

2015-2017 BUDGET HEARINGS

Foundations for the Future

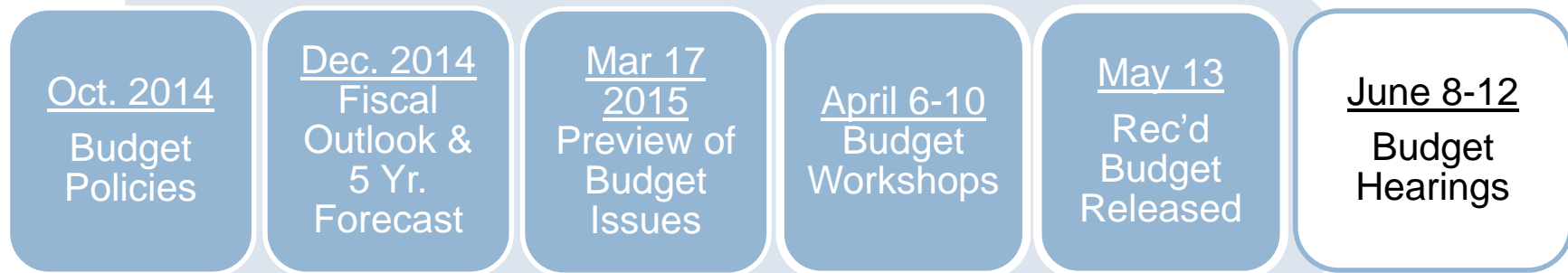
June 8 -12, 2015

Agenda for Hearings

1. Budget Overview and Summary
2. Updates Since April Workshop
 - Department Updates/Special Issues
 - 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 early – more 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



Overview

As economy improves, County's fiscal position is improving

- Balanced budget of \$965 million in operating expenditures
- Overall, revenues are increasing (5.4%) at greater rate than operating costs (4.8% growth)
- Property values improving compared to last five years
- Balanced budget presented with fewer service level reductions than in prior years (\$1 M versus \$12 M in FY 09-10)
- Fulfilling prior commitments; reduced flexibility for significant increases in other areas
- Expansions recommended in highest priority areas
- County departments continue to provide high quality services for community but many unfunded needs

Foundations for the Future – Major Themes

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

Moderate revenue growth

- Property assessed value growth is projected at 4%
 - *Receive update by Assessor at hearings*
- State and federal revenue is constant or slightly improving, with exception of State Highway Users Tax (gas tax) (\$-2.9M)
 - *CEO Recommendations include backfill \$1.4 M of this loss*

New: SB 90 (Pre-2004 State Mandates) Repayment

- *County will receive approx. \$7.9 M in one-time funding in FY14-15. Not included in FY 15-16 Budget Book*
- *Portion to be set aside for ADMHS cost settlement issues.*
- *CEO recommends reserving some amount for other uncertainties*

Rebuild Organization and our Finances

- Strategic Reserve - fully funded at \$29.8 M
- Structural imbalances addressed- ongoing funding in CRA, CSD, CC and P&D
- Unfunded retiree health liability - revised plan developed in coming year
- Financial controls/risk reduction – ensure adequate financial staff
- Restoration/expansion of positions based on business needs of departments

CEO Recommendations include

- *Ongoing funding of one Accountant-Auditor*
- *Addition of HR Director and HR Recruiter*
- *Restoration of information technology support in CSD*
- *Addition of General Services position for high priority projects, like Northern Branch Jail and capital/maintenance*
- *Contract for Public Information assistance*
- *Funding for historical records*

Non-GF positions include:

- *Public Health positions for increased clinic time in Santa Barbara Health Center*
- *Social Services for client support services*
- *Veterans Service Officer (from half time to full time)*

Efficiency through process improvement, technology, innovation

- Departments continue to use technology to improve customer service and become more efficient
- Probation is reducing staff at Los Prietos Boys Camp to reflect lower juvenile population and 1 Deputy Probation Officer due to lower workload after implementation of Prop 47 (without layoffs)

Minimize service reductions and impacts to the public

- Department Service level reductions of \$1.1 Million, 4.6 FTE (no layoffs as a result of these reductions)
 - *See chart*
- Homeless Shelters reduction of \$165,000
 - *CEO Recommendations include restoration of this \$165,000 with ongoing funding (rather than one-time backfills each year)*

