

COUNTY OF SANTA BARBARA

# RECOMMENDED BUDGET

FY 2023-2024



*one*  
**COUNTY**  
*one*  
**FUTURE**

*Ready for*

**TODAY**

*Preparing for*

**TOMORROW**



Introduction *County Executive Officer*

Recommended Budget Overview *Budget Director*

Functional Groups Overview

Department Updates (as needed)

Board Deliberation

Recommended Actions

**Agenda**  
BUDGET HEARINGS

# Ready for Today, Preparing for Tomorrow

## ***Ready for Today...*** *This Recommended Budget*

- Moves ahead with the Board's highest priorities.
- Makes progress on
  - housing and homeless services
  - regional parks and libraries
  - capital projects and deferred maintenance
  - economic vitality
  - climate adaptation
  - criminal justice initiatives
  - safety net services including mental health services
  - embracing equity and inclusion
  - implementing greater innovation through technology
- Is possible from years of setting aside funds, adopting fiscally sound budgets - > resulting in stable budgetary environment to weather uncertainty.

## ***Preparing for Tomorrow....***

- Continuing on this course, we are prepared for the future.
- State budget shortfalls, unforeseen disasters, legislative changes and workforce instability can and will significantly impact the County.
- This budget sets aside ongoing funding for future deficits given unexpected disasters, uncertainty of the State budget programs, and known cost increases identified in the five-year forecast.



## **Like others, we remain challenged by economic uncertainty, rising costs, recruiting and retention of critical staff, and deferred maintenance.**

The UCLA Anderson Forecast: whether or not there is a recession coming, California's economy should see more mild impacts than the last four economic slowdowns.

State Budget: May Revision is projecting a \$31.5 billion shortfall (up from \$22.5 billion in January) but no significant, anticipated impacts on the County's FY 2023-24 budget.

Future years will be challenging for the State: Legislative Analysts' Office (LAO) states that if the Legislature adopts the Governor's May Revise, the State will likely face more budget problems over the next few years.

In the County, substantial revenue growth over the FY 2022-23 Adopted Budget is anticipated in FY 2023-24, driven mainly by unanticipated property tax revenues in the current fiscal year.

Cannabis tax revenues remain volatile and have continued to decline.



## The Recommended Budget reflects the County's prudent planning.

FY 2023-24 marks the fifth year that service level reductions have been avoided.

- Achieved through years of prioritizing key projects, careful planning, managing resources, and preparing for the future
- Revenue growth and operational efficiencies have largely allowed departments to absorb increasing costs related to labor, liability insurance, and other critical needs
- ARPA and othering one-time funding is being invested in critical programs and infrastructure needs

The recommended budget includes funding to provide mandated and essential services, meet debt service obligations, address critical deferred maintenance and infrastructure needs, and adhere to the Board's financial management policies.

### Maintaining Strong Reserves

In FY 2023-24, the Strategic Reserve balance will be maintained at **8%** of General Fund operating revenue, or **\$44.0M**, as per policy.

