

Proposition 172 Funding Update



COUNTY OF
SANTA BARBARA

October 18, 2022
County Executive Office

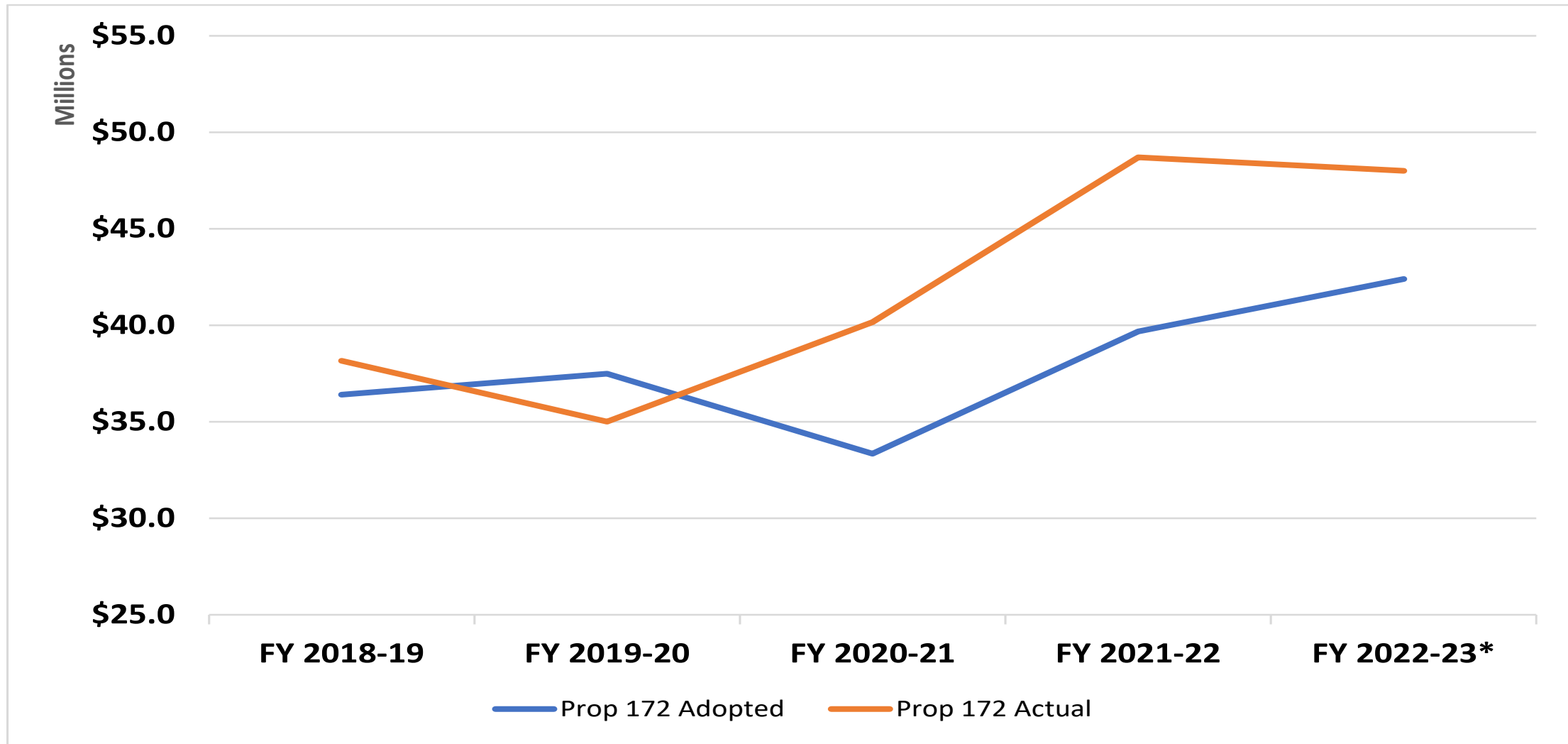
Today's Presentation

- Background on Proposition 172 Funding
- Potential Future Uses
- Timing Options
- Recommended Actions

Overview

- Prop 172 is an 0.5% statewide sales tax required to be used for local public safety services
- Prop 172 funds are susceptible to fluctuations in the economy
- The Board revised annual allocation methodology in 2019
 - Eliminated formal percent allocation by department
 - Gave CEO discretion to make annual allocation recommendations based on needs and Board priorities

Adopted vs. Actual Revenues



*Adopted amount includes \$1,218,500 added to Sheriff's budget on 10/11/22 for Jail Medical Services contract

Prop 172 Growth by Department

Department	FY 2018-19 Adopted Budget	% of FY 2018-19 Total Allocation	FY 2022-23 Adopted Budget*	% of FY 2022- 23 Total Allocation	5-Year Funding Growth %
District Attorney	\$5,145,400	14.1%	\$6,052,600	14.3%	17.6%
Probation	\$8,630,000	23.7%	\$10,135,300	23.9%	17.4%
Public Defender	\$3,833,100	10.5%	\$4,649,500	11.0%	21.3%
Sheriff	\$18,228,500	50.1%	\$21,556,700	50.8%	18.3%
Fire	\$527,000	1.4%	-	0.0%	-100.0%
CSD - Parks	\$43,000	0.1%	-	0.0%	-100.0%
Total	\$36,407,000	100.0%	\$42,394,100	100.0%	16.4%

