

FY 2023-24

BUDGET UPDATE

Third Quarter



one
COUNTY
one
FUTURE

COUNTY OF
SANTA BARBARA

June 4, 2024
County Executive Office

Today's Report

FY 2023-24 Budget and Financial Recap
Update on the County's 3rd Quarter financial
position relative to the adjusted budget

Background

- Compares 3rd Quarter financial position as of March 31, 2024 against the adjusted budget
- Reportable variance threshold:

General Fund

>\$300K per department, and;
Departments that would have ended negative without additional assistance

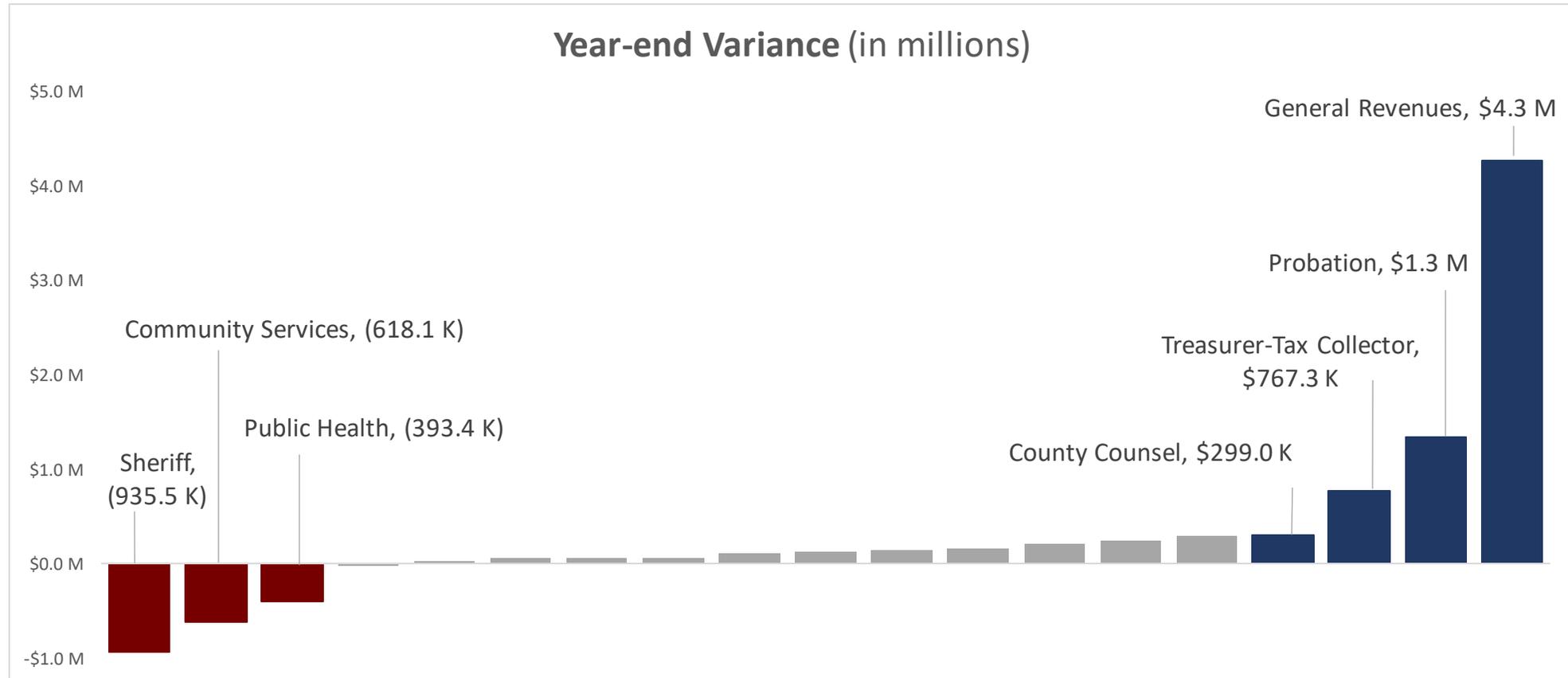
Special Revenue Funds

>\$500K per department

General Fund Summary by Department

\$6.3 M

Projected Positive
Variance



General Fund Significant Net Financial Impacts

General Revenues Cannabis Taxes

Variance	% Budget
\$4.3M	1.1%
(\$1.8M)	(24%)