## The County faces key challenges.

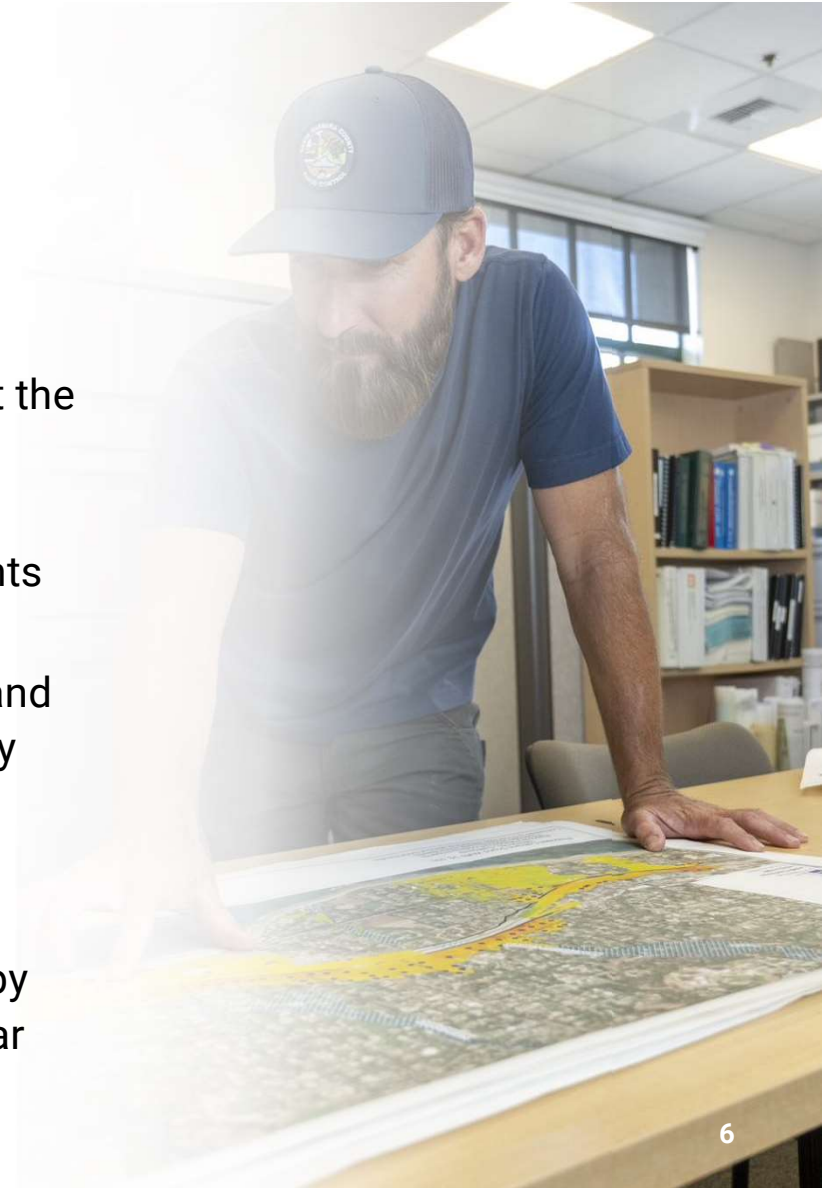
New and changing State mandates, regulations and litigation continue to impact departments

Storms in January 2023 created extensive damage throughout the County and funding is required for cashflow and local match

Recruiting and retention issues are impacting most departments

Several multi-year projects surrounding Information Systems and Technology Infrastructure have begun and are straining County resources

Insurance Premiums continue to rise, with general liability insurance and workers compensation costs alone increasing by \$10.2 million, which represents a 25.7% increase over prior year