Service Level Reductions

Service Level Reduction Summary			
Department	Amount	FTE	Description
Probation	\$ 370,752	1.00	Reduce Deputy Probation Officer Sr. assigned to the Santa Barbara Narcotics Enforcement Team due to loss of grant funding.
Sheriff	202,572		Reallocates 2.0 FTE Custody Deputy from SM Branch Jail to Main Jail to reduce overtime costs. Results in SMBJ operating without inmates assigned permanently, reducing bed count by 28.
Child Support Services	346,000	3.60	Reduce Child Support caseworkers (2.6 FTE) and administrative positions (1.0 FTE) from retirements, increasing caseload among fewer caseworkers and support staff.
Community Services	165,000		Reduce Shelter Services General Fund Contribution due to the loss of one-time funding allocated in the previous fiscal year. This would result in the reduction of bed nights available and supportive service for clients in emergency shelters. However, the CEO Recommended Expansions, if approved, will restore this funding and make it ongoing.
Total	\$1,084,324	4.60	

Reductions due to Efficiencies

Efficiencies Summary			
Department	Amount	FTE	Description
Probation	\$ 401,756	5.00	Reduce 5.0 FTE staffed capacity at the Los Prietos Boys Camp as a result of reduced Average Daily Attendance (ADA) population.
	140,574	1.00	Reduce 1.0 Deputy Probation Officer due to reduction in workload resulting from the implementation of Proposition 47.
Total	\$ 542,330	6.00	

Create a thriving and engaged workforce

- Retention – County continues with initiatives to improve retention and engagement
- Human Resources capacity stretched given increased demand (6-fold increase in recruitments since recession)

CEO Recommendations include

- *Restoring HR Director position and 1 recruiter position.*
- *One time funding for mentoring and retention pilot programs*

Adapt and strategically plan for the future

- Strategic planning – CEO's work initiatives include strategic planning to better align BOS priorities, department spending, 5-year forecast
- *Guidance for funding - Data is being provided at hearings of comparable county comparisons on GF allocations*

Advance Board priorities and commitments

- Libraries

- Clarify funding policy and consider an increase

CEO Recommendations include restoring to FY2013-14 per capita funding level (\$6.90), equates to \$42,000 increase. (New total of \$2,990,442)

- *CSD is providing other options at hearings*

- Alcohol, Drug and Mental Health Services

- Support systems change for improved service and balanced care
- Monitor system changes and quantify progress
- Invest in new, safe and stable beds (less expensive) to restore capacity in community lost in the recession

CEO Recommendations include

- *Funding for safe and stable beds*
- *More funding for in-patient beds*
- *Non GF expansions for crisis care, MHSA innovations project and others*
- *New: Increase reserve for cost-settlement liabilities*

Advance Board priorities and commitments

Maintenance

- New 18% policy – FY15-16 is first year
- If resources available, provide additional funding
- Explore debt financing for greater up front expenditures

CEO Recommendations include

- *Road maintenance funding of \$2 M (GF and “18%” funding)*
 - *General Services/Parks funding of \$1.4 M combined (GF and “18% funding)*
 - *These are in addition to normal GF funding allocations*
-
- Animal Services – explore sources and options for study results
CEO Recommendations Include \$300k ongoing for and \$100k (1x) from department funds
 - Community Needs – evaluate requests
 - *\$359,000 amount in requests by community organizations as of May 29*

Advance Board priorities and commitments

- NBJ Operating Costs:
 - Sheriff scenarios developed for varying inmate census levels, impact on jail staffing, impact on transitional costs
 - Revised operating cost scenarios
 - Update the Funding & Transitional Hiring Plans

No update made to Operational Funding Plan or appropriations for transition costs until final Board decisions (estimated September 2015 for AB900)
- Fire Tax Shift is working:
 - Original plan - 17% of PT in FY 2021-22; current estimate, assuming 4% growth, full shift attained in FY 2020-21

CEO Recommendations include non-GF Fire restorations and expansions for 12 positions, including Fire Crew restoration.