Notable Variances by
Source

General Revenues Source	Variance
Property Taxes	(\$1.7M)
Interest Income	\$3.7M
Reduced GFC xfer to DSS	\$865K
Franchise Fees	\$604K
Sales and Use Tax	\$500K
Other Revenues	\$303K

- Cannabis Taxes projected lower than budgeted
 - Shortfall is due to timing of retail operators completing land use entitlement and business licensing process, and lower than anticipated retail storefront receipts

General Fund
Significant Net
Financial Impacts

Probation
Treasurer-Tax Collector
County Counsel

Variance	% Budget
\$1.3M	1.5%
\$767K	7.3%
\$299K	2.4%

Probation, Treasurer-Tax
Collector, County Counsel

Savings generated by staffing
vacancies

General Fund
 Significant Net
 Financial Impacts

Public Health - Animal Services
Community Services - Parks

Variance	% Budget
(\$393K)	(6.4%)
(\$618K)	(1.3%)

Public Health-Animal Services

Decreased animal licensing revenues; increases in food, pharmaceuticals and contracted support

Dept will draw on available fund balances in the current FY to cover these cost overages.

Community Services-Parks

Delayed concessionaire revenues at Goleta Beach; decreased day use and camping revenues due to winter 2024 storms

Pursuing business interruption insurance to recoup some losses; any remaining year-end deficit will be absorbed by General Fund. General Fund will be reimbursed if insurance payments are received.

General Fund

Significant Net Financial Impacts

Sheriff

Variance

% Budget

(\$935K)

(0.4%)

Overrun in overtime and pharmaceutical costs

Overtime costs projected over budget by \$11M

- Should be covered primarily by salary and benefit savings due to numerous funded vacancies

Pharmaceutical costs are expected to exceed budget by \$664K

- Negotiations continuing with Wellpath to receive credits for missed and/or understaffed shifts over the current contract term
- Public Health will soon be bringing a Board letter to allocate opioid settlement funds, which could help to reduce Sheriff's negative variance

\$2 million Prop 172 set aside available to mitigate any remaining year-end deficit