Ongoing Allocations

	District Attorney	Probation	Public Defender	Sheriff
18-19 Base Funding	\$5,145,400	\$8,630,000	\$3,833,100	\$18,228,500
<i>Increases for General Operating Costs</i>				
FY 2019-20	\$154,300	\$258,900	\$115,000	\$546,700
FY 2021-22	\$628,300	\$185,700	\$319,200	\$1,250,000
<i>Increases for Specific Programs</i>				
FY 2022-23 eSCARS Coordinator	\$124,600	-	-	-
FY 2021-22 & 2022-23 Pre-trial Services	-	\$790,300	-	-
FY 2022-23 Pre-trial Supervision	-	\$270,400	-	-
FY 2022-23 IT, Fiscal, and Misdemeanor Staff	-	-	\$382,200	-
FY 2022-23 Bodyworn Cameras	-	-	-	\$313,000
FY 2022-23 Jail Medical Contract Increases	-	-	-	\$1,218,500
22-23 Budgeted Allocation	\$6,052,600	\$10,135,300	\$4,649,500	\$21,556,700

One-time Allocations

- Use of the Prop 172 fund balance has gone towards necessary expenses that otherwise would have required General Fund dollars
 - \$941,000 in FY 2018-19 towards upgrading handheld radio equipment in Sheriff
 - \$1,285,500 in FY 2019-20 to backfill departments when Prop 172 revenues came in short of budget, due to the pandemic
 - \$437,700 to mitigate overtime usage at year-end FY 2021-22 in Sheriff
 - \$600,000 in FY 2021-22 for the Sheriff's data center replacement

FY 2022-23 General County Programs Prop 172 Fund Balance

Beginning Balance - July 1, 2022	\$15,519,100
<i>Budgeted Uses</i>	
Sheriff Alternate Worker's Comp 3-year Pilot (Year 1 of 3)	(215,000)
Sheriff Contract City Revenue Shortfall	(717,200)
<i>Recommended Uses/Earmarks</i>	
Sheriff Overtime Mitigation Pool	(2,000,000)
Sheriff Other Outstanding Claims	(1,445,000)
Sheriff Alternate Worker's Comp 3-year Pilot (Years 2 and 3)	(430,000)
Prudent Reserve	(4,000,000)
Remaining Balance	\$6,711,900

Future Uses

- \$6.7 million of one-time fund balance remains
- \$5.6 million estimated in ongoing Prop 172
- **Staff recommends the balances be considered as part of the FY 2023-24 budget development process to greatest extent possible** for the following reasons:
 - Salary and benefit costs are likely to increase substantially
 - Continuing cost increases related to insurance, workers compensation, and information technology services
 - Funding for existing Board priorities will strain General Fund resources
 - Proposition 172 could be an important revenue source for maintaining existing public safety services in the coming years

Remaining Unfunded FY 2022-23 Expansion Requests

Department	Description	FTE	Ongoing	One-Time
Sheriff	Co-Response Team Expansion	7.0	\$1,333,000	\$662,600
Sheriff	Narcotics Enforcement Team Expansion	5.0	\$1,039,900	\$175,000
Sheriff	Community Resource Deputies – Orcutt*	1.0	\$49,850	\$21,250
Sheriff	Community Resource Deputies – Montecito	1.0	\$199,400	\$85,000
Sheriff	Sheriff Service Technicians – Northern Branch Jail	6.0	\$646,800	-
Sheriff	Supervising Accountant	1.0	\$164,600	\$2,500
Sheriff	Sheriff Service Technicians – Investigations	2.0	\$215,600	-
DA	Cyber Crimes Investigator	1.0	\$182,000	-
DA	Legal Office Professional - Post-Conviction Review	0.5	\$64,300	-
Total		24.5	\$3,895,450	\$946,350

*75% of Orcutt Community Resources Deputy cost can be funded by Orcutt Community Facilities District funds

Other Potential Prop 172 Needs

Department	Description	FTE	Ongoing	One-Time
General County Programs	Annual NBJ operating costs increases	-	\$2,200,000	\$-
General County Programs	Replenish Sheriff overtime mitigation pool*	-	\$2,000,000	-
General County Programs	Funding for conflict counsel contract	-	TBD	-
Multiple Departments	Policy levers identified by Michael Wilson Consulting to safely reduce jail population	TBD	TBD	TBD
Sheriff/General Services	Main Jail rehabilitation cost increases	-	TBD	TBD
Total		TBD	\$ 4,200,000+	TBD

*Amount to replenish OT mitigation pool could vary by year, up to \$2 million if pool is fully depleted each year

Northern Branch Jail Operations Funding

- \$19.3 million allocated in FY 2022-23, the final year of the adopted funding plan
- Current budgeted operating and maintenance costs in FY 2022-23 are just over \$23.5 million
- Cost drivers include:
 - Unanticipated pension increases
 - Higher level of contracted medical service
 - Rapid growth in liability and information technology costs
- Staff will return each December with recommended annual increases

Timing Options

- Several options to provide direction to staff on the use of Prop 172 funds:
 - Mid-Year (January) Expansions
 - FY 2023-24 Recommended Budget Priorities
 - No action now

Board Recommended Action:

- a) Receive and file a report on the current status of Proposition 172 revenues and reserves;
- b) Provide any direction, as appropriate; and
- c) Determine that the above actions do not constitute a project under the California Environmental Quality Act (CEQA) based on CEQA Guidelines Section 15378(b)(5) since they are organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment.