



BOARD OF SUPERVISORS
AGENDA LETTER

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:

Department Name: CEO/Human Resources
Department No.: 064
For Agenda Of: 9/25/07
Placement: Departmental
Estimated Tme: 45 minutes
Continued Item: Yes
If Yes, date from: June 27, 2007
Vote Required:

TO: Board of Supervisors
FROM: Department Director(s) Michael F. Brown, County Executive Officer
Susan Paul, Assistant CEO/HR Director 568-2817
Contact Info: Jeri Muth, Assistant HR Director 568-2816
SUBJECT: Financial Analysis Report

County Counsel Concurrence

As to form: Select_Concurrence

Other Concurrence: **Select_Other**

As to form: Select_Concurrence

Recommended Actions:

That the Board of Supervisors:

1. Receive the County of Santa Barbara Financial Analysis Report.

Summary Text: On June 27, 2007, during a Board meeting in which certain options related to Maddy funding were discussed, a number of other potential financial challenges facing the County of Santa Barbara were also raised. As a result of that discussion, the Board directed the CEO to conduct a review and analysis of each of the issues. The Project Team has completed its analysis of the items discussed on June 27, 2007 as well as several others that emerged during the course of its review and as a result of the August 24, 2007 adoption of the State Budget. The financial analysis is complete and has resulted in the submission of the attached report to the Board.

Background:

On June 27, 2007, the Board identified approximately 15 issues with potential financial impacts to the County. These potential issues included:

- 2008 Presidential Primary

Auditor-Controller Concurrence

As to form: Select_Concurrence

- Reductions in Property Tax growth
- Citizenship eligibility for Medi-Cal benefits
- Public Works Encroachment Permits
- Goleta Beach repairs and long term protection plan
- Measure D funding
- North County CARES Residential Unit
- Pension Fund Stability
- A new County jail
- State contributions to Department of Social Services (DSS) for “cost of doing business
- Healthcare reforms
- Lake Cachuma Surcharge
- Santa Maria River Levee Reinforcement Project
- State reimbursements for Alcohol, Drug, and Mental Health Services (ADMHS)

A project team was formed and has completed a thorough analysis of the critical financial issues facing the County. The Team worked closely with subject matter experts in affected County departments in conducting its review and analysis. In addition, during the course of the review, the State Budget was adopted on August 24, 2007 and though it restored Williamson Act Backfill funding, it included a number of significant cuts that may further impact the County’s financial infrastructure. State Budget cuts included reductions in Proposition 36 funding, elimination of funds from the Indian Gaming Special Distribution Fund, and a variety of cuts in grant funding. These State Budget impacts are estimated at \$2.4M. In addition, the State Budget did not provide the approximate \$1.5M in reimbursement funding for the 2008 Presidential Primary election. Efforts are underway on several funds to restore funding.

The attached report provides both an Executive Summary of each of the issues as well as the analysis of each of the key issues identified by the Board and the Project Team.

Fiscal and Facilities Impacts:

Budgeted:

Fiscal Analysis:

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cc: John Baker, Planning and Development
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