\$2 Million Set-Aside

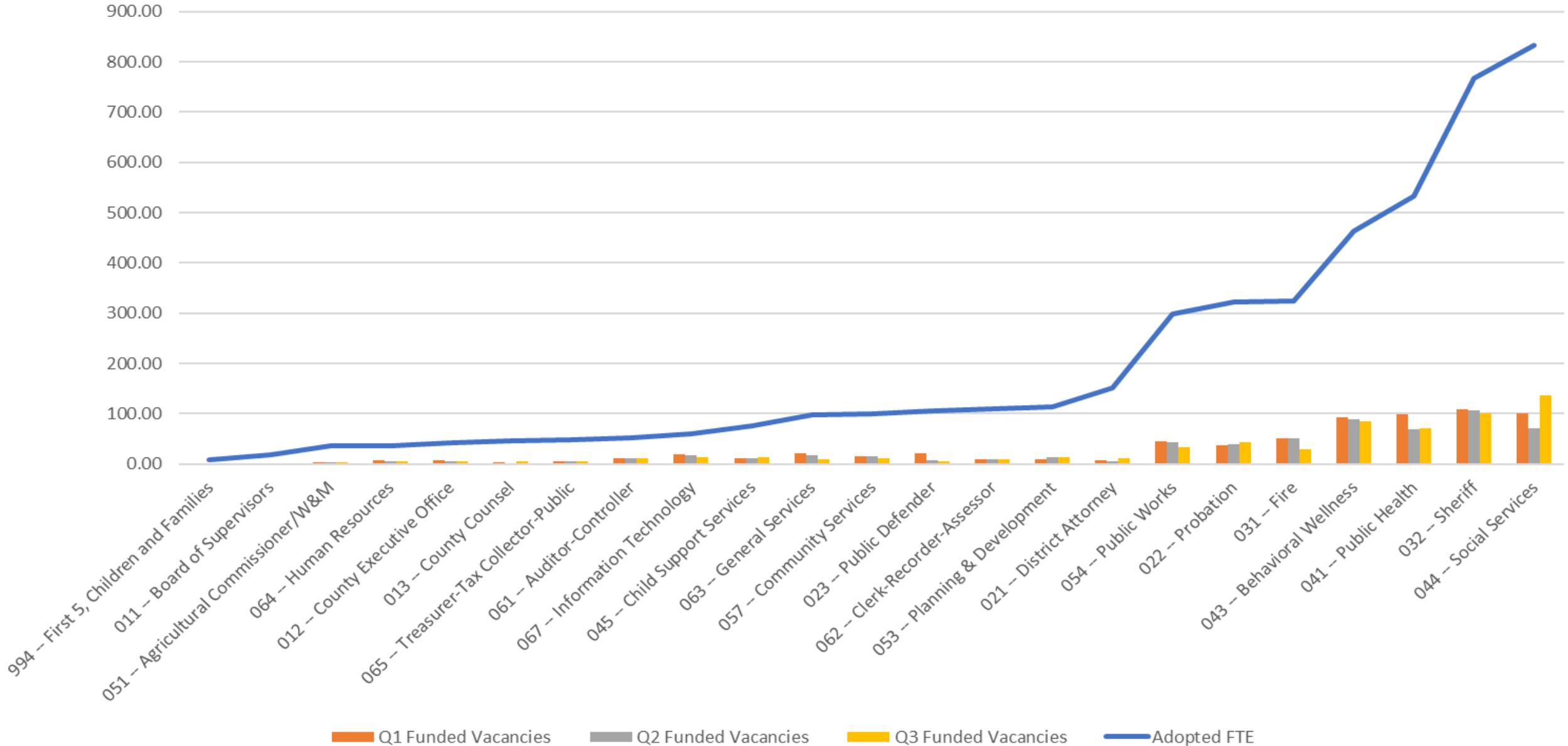
- In October 2022, the Board authorized a budget policy maintaining a \$2 million set-aside in Prop 172 fund balance for:
 - Sheriff overtime costs
 - New Hire Incentive Program reimbursement
 - Referrals for hard-to-fill positions (e.g. Custody Deputies)
 - Over-hires if Sheriff's Office can fill staff positions to capacity
- Only to be released upon recommendation of the CEO and approval by the Board to balance the Sheriff's budget at year-end

Special Revenue Funds

Significant Net Financial Impacts

- Fire Protection District (Fund 2280)
 - **Positive \$3.85 million variance** due to deferred hiring related to the Regional Fire Communication Center (RFCC) Dispatch project, in addition to several unanticipated vacancies across multiple sections within the Fire Department.
- Information Technology Shared Services (Fund 1915)
 - **Positive \$906 thousand variance** due primarily to savings in Salaries and Benefits from several vacant positions.
- County Liability Self Insurance (Fund 1912)
 - **Positive \$775 thousand variance** due to an unanticipated reimbursement related to a property damage claim; this revenue will be preserved in a retained earnings account for use in future years to offset rates charged to departments.

FY 2023-24 Funded Vacancies by Quarter



Recommended Actions

- a) Receive and file the Fiscal Year (FY) 2023-24 Third Quarter Budget and Status Report as of March 31, 2024, showing the status of appropriations and financing for departmental budgets adopted by the Board of Supervisors; and
- b) 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.