CEO Recommended Expansion General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
General Fund Expansions					
ADMHS	Inpatient beds - This expansion will help meet current, increased demand for inpatient contracted acute and long term beds. These funds will be set-aside for use, as needed, throughout the year. Funded by the Mental Health Inpatient Beds set aside (\$1 Million) per Budget Policy, \$500,000 in one-time Tobacco Settlement Funds and \$500,000 in discretionary General Funds.			\$ 1,500,000	\$ 500,000
	Step-down placements - This expansion will provide ongoing step down placement options to relieve the impact of Incompetent to Stand Trial and Administrative stay patients at the Psychiatric Health Facility (PHF).		1,020,000		
Auditor - Controller	Accountant Auditor - This adjustment provides ongoing funding to replace one-time funding that was added in FY14-15 for an Accountant Auditor position, which will be partially recovered through cost allocation in future years. The position was added last year and therefore the FTE count does not need to be adjusted.		92,000		

CEO Recommended Expansion General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
General Fund Expansions					
CEO	Public Information and Communications - Expansion allows for continued contracted services to support the Public Information function, given there is no Countywide Public Information Officer. This would continue services funded by one-time funds in FY 14-15.		50,000		
	Board historical records - This adjustment provides funding for scanning of Board of Supervisors' annual records dating back to 2000, and continues the scanning, preservation, and permanent storage of Board records dating back to 1850.			80,000	
	Employee retention/mentoring/succession - This adjustment provides initial funding of pilot programs to improve employee engagement. The programs were proposed by committees of managers, following the fall Managers Training Offsite, for Stay Interviews and a Mentoring Program.				70,000

CEO Recommended Expansions

General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
General Fund Expansions					
Community Services	Libraries - Expansion would increase Library per capita contributions to the Board-approved FY 2012-13 level of \$6.90. This represents a \$42,000 increase to Library funding. In FY 15-16, staff will evaluate further options for sustainable revenue with the Library Advisory Committee.		42,000		
	*Homeless Shelters - This adjustment will restore \$165,000 ongoing funding for homeless shelter operations and services, for a total budget of \$345,000.		165,000		
	Information Technology Support -This adjustment provides dedicated, full time Information Technology support throughout the entire Department, helping manage 32,000 annual online reservations and providing up-to-date information to over 557,000 website visitors. CSD is the only department without dedicated IT support, and has been utilizing a portion (50%) of another departments IT staff that will no longer be available.	1.00	71,000		
General Services	General Services Projects - This adjustment adds an Assistant Director position to the General Services Department and is necessary due to the increased workload and high priority, short turnaround projects. Additional leadership is also needed for the NBJ facilities, Countywide strategic planning, and execution of Capital improvement and maintenance efforts in facilities and parks. The cost of this position will be partially offset through cost allocation and direct departmental billings.	1.00	196,445		

CEO Recommended Expansions

General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
General Fund Expansions					
Human Resources	HR Director - Restores funding for the Human Resources Director's position. Total gross cost of position is \$277,000, partially offset by ongoing departmental Services & Supplies savings of approximately \$213,000. This will be partially recovered through cost allocation revenues in future years.	1.00	63,880		
	HR Recruiter - Restores funding for a Recruiter position that was unfunded due to budget reductions; will help meet the 400% increased demand by departments. Total gross cost of position is \$131,000, partially offset by ongoing Services & Supplies savings of approximately \$20,000. This will be partially recovered through cost allocation revenues in future years.	1.00	110,790		
Public Health	Animal Services - This adjustment will fund improvements to Animal Services, pending recommendations of a consultant study. The department has also identified potential one-time funding from its SB 90 mandate reimbursement funds to augment this allocation with one-time funds for possible capital expenditures or other non-recurring charges in the amount of \$100K.		300,000		100,000

