

# FY 2025-26 BUDGET UPDATE Third Quarter



COUNTY OF  
SANTA BARBARA

June 9, 2026  
County Executive Office

# Today's Report

FY 2025-26 Budget and Financial Status  
Update on the County's 3rd Quarter financial  
position relative to the adjusted budget

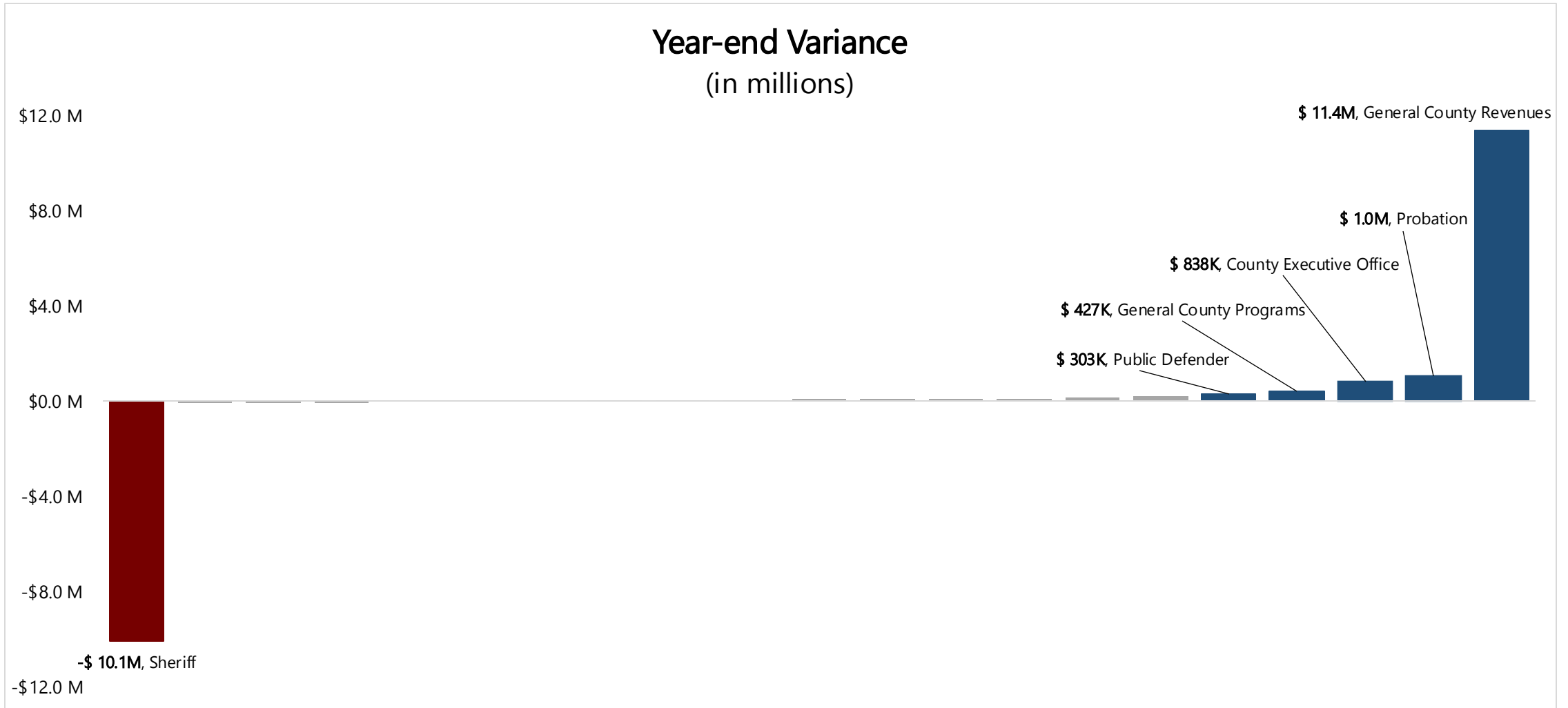
## Background

- Compares third quarter financial position as of March 31, 2026 against the adjusted budget
- Reportable variance threshold:
  - General Fund >\$300K per department, and;
  - Special Revenue Funds >\$500K per Fund
- If projected expenditures exceed appropriations, the department head must:
  - Reduce spending to stay within the approved budget
  - Request release of available department fund balance
  - Submit a General Fund transfer request and Board of Supervisors agenda item with justification

# General Fund Summary by Department

**\$4.7 M**

Projected  
Positive Variance



# General Fund Significant Net Financial Impacts

## General Revenues

Variance	% Budget
<b>\$11.4M</b>	<b>2.8%</b>

Notable Variances by Source	General Revenues Source	Variance
	Property Taxes	\$5.8M
	Interest Income	\$4.7M
	Transient Occupancy Tax	\$2.3M
	Sales and Use Tax	\$1.2M
	Other Revenues	(\$306K)
	Other Transfers	(\$2.3M)

