

Fiscal Issues Report

ISSUE		POTENTIAL				NEAR TERM BUDGET IMPACT		COMMENT	Last Update
		high/ med/low	onetime/ ongoing	BOS discretion		Gen. Fund			
REVENUE									
1	State Budget Impacts	high	both	little	undefined	multiple	State budget projected shortfall of \$21.3 billion if 5/19/09 ballot measures fail. Even with passage of measures, shortfall estimated at \$15.4 billion due to decline in revenues, especially personal income tax. Governor's Revised Budget with two scenarios to be released on 5/14/09. Borrowing \$2 billion from local governments under Proposition 1A funds possible if measures fail.	5/12/2009	
2	State Contribution for Cost of Doing Business	med	ongoing	little	7,000,000	no	State froze the revenue contribution limits to the Department of Social Services at 2001 levels; DSS is absorbing cost increases relating to increasing caseload growth and administration costs. This State policy increases the need for local discretionary revenue to be used to fund DSS services and administration.	5/14/2009	
3	ADMHS Cost Report Settlement Issues	high	onetime	little	11,997,815	yes	County's accrued liability was \$17M as of June 2008. The liability was reduced by \$2.8 million and includes payments of \$2.2 million to the State, of which \$500,000 was from the Strategic Reserve. FY 08-09 adopted budget includes \$15 million from General Fund Strategic and Audit reserves to ADMHS.	5/13/2009	
4	Mental Health and Partner Agencies Medi-Cal Billing Exposure	med	both	little	14,400,402	yes	Potential disallowable MISC/CEC program costs extrapolated over the period of Fiscal Year 2002-2003 through Fiscal Year 2007-08 are estimated at \$14.4M; no repayment source has been identified; \$1.6m has been transferred from strategic reserve to fund the current year (08-09) liability.	5/13/2009	
EXPENDITURE									
5	Pension Fund Stability	high	ongoing	little	3,921,000	multiple	Pension rates increase by 1% for FY 2009-10 (\$3.9m or 5%). However, primarily due to recent significant losses in the Santa Barbara County Employees' Retirement System (SBCERS), rates could potentially increase by 16% for FY 2010-11 (\$54.9M or 69%).	5/14/2009	
6	Retiree Healthcare	certain	ongoing	none	5,800,000	multiple	Prospective costs to County to directly fund post employment healthcare benefits through a 401(h) account administered by the Retirement System. Prospective costs are offset in current Fiscal Year 2008-09 by lower basic pension rate credit of 2.52%.	5/14/2009	
7	May Statewide Special Election	high	onetime	little	1,100,000	yes	A Statewide Special Election will occur on May 19th, 2009. This required the County to upfront \$1.1M from Strategic Reserve to be reimbursed from the State in the following Fiscal Year 2009-2010.	4/2/2009	
8	Public Defender Funding	certain	both	much	7,127,000	yes	\$4.4M one-time funding for Public Defender Office remodel. \$2.7M - ongoing for operations FY 2009-10; unavailability and additional conflict attorney Court costs.	4/9/2009	
9	Cachuma Lake Surcharge	med	onetime	med	7,900,000	yes	\$12.7m total to move facilities due to higher lake levels, (\$7.9M unfunded), (\$4.8M funded includes: Boating \$2.7M & Bureau \$2.1M).	10/28/2008	
10	Selected County Revenues	high	both	little	5,800,000	multiple	Due to the economic downturn a number of sales and property tax driven revenues are declining. This item represents the projected impact on selected departmental revenues dedicated to Public Safety Departments, Social Service, Mental Health and Public Health. Board has approved mid-year budget revisions to close budget gap totaling \$6.2m in the General Fund. An additional decline in departmental General Fund Revenue up to \$1m is potential.	5/14/2009	
IMMEDIATE HORIZON (beyond 2008-09 fiscal year)									
11	Property Tax Administration Fee	med	both	little	1,279,819	yes	Statewide dispute between cities and counties. Approx \$400,000 annually + potential back pay of 4 years in the amount of \$879,819.	10/28/2008	
12	County Jail - Northern Branch	med	both	much	1,019,000	yes	AB 900 grant \$56.3M was conditionally awarded. The grant process is currently held up by the State. County capital contribution is \$23.9M (\$20.6M unfunded, \$3.3 spent for land purchase). Operating cost in FY2008-09 dollars = \$13.2M.	3/5/2009	
13	Maddy Fund	high	ongoing	med	1,100,000	no	The County is able to assess fines on certain vehicle violations to use for the Maddy EMS Fund until 1/1/2011. However, a long-term funding strategy is warranted. Item moved to "immediate horizon"	12/19/2008	
14	Indian Gaming	low	ongoing	little	1,500,000	multiple	AB 357 was introduced on 2/25/09 and amended on 4/1/09 to extend the Special Distribution Fund grants for mitigation of gaming until 1/1/2021. Bill in Appropriations Committee.	5/12/2009	
15	Goleta Beach Long Term Protection Plan	med	onetime	much	5,800,000	yes	\$10.2m total (\$5.8m unfunded), (\$4.4m funded includes: FEMA \$1.7m, CIAP \$1.5m and various \$1.2m). BOS approved project for filing Coastal Development Permit currently with California Coastal Commission.	10/28/2008	
16	Reauthorization of Measure D (Measure A)	high	ongoing	med	8,000,000	no	FY 10-11 revenue loss without re-approval; A primary source of local matching funds utilized to receive \$9M to \$10M in State and Federal funds.; Reauthorization approved by voters 11/4/08	5/11/2008	
17	Santa Maria River Levee Reinforcement Project	high	onetime	much	48,000,000	no	On April 27, 2009, Army Corps of Engineers (ACOE) announced \$40.2 million funding available for repair, combined with \$6.7 million previously approved, project is funded and expected to be complete Summer of 2011.	5/12/2009	
18	Goleta Revenue neutrality	certain	ongoing	little	2,800,000	yes	FY 12-13 voter approved Goleta revenue neutrality agreement adjusts.	5/14/2009	
19	Fiscal Year 2009-2010 Budget Gap	high	ongoing	much	19,008,975	yes	Projected shortfall for Fiscal Year 2009-10. Expected to increase by \$22M in FY 2010-2011 if the recommended balanced FY 09-10 budget that closes this gap is adopted.	5/14/2009	
20	Selected County Revenues	high	both	little	14,000,000	multiple	Due to the economic downturn a number of sales and property tax driven revenues are declining. This item represents the projected impact on selected revenues dedicated to Public Safety Departments, Social Service, Mental Health and Public Health.	2/6/2009	