CEO Recommended Expansions

General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
General Fund Expansions					
Public Works - Roads	Maintenance for Roads - One-time funding to partially offset State gas tax losses. (This is in addition to the \$500k GF received annually for Roads, per adopted BOS policy).			1,400,000	
	Maintenance for Roads 18% funding - It is recommended that Roads receives half the portion of the Board-adopted 18% Maintenance Funding Policy.		600,000		
General Services and Parks Maintenance	Maintenance for General Services & Parks 18% funding - It is recommended that GS and Parks receive half of the Board-adopted 18% Maintenance Funding Policy. Allocation to Departments will be based on highest priority needs.		600,000		
	Maintenance for General Services & Parks - One-time allocation to increase funding for maintenance projects. (This allocation is in addition to the annual \$1.3 Million GF received by General Services and \$500k GF received by Parks for maintenance, per adopted BOS policy). Allocation to Departments will be based on highest priority needs.			800,000	
Emerging Issues	Unforeseen and emerging needs - This funding will be utilized for unanticipated or unavoidable costs that arise throughout the year for health insurance, workers compensation insurance, or other employee costs.			700,000	
General Fund Subtotals		4.00	\$ 3,311,115	\$ 4,550,000	\$ 600,000

CEO Recommended Expansions

Non-General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
Non-General Fund Expansions					
ADMHS	Crisis System of Care - This adjustment will fill critical gaps in the County's Crisis System of Care, in both the Crisis Stabilization and Crisis Residential facilities. The source of funds are and Medi-Cal funds.	11.36			1,444,523
	Quality Assurance Coordinators - This adjustment will add 2 Quality Assurance Coordinators to implement new policies and procedures for quality assurance compliance of the Alcohol Drug Program (ADP) plan.	2.00			258,821
	MHSA Innovations Project - This adjustment will implement a new Mental Health Services Act Innovations project providing support and community outreach in regards to human sex trafficking.	8.36			769,079
	Southern California Regional Partnership - This adjustment will implement the Southern California Regional Partnership projects funded by California Office of Statewide Health Planning and Development (OSHPD).	1.76			185,016
	Health Care Coordinator - This adjustment will add 1 Health Care Coordinator in the Psychiatric Health Facility (PHF) for consumer discharge case management and transitioning from the Acute to Outpatient system of care.	1.00			112,854

CEO Recommended Expansions

Non-General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
Non-General Fund Expansions					
Fire	Firefighters for Cuyama Valley - This adjustment adds a Firefighter post position (3 FTEs) at Station 41 in the Cuyama Valley. This 4th post position is a recommendation from the 2012 Citygate report.	3.00			432,389
	Training Captain - This adjustment adds a staff Captain to the Training section and is necessary due to complex, evolving and growing training curriculum required to ensure firefighters are prepared to safely & competently respond to any type of emergency.	1.00			227,905
	Admin Support - This adjustment restores an Admin Office Professional position to the Fire Prevention Planning & Engineering Section to support increased development activity & administrative needs (including the conversion of paper documents to electronic format).	1.00			77,166
	Fire Crew Restoration - This adjustment completes the restoration of the Fire Crew (started last year) to a pre-recession configuration of 12 Crew members all year and an additional 12 Crew members for 8 months of the year.	5.62			272,398
	Chief Financial Officer - This adjustment adds a Chief Financial Officer to meet the growing needs of the Fire organization. The financial complexities & volume have increased as the organization has evolved, requiring a division of fiscal oversight.	1.00			199,766
	Cost Analyst - This adjustment adds a Cost Analyst position to meet the growing needs within the Fire Department for fiscal analysis and specialized accounting capabilities.	1.00			130,696

CEO Recommended Expansions

Non-General Fund

Department	Description	FTE	GFC		Non-GFC
			Ongoing	One-time	
Non-General Fund Expansions					
Public Health	Increased Clinic Time - This adjustment will increase Primary Care and Infectious Disease clinic time in the Santa Barbara Health Care Center. This will add a higher level of case management for patients with infectious disease and create more primary care access.	1.80			228,067
Social Services	Client Support Services - This adjustment utilizes Federal and State funding to increase staffing by 6.0 FTEs and responds to the increased demand for client support services in CalWORKs/Welfare to Work, Workforce Innovation and Opportunity Act, and Income & Eligibility Verification.	6.00			507,241
Treasurer-Tax Collector	Veterans Services Officer - This adjustment increases the Veterans Services Officer from half time to full time (full time cost is approximately \$71,000).	0.50			51,354
Non-General Fund Subtotals		45.40	-	-	\$ 4,897,275
Total		49.40	\$ 3,311,115	\$4,550,000	\$ 5,497,275