**General Fund**  
Significant Net  
Financial Impacts

**County Executive Office**  
**Probation**  
**Public Defender**  
**General County Programs**

Variance	% Budget
<b>\$838K</b>	<b>8.4%</b>
<b>\$1.0M</b>	<b>1.1%</b>
<b>\$303K</b>	<b>1.1%</b>
<b>\$427K</b>	<b>0.2%</b>

County Executive Office,  
Probation & Public Defender

Savings generated by staffing  
vacancies on funded positions

General County Programs

Savings in services and supplies on  
contracts that did not materialize

**General Fund  
Significant Net  
Financial Impacts**

**Sheriff**

Variance	% Budget
(\$10.1M)	(4.4%)

Overrun in overtime

Overtime costs through Q3 totaled \$13.6 million or 134% of the annual overtime budget of \$10.1 million

At current rates, costs are expected to exceed OT budget by \$7.4 million, totaling \$17.5 million

Overage in Extra Help & Unrealized Salary Savings

Extra help costs are expected to exceed budget by \$1 million and salary savings are projected to come in \$2 million under target due to fewer vacancies than anticipated

Additional Reviews

CEO continues to provide additional oversight of hiring, purchase orders and extra help use

# General Fund Significant Net Financial Impacts

## Sheriff

Variance	% Budget
(\$10.1M)	(4.4%)

- Sheriff’s Office has not exceeded budget to this degree in the past eight years
- Historically, salary savings has covered more of the overtime overspending, but vacancies have been lower this year
- Will return to the Board on June 23 with a staff report and budget revision to address the deficit

### Sheriff Year-End Actuals

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 Projected
<b>Total Sources</b>	144,539,691	151,996,949	161,938,990	174,664,373	188,339,361	201,825,575	215,529,252	228,003,274
<b>Total Uses</b>	145,597,264	156,384,906	162,485,135	175,102,072	189,826,656	201,794,487	221,953,823	238,064,752
<b>NFI</b>	(1,057,573)	(4,387,957)	(546,145)	(437,699)	(1,487,295)	31,089	(6,424,571)	(10,061,478)

Special  
Revenue and  
Other Funds  
Significant Net  
Financial Impacts

## Workers' Comp (Fund 1911)

Variance	% Budget
<b>\$1.3M</b>	<b>5.3%</b>

Workers' Comp Self  
Insurance Fund

Positive variance primarily due to \$1.8M dividend from PRISM, the County's insurance pool, due to excess premiums paid in FY 24-25, slightly offset by higher than anticipated claims in current year. These funds will be used to offset future year rate increases beginning FY 26-27

**Special  
Revenue and  
Other Funds  
Significant Net  
Financial Impacts**

	Variance	% Budget
<b>IT Shared Services (Fund 1915)</b>	<b>\$1.3M</b>	<b>3.6%</b>
<b>IT Communications (Fund 1919)</b>	<b>\$1.1M</b>	<b>4.1%</b>

IT Shared Services

Mainly due to salary savings from vacant, funded positions and steadily high interest income earnings.

IT Communications

Mainly due to steady interest income earnings, salary savings, and lower than anticipated expenditures for equipment maintenance and professional services. Some of the interest income is related to the COP debt for the Public Safety Radio Network Project, and is restricted.

Surpluses for both are put towards costs in future years in an effort to keep rate increases as low as possible.

Special Revenue and Other Funds Significant Net Financial Impacts

**In-Home Support Services (Fund 0056)**

Variance	% Budget
(\$569K)	3.6%

**Social Services (Fund 0055)**

(\$2.0M)	0.9%
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Underestimated local share of IHSS costs

Increases to provider salaries and benefits were not included in cost estimates; left the fund with a **structural** deficit and no fund balance to address the gap

Unanticipated costs in Child Welfare Services, Adoptions and Foster Care

Lower than anticipated attrition and reimbursement for child welfare activities; increasing cost per case in Adoptions and Foster Care

General Fund support will be necessary at year end

Will return to the Board on June 23 with a staff report and budget revision to address the deficit

# Q3 Funded Vacancies

Departments with rates at or greater than 15%

469.9 Funded Vacancies

Behavioral Wellness, 20% (97/483 FTE)

Child Support Services, 20% (13.75/69 FTE)

County Executive Office, 20% (9/46 FTE)

Ag Commissioner, 17% (6/36 FTE)

## Key Takeaways

- The overall funded vacancy rate at the end of Q3 was 10%, up from 8% at the end of Q2
- Total funded vacancies increased by 86.6 FTE from Q2 to Q3
- 8 Departments had funded vacancy rates of 7% or under
- Unused funds are returned to the General Fund or associated funding source at year end

# Recommended Actions

- a) Receive and file the Fiscal Year (FY) 2025-26 Third Quarter Budget and Status Report as of March 31, 2026, showing the status of appropriations and financing for departmental budgets adopted by the Board of Supervisors;
- b) Provide other direction as appropriate; and
- c) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA), because pursuant to sections 15378(b)(4) and 15378(b)(5) the recommended actions consist of organizational, administrative, or fiscal activities of government that will not result in direct or indirect physical changes in the environment.