



COUNTY OF
SANTA BARBARA

FY 2021-22
**BUDGET DEVELOPMENT
POLICIES**

December 8, 2020
County Executive Office

- 
- FY 2021-22 Budget Development Policies
 - Northern Branch Jail Funding Plan Update
 - Fiscal Issues and Board Priorities

Today's **Report**

2020

NOVEMBER

Five-Year Forecast &
Significant Fiscal
Issues

2021

DECEMBER

Budget Development
Policies

APRIL

Budget
Workshops

MAY

Recommended Budget
Released

JUNE

Budget
Hearings

FY 2021-22 Budget Development

2020

NOVEMBER
Five-Year Forecast
& Significant Fiscal
Issues

Set context for
budget development

DECEMBER
Budget Development
Policies

Serve as the guiding principles for the
FY 2021-22 Recommended Budget

FY 2021-22 Budget Development



Budget Development **Policies**

FY 2021-22 Policies

- Proposed policies similar to FY 2020-21 policies
- 4 new components added to:
 - Assist Departments in identifying funding to offset costs of services
 - Develop funding plans for Air Support Unit maintenance and Enterprise Resource Planning System costs
 - Promote greater accountability and transparency for budgeting and accounting Realignment revenues

Policy 3.d.

Identify funding when the Board reduces or eliminates a proposed charge for service fee while still providing the service

Rationale

- From time to time the Board, for public policy purposes, reduces or eliminates a fee to a level below a department's actual cost to offer the service
- In these cases, the General Fund will typically need to subsidize these services
- This policy more explicitly links the action by the Board to reduce or eliminate a fee with direction to the CEO to identify other funding, including GFC, to make Departments whole
- The inclusion of this policy is intended to memorialize current practice

Departments Affected

Countywide

Fiscal Impact

Varies based on fee action and cost of service

Policy 4.d.

CEO will work with Fire and Sheriff to develop a maintenance funding plan for the Air Support Unit

Rationale

- Fire and Sheriff split ASU maintenance costs 50-50
- Aircraft maintenance schedules, and occasional unanticipated expenses, can spike costs in a given year well above budgeted amounts
- Multi-year funding plan smooths costs over multiple years, builds reserves to pay for scheduled maintenance and unanticipated costs, without impacting Department operating budgets

Departments Affected

- Fire
- Sheriff

Fiscal Impact

- Potential increase to Sheriff GFC if plan exceeds current maintenance budget
- Potential impact on Fire District revenues for same reason

Policy 4.e.

Set aside a minimum ongoing amount of \$1.5 million for eventual Enterprise Resource Planning System

Rationale

- County conducting Business Applications Needs Assessment (BANA)
- Outcome of assessment will be recommendations to seek new systems solution, potentially ERP
- Costs will include purchase, implementation, and annual licensing. Beginning set aside now will help offset eventual costs

Departments Affected

Countywide

Fiscal Impact

Minimum \$1.5 million in discretionary funds

Policy 5.c.

CEO will work closer with Departments developing 1991 and 2011 Realignment budgets. Where feasible, 1991 Realignment surpluses will be held in General County Program fund balances

Rationale

- Realignment budget projections and year-end accruals need more centralization for consistency Countywide
- 1991 Realignment fund balances in General County Programs will increase transparency as to available funds
- Any year-end fund balances will be available to fund future year eligible expenses
- Maintenance of a prudent fund balance will help buffer unanticipated downturns in these economically sensitive revenues

Departments Affected

Countywide – Realignment Departments

Fiscal Impact

No Impact

A low-angle photograph of the Northern Branch Jail building, showing its classical architectural details like columns and arches. The image is overlaid with a dark blue filter. The text 'Northern Branch Jail' is positioned in the lower-left area of the image.

Northern Branch **Jail**

NBJ Funding Plan

Modification to FY 2021-22 Set Aside

- Original funding plan adopted in FY 2011-12
- Original plan assumed first full fiscal year of operations in FY 2018-19 at an annual operating cost of \$17.3 million
- NBJ is now expected to be operational later this fiscal year and cost approx. \$21.4 million in FY 2021-22 to operate.
- Anticipated set aside of \$17.1 million in FY 2021-22; seeking modification to set aside \$17.4 million instead
- CEO will monitor and report on funding plan and anticipated costs each year
- May need further modifications in future years. However, if significant cost savings materialize in other parts of Custody system, modifications may be unnecessary

Significant Fiscal Issues

Recommended Funding Strategies

Issue	Potential Impact	Recommended Action
Deferred Maintenance	\$377.1M	18% funds & available 1x funds
Facility Improvements and Office Space Reconfigurations	TBD	Consider annual set-aside and 1x funds according to need
Enterprise Resource Planning System	10M+	Begin min. annual \$1.5M set-aside
Enhanced Cybersecurity Measures	1.5-2.0M	Allocate available funding according to needs
Criminal Justice IT needs (data, discovery, storage)	1.4M	Provide options at Workshops for funding either with available funds or through redirection of existing resources
Expand Pre-trial Services Program	1.1M	
Criminal Justice Diversion and Education	1.2M	

Recommended Actions

- A. Adopt the FY 2021-22 Budget Development Policies
- B. Approve proposed modifications to Northern Branch Jail funding plan
- C. Provide staff with any preliminary direction on Board priorities for FY 2021-22, as appropriate
- D. Determine pursuant to CEQA Guidelines §15378 that the above activities are not a project under CEQA.