## The County continues to make progress toward achieving key priorities and fulfilling its commitments.



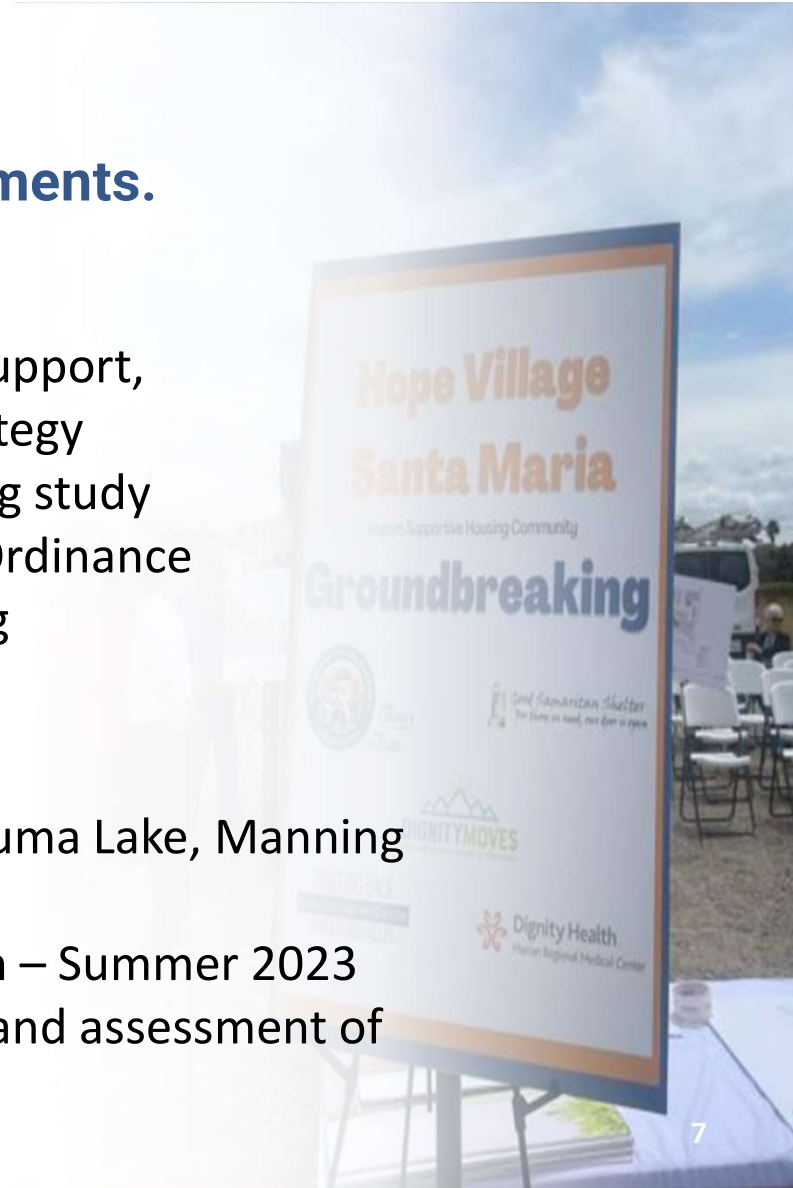
### Addressing homelessness and housing

- \$46.1 million toward facilities, outreach, support, rental assistance and an encampment strategy
- Planned completion of a workforce housing study
- Update to County's Inclusionary Housing Ordinance
- Continued support new affordable housing production



### Regional Parks & Libraries

- Improvements and maintenance at Cachuma Lake, Manning Park, Arroyo Burro and Lookout Park
- Draft Countywide Recreation Master Plan – Summer 2023
- Continued CPI growth in Library funding and assessment of other long-term funding solutions



## The County continues to make progress toward achieving key priorities and fulfilling its commitments.



### Climate Change Adaptation

- \$1.5 million toward EV infrastructure project continued from 2022-2023
- \$2.5 million planned in energy efficiency upgrades
- Planned completion of the 2030 Climate Action Plan



### Supporting Disadvantaged & Vulnerable Populations

- \$1.53 million in ARPA funding budgeted for childcare recovery and resiliency, digital literacy, and senior meals
- Social Services recommended budget includes grant match and administrative costs to stand up a County Farmworker Resource Center to assist farmworkers
- Behavior Wellness is implementing a new electronic health record system, an additional co-response team, and creating transitional housing units

