

Fiscal Issues Report

ISSUE	POTENTIAL				NEAR TERM BUDGET IMPACT		COMMENT	Last Update
	high/med/low	onetime/ongoing	BOS discretion	Gen. Fund	Gen. Fund	Gen. Fund		
REVENUE								
1 State Budget Impacts	high	both	little	undefined	multiple		The FY 08-09 State Budget was adopted on 9/23/08. However, a special session on the budget was convened on November 5, 2008.	11/24/2008
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.	11/24/2008
3 ADMHS Cost Report Settlement Issues	high	onetime	little	17,084,000	likely		County's accrued liability is \$17M as of June 2008. 08-09 adopted budget includes \$15m from Strategic and Audit reserves to ADMHS	11/24/2008
4 Mental Health and Partner Agencies Medi-Cal Billing Exposure	high	both	little	15,400,000	likely		Disallowable costs extrapolated over the period of Fiscal Year 2002-2003 through Fiscal Year 2007-08 are roughly estimated at \$14.4M.	10/28/2008
5 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 \$679,819.	10/28/2008
EXPENDITURE								
6 Pension Fund Stability	high	ongoing	little	3,750,000	multiple		This is an existing issue. The basic pension rates increase by approximately 1% for FY2009-10 (\$3.75m), and another 2% to 3% in FY 2010-11.	11/24/2008
7 Retiree Healthcare	certain	ongoing	none	5,600,000	multiple		Prospective costs to County to directly fund postemployment healthcare benefits through a 401(k) 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%.	10/28/2008
8 County Jail - Northern Branch	med	both	much	1,019,000	yes		AB 900 grant. \$56.3M was conditionally awarded. County capital contribution is \$23.9M (\$20.6M unfunded, \$3.3 spent for land purchase). Operating cost in FY2008-09 dollars = \$13.2M or estimated \$17.4M in FY2013-14, projected first year of operation.	10/28/2008
9 June Statewide Special Election	high	onetime	little	1,500,000	yes		A Statewide Special Election is expected to occur in June of 2009. This will require the County to upfront approx \$1.5M to be reimbursed from the State in the following year.	10/28/2008
10 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.	10/28/2008
11 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
IMMEDIATE HORIZON (beyond 2008-09 fiscal year)								
12 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"	11/24/2008
13 Indian Gaming	low	ongoing	little	1,500,000	multiple		Assembly Bill 158 was signed by the Governor on 9/30/08 and will restore \$30M to the Special Distribution Fund for grants to local governments to mitigate the impacts of gaming. However the funding only covers current FY08-09 need.	10/28/2008
14 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
15 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	11/5/2008
16 Santa Maria River Levee Reinforcement Project	high	onetime	much	48,000,000	no		County is not yet at construction stage but estimated cost of \$48 million would satisfy the highest-priority areas near the city. The cost of repairing the entire levee would be \$350 million.	10/28/2008
17 Goleta Revenue neutrality	certain	ongoing	little	6,440,000	yes		FY 12-13 voter approved Goleta revenue neutrality agreement adjust.	10/28/2008
18 Fiscal Year 2009-2010 Budget Gap	high	ongoing	much	8,798,000	yes		Projected shortfall for Fiscal Year 2008-09. Expected to increase to \$18.1M in Fiscal Year 2009-2010.	10/28/2008