restoration

CEO Recommended Expansions

Non-General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
Non-General Fund Expansions					
Fire	Helicopter Fire Captain - This adjustment adds a staff Fire Captain to the Helicopter program and is necessary to ensure continuity of effective daily operations plus after hours response capabilities 7 days per week.	1.00			204,969
	Inspection Services - This adjustment adds 2 civilian inspectors to the Inspection Services/Investigations section and is necessary to ensure that critical fire code inspections are completed within established timelines, leading to improved safety of lives and property.	2.00			291,658
	Inspection Services AOP - This adjustment adds an Administrative Office Professional to the Inspections Services/Investigations section. This position provides critical administrative support, ensuring data is recorded, compiled and reported accurately, and inspections are scheduled appropriately.	1.00			78,514
Human Resources	Benefits Division - This adjustment increases a 0.5 FTE position in the Employee Benefits Division to 0.75 FTE to accommodate increased workload due to monitoring 400+ Extra Help employees to determine eligibility under the Affordable Care Act and managing their enrollment. Commissions received from the discount prescription drug card program will be utilized to cover the cost of this addition.	0.25			29,045

CEO Recommended Expansions

Non-General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
Non-General Fund Expansions					
Public Health	Health Education Associate - This adjustment will add 1.0 FTE Health Education Associate, offset by a reduction in extra help, to replace the current use of contracted services and will provide surveillance activities and linkages to care to clients at risk of or newly diagnosed with HIV/AIDS through our Surveillance and Prevention HIV Disease Programs. There will be no additional costs. (Funded through State and Federal grants)	1.00			-
	Health Educator - This adjustment will add 1.0 FTE Health Educator position, offset by a reduction in extra help, and will provide core public health promotion activities and assist with chronic disease prevention and awareness of emerging issues. (Funded with Tobacco Settlement Funds)	1.00			-
	Health Care Practitioner - This adjustment will add 0.50 Health Care Practitioner (HCP) to the OB/GYN practice at the Santa Maria Health Care Center. The current 0.50 FTE HCP will be retiring and the patient volume will support the additional 0.50 FTE. (Primarily funded through Medi-Cal/Medicare)	0.50			41,415
	Lompoc Medical Assistant and AOP - This adjustment will add 1.0 FTE Medical Assistant and 1.0 AOP in the Lompoc Health Care Center. Grant enhancements have allowed for the hiring of additional provider staff that will require these additional support staff. (Primarily funded through Medi-Cal/Medicare)	2.00			46,446

CEO Recommended Expansions

Non-General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
Non-General Fund Expansions					
Public Health	Santa Barbara Staff Nurse - This adjustment will add 1.0 FTE Staff Nurse to the Santa Barbara Health Care Center to cover expanded specialty care, such as OBGYN and other services. (Primarily funded through Medi-Cal/Medicare)	1.00			51,022
	Franklin Center AOP - This adjustment will add a 1.0 FTE Administrative Office Professional (AOP) to the Franklin Health Care Center for patient registration at the Care Center and the two South County Homeless Shelter clinics. The addition of this AOP will free up provider staff to see more patients. (Primarily funded through Medi-Cal/Medicare)	1.00			24,196
	Family Health Admin AOP - This adjustment will add 1.0 FTE Administrative Office Professional, offset by a reduction in extra help, for Primary Care and Family Health Administration for the support, maintenance, and implementation of the i2i Tracks software system necessary for quality, utilization, and other reporting. (Funded through CenCal ACE Program)	1.00			-
	Santa Maria Center Clinical Social Worker - This adjustment will add a 1.0 FTE Licensed Clinical Social Worker (LCSW) Behavioral Health Specialist at the Santa Maria Health Care Center to provide behavioral health services for integrated care for PHD patients. (Primarily funded through Medi-Cal/Medicare)	1.00			48,340

CEO Recommended Expansions

Non-General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
Non-General Fund Expansions					
Public Health	Team Project Leader - This adjustment will add a Team Project Leader as part of a restructuring of the PHD Fiscal programs due to increased workload, increased federal and other regulatory requirements, and increased audit/other risk from grant and healthcare programs. (Primarily funded through Medi-Cal/Medicare)	1.00			157,631
	Department Business Specialist - This adjustment will add a 1.0 Department Business Specialist (DBS) to the Public Health Administration Division to provide support for new initiatives, capital and maintenance projects, and to monitor and maintain systems around new federal requirements. (Primarily funded through Medi-Cal/Medicare)	1.00			99,374
	Environmental Health Interns - This adjustment will add 2 - 0.50 positions to hire paid interns in the Environmental Health Services programs for a one-time six month project to digitize plan checks and records for storage purposes. (Funded with Fund Balance)	1.00			25,000
Non-General Fund Subtotals		15.75	\$ -	\$ -	\$ 1,097,610

CEO Recommended Expansions Added After Budget Book Publication

CEO RECOMMENDED EXPANSIONS ADDED AFTER BUDGET BOOK PUBLICATION					
Sheriff	NBJ Custody Deputies - This adjustment funds the hiring of 15 Custody Deputy positions in October 2016 (11.25 FTE) for the Northern Branch Jail, and will be used for shift relief at the Main Jail until opening of the Northern Branch Jail. The amount of funding is within the Northern Branch Jail Operations Funding Plan.	11.25			1,324,540
District Attorney	North County Gang Case - This one-time budget expansion will support the prosecution efforts of the MS-13 (Matador) multi-defendant gang murder case in North County which will require intensive and focused resources in order to successfully prosecute this case.	0.00		300,000	
Subtotal		11.25	\$ -	\$ 300,000	\$ 1,324,540
Total CEO Recommended Expansions		45.50	\$ 4,363,371	\$ 4,946,454	\$ 2,682,422

Available Discretionary GF for Allocation

CEO GF Recommendations include the following revenue

- \$4.4 M ongoing; \$4.9 M one-time
- \$9.3 M Total
- CEO Non-GF Recommendations \$2.7M

\$731K ongoing and \$264K one-time GF available for Board allocation at hearings

Remaining Expansions Requests Deferred to Hearings

- \$1.66 M in Outside Agency Requests
- \$23.3 M in Department Requests

Continued Challenges/Risks Ahead

- Reduced State funding for Roads
- Mental Health Inpatient Costs
- Northern Branch Jail construction/operating costs
- Technology/software upgrades
- Maintenance needs
- Workforce planning and retention
- Prolonged drought effects
- Managing employee salary & benefit expectations

Updates and Issues Since Workshops

- NBJ - Direction received on funding bid overage
- Laura's Law - pilot program within Behavioral Wellness
- Crime - DA increased costs in FY 16-17 for MS-13 case
- Revenue changes/updates:
 - Property in Lieu of Taxes (PILT)
 - Property Tax update from Assessor
- Department changes to Expansion Requests – shown in Dept. slides
- Pension – potential lowering of assumed rate of return
- May Revise