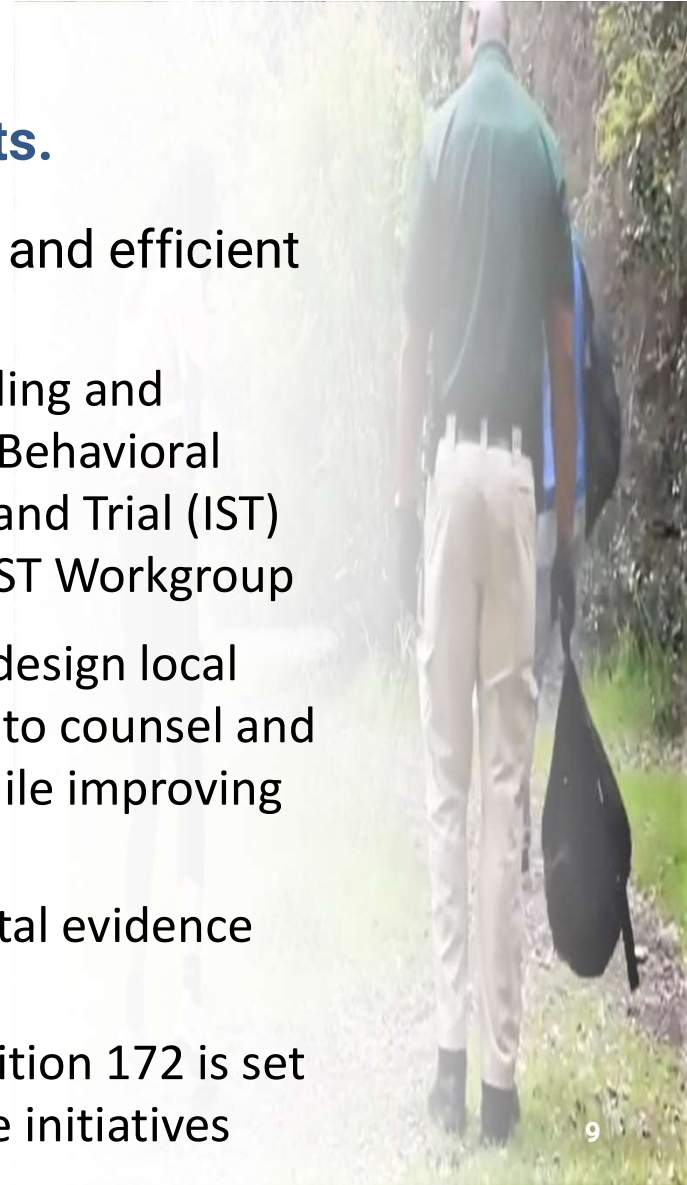


## The County continues to make progress toward achieving key priorities and fulfilling its commitments.



### Improving access to justice and diversion for a fair and efficient criminal justice system

- \$100,000 per year, for five years, supports expanding and enhancing diversion opportunities for those with Behavioral Health disorders, including the Incompetent to Stand Trial (IST) population via the County's multi-agency Felony IST Workgroup
- Launching Early Representation pilot initiative to design local opportunities to increase pre-arraignment access to counsel and support jail population management priorities while improving justice system outcomes for individuals
- An estimated \$1.3 million for implementing a digital evidence management system
- \$784,600 ongoing and \$164,900 one-time Proposition 172 is set aside in CEO recommendations for criminal justice initiatives



## The County continues to make progress toward achieving key priorities and fulfilling its commitments



### Diversity, Equity & Inclusion Initiatives

- Continuation of community equity grant program
- ARPA funding dedicated for translation services to improve language access and DEI assessments to ensure equitable and inclusive community-facing services



### Innovation & Technology

- Continued support of the Workday ERP System implementation for Finance, Payroll and Human Resources
- Implementation of the digital evidence management system (DEMS) for enhanced criminal justice collaboration
- Implementation of the CalSAWS system for Social Services and CalAIM for Public Health and Behavior Wellness

