Proposed FY 2012/13 Operating Plan

Preparing for Future Challenges

June 11, 2012
Fiscal Year 11/12

- A year of ongoing and unparalleled challenges
- Structural and long standing fiscal problems
- Need to identify and reduce/eliminate non-core discretionary services
- Difficult decisions between programs (mandated vs. long term value)
During these challenging times we have found innovative service solutions. As an example:

- Completed labor negotiations reducing future salary and benefits
- Implemented department consolidations
- Explored strategies for revenue enhancement
Conducted analysis of Fire department operations

Combined Fire and Sheriff departments’ aviation programs

Participated in dissolution of seven Redevelopment Agencies

Aggressively pursued federal funding
Fiscal Year 12/13 Proposed Budget

- Prepared with input from all department directors
- Significant and severe service level impacts
- Balanced and reflects Board’s priorities (public safety, children and families, sustainable communities)
- Enhanced clarity, focus on outcomes, and future perspective
### Budget at a Glance

Balanced budget of $828.1M and staffing of 3,800 FTEs

<table>
<thead>
<tr>
<th></th>
<th>Actual FY 10-11</th>
<th>Adopted FY 11-12</th>
<th>Recommended FY 12-13</th>
<th>Proposed FY 13-14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$743.7M</td>
<td>$749.1M</td>
<td>$745.7M</td>
<td>$741.5M</td>
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<tr>
<td><strong>Other Financing Sources</strong></td>
<td>$144.7M</td>
<td>$116.8M</td>
<td>$82.4M</td>
<td>$86.5M</td>
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<tr>
<td><strong>Total Sources</strong></td>
<td>$888.4M</td>
<td>$865.9M</td>
<td>$828.1M</td>
<td>$828.0M</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
<td>$766.5M</td>
<td>$825.0M</td>
<td>$800.1M</td>
<td>$800.6M</td>
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<tr>
<td><strong>Designated for Future Use</strong></td>
<td>$113.4M</td>
<td>$40.9M</td>
<td>$28.0M</td>
<td>$27.4M</td>
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<tr>
<td><strong>Total Uses</strong></td>
<td>$879.9M</td>
<td>$865.9M</td>
<td>$828.1M</td>
<td>$828.0M</td>
</tr>
<tr>
<td><strong>Staffing FTEs</strong></td>
<td>3,911.7</td>
<td>3,713.7</td>
<td>3,801.4</td>
<td>3,797.5</td>
</tr>
</tbody>
</table>
Closing the Budget Gap

- Employee concessions
  - Salary and benefit reductions (ongoing)
  - Furloughs (one-time)
  - New retirement tier (non-safety members)
- Department savings and fund balance
- Service level reductions
- State budget uncertainty
- RDA dissolutions
County’s Strategic Plan Update

- Workshops to identify County’s priorities
- Focus on ongoing vs. one time solutions
- Managing/reducing workforce costs
- Defining core services
- Reducing deferred maintenance
- Raising new revenues
- Building financial reserves
Commitment to Public Safety

10 Year Comparison

FY02-03 Adopted
- Public Safety: 34%
- Health & Public Assistance: 13%
- Community Resources & Public Facilities: 8%
- Support Services: 13%
- Law & Justice: 13%
- Policy & Executive: 6%
- General County Programs: 13%

FY12-13 Recommended
- Public Safety: 50%
- Health & Public Assistance: 9%
- Community Resources & Public Facilities: 7%
- Support Services: 10%
- General County Programs: 4%
- Policy & Executive: 6%
- Law & Justice: 14%

Santa Barbara County Recommended Operational Plan
Preparing for Future Challenges
Commitment to Public Safety

Underfunding of Community Resources and Internal Support Services

- Deterioration of quality of life
- Significant risk of financial losses
Investing strategically to meet future County needs:

- Fire Operations
- New North County Jail
- Deferred maintenance of County facilities
- Alcohol, Drug, Mental Health Services (ADMHS)
- Retirement
Summary

- Difficult program choices (mandated vs. long-term benefits)
- Continue to provide valued services
- Prepare for future challenges
- Address structural deficit/eliminate one-time funding solutions
- Enhance ongoing revenues and set aside reserves
- Predicting $18M - $20M budget gap in FY 13-14