Continued Challenges/Risks

- Reduced State funding for Roads
- Northern Branch Jail/Star Projects- construction bids
- Mental Health Inpatient Costs & Audit Settlements
- Technology/software upgrades
- Maintenance needs
- Workforce planning and retention
- Right-sizing given past staff reductions; needs in many departments
- Prolonged drought effects
- Managing expectations

Updates and Issues Since Workshops

Updates

- *Refugio Oil Spill*
- *ADMHS*
 - *New Liabilities (\$2.7 M) discussed Third Quarter report; to be booked June 30, 2015*
- *Revenue changes/Updates:*
 - *Pre-2004 Mandate Funding;*
 - *PILT;*
 - *Property Tax update from Assessor*
- *Department changes to Expansion Requests – shown in Dept. slides*

Updates and Issues Since Workshops

Requested information:

- *General Fund contributions vs. benchmark counties & per capita data*
- *CEO - Jail staffing and cost study (post AB900) 2015-16 Contingency*
- *ADMHS a) types of Residential Beds b) GFC in excess of baseline*
- *PH – American Humane Assoc. Assessment*
- *Fire – Capital project: Cuyama Station 41 renovation*
- *Sheriff – Replacement of Jail Management System*
- *CSD - Library funding options; Community Choice Aggregation; Goleta Beach Coastal Commission Permit; Update Cachuma Ranger Expansion*
- *P&D – Short Term (Vacation) Rentals*
- *PW – Purpose of Flood Control District Funding*

Available Discretionary GF for Allocation

CEO GF Recommendations (see chart)

- \$3.3 M ongoing
- \$4.5 M one-time
- \$7.8 M Total

CEO Non-GF Recommendations \$5.5M

\$1.0M ongoing and \$1.8M of GF available for Board allocation at hearings

\$359,000 in Community Requests

\$18.3M in remaining Department Requests

Available Discretionary GF for Allocation

Other Sources of Revenue

- Property In Lieu Tax (PILT) – *update, \$1.6M expected by year end*
- Additional Property Tax Revenue – *update from Assessor*
approx. \$675K per ½% increase in value (prior to reducing 18% for maintenance)
- SB 90 Reimbursement – *anticipated \$7.9 M (1x)*
 - *CEO recommends reserving these funds*
 - *\$2.7 M for ADMHS expected/anticipated cost settlements (record by June 30, 2015)*
 - *Reserve additional funding for ADMHS unknown settlements/inpatient beds*
 - *Reserve amount for other unknowns (contingencies)*

Attachment E

FY 2015-16 Attachment E - Board Adjustments to FY 2015-16 Recommended Budget

Dept	Description	Ongoing Amount	One-Time Amount	Carbajal	Wolf	Farr	Adam	Lavagnino
	Funding Sources:							
	Unallocated at Hearings	1,001,000	1,848,000					
	Total Sources:	1,001,000	1,848,000	-	-	-	-	-
	Remaining Funding Sources	\$ 1,001,000	1,848,000					
	Board Recommended FY							
	Total Uses	\$ -	-	-	-	-	-	-

Santa Barbara County Recommended Budget

Recommended Actions

1. Consider and amend the Fiscal Year 2015-2016 Recommended Budget, including CEO Recommended Budget Expansions and Restorations;
2. Approve final budget adjustments to and approve the Fiscal Year 2015-16 Recommended Budget;
3. Delegate authority to the County Executive Officer to execute renewal of single-year grants and contracts (“ongoing grants and contracts”) included in the Recommended Budget that had previously been approved by the Board, where contract amounts are up to 10% greater or less than previously contracted amounts; and

Santa Barbara County Recommended Budget

Recommended Actions

4. Adopt the Resolution of the Board of Supervisors entitled In the Matter of Adopting the Budget for Fiscal Year 2015-16; and
5. Determine pursuant to CEQA Guidelines §15378 that the above activities are not a project under the California Environmental

Recommended Actions

Successor Agency to the former County of Santa Barbara Redevelopment Agency

1. Adopt the Resolution of the Board of Supervisors of the County of Santa Barbara as the Successor Agency to the former County of Santa Barbara Redevelopment Agency, entitled In The Matter of Adopting The Budget For Fiscal Year 2015-16 For The County of Santa Barbara As Successor Agency To The Former County of Santa Barbara Redevelopment Agency.