CONDADO DE SANTA BÁRBARA  
RESUMEN DEL  
PRESUPUESTO  
RECOMENDADO  
PARA EL AÑO FISCAL 2023-2024



UN  
CONDADO  
UN  
FUTURO



THE COUNTY | *one* SYSTEM

# The County continues to invest in critical infrastructure - \$142.5 million.

## Priority CIP Projects including:

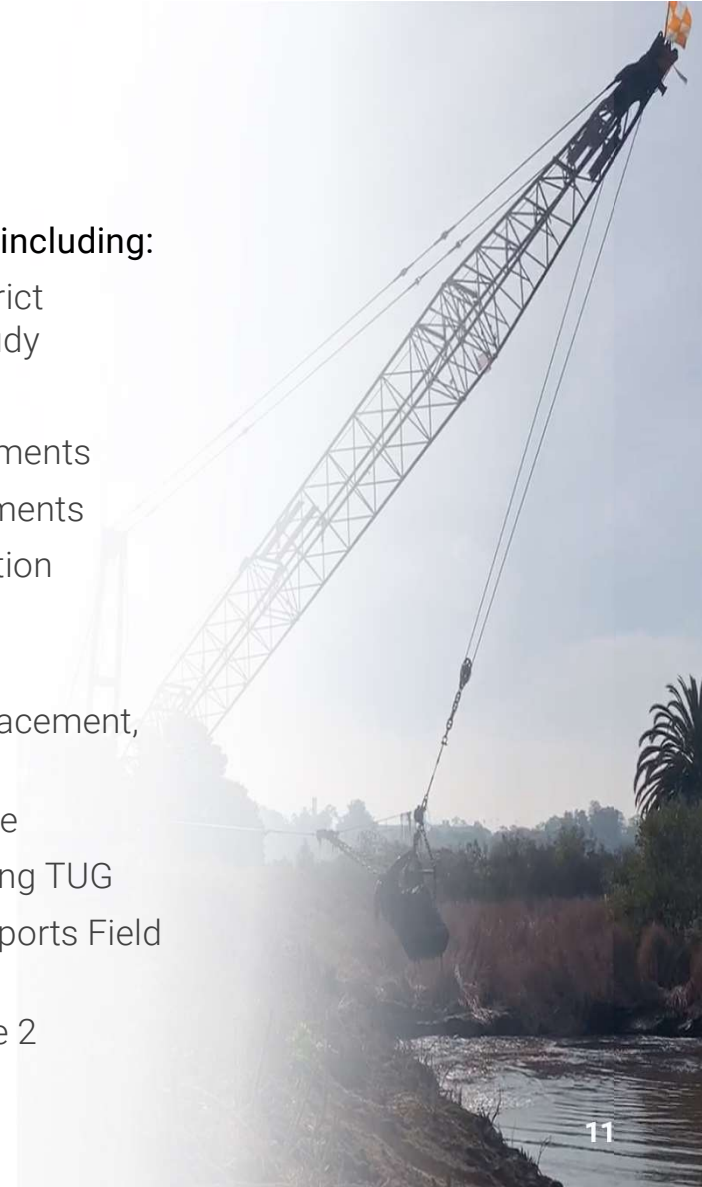
- Modoc Multi-Modal Trail Phase 2
- Energy efficiency HVAC projects
- Lompoc Vets Hall - Parking Lot Expansion
- Orcutt Library Acquisition
- Foothill Bridge Replacement
- Lower Mission Creek Flood Control Project

## Planned COP Financed Projects:

- Public Safety Radio Replacement
- Probation Department Headquarters
- Main Jail Rehabilitation
- Cachuma Lake Park Infrastructure Upgrades
- Regional Fire Communications Center
- Fire Station 27 Rebuild

## Federal ARPA funding for projects including:

- Laguna County Sanitation District Groundwater Injection Well Study
- Project Clean Water
- IV Community Center Improvements
- Board Hearing Room Improvements
- HVAC Replacements & Ventilation Improvements
- CIP Projects:
  - SB Courthouse Roof Replacement, Phase 2
  - DignityMoves Hope Village
  - San Antonio Creek Crossing TUG
  - Orcutt Community Park Sports Field Lighting
  - Public Safety Radio Phase 2 Equipment Staging



*Ready for*  
**TODAY** *Preparing for*  
**TOMORROW**

**FY 2023-24** will be a time to ‘buckle up’ and be vigilant, but also move forward thanks to the stability created through the Board’s prudence and financial planning.

This budget continues our commitment to deliver exceptional services so all in Santa Barbara County can enjoy a safe, healthy and prosperous life.