

FY 2009-10 Fiscal Issues Report #1 (8/18/2009)

ISSUE		LIKELIHOOD OF ISSUE			NEAR TERM BUDGET IMPACT		COMMENT	Last Update
		high/ med/low	onetime/ ongoing	BOS discretion	Amount	Gen. Fund		
REVENUE								
1	State Budget Impacts	high	both	little	undefined	multiple	Amendments to State FY 2009-10 budget enacted on July 28, 2009. Budget includes borrowing of Proposition 1A funds from local government. Full presentation of budget impacts to the County scheduled for hearing on 8/18/09.	8/4/2009
2	ADMHS Cost Report Settlement Issues	high	onetime	little	12,649,056	yes	County's accrued liability was \$17M as of June 2008. In FY 08-09, the liability was reduced by \$2.8 million and includes payments of \$2.2 million to the State. FY 09-10 Adopted Budget includes \$12.5M from General Fund Strategic and Audit reserves to ADMHS.	8/4/2009
3	Mental Health and Partner Agencies Medi-Cal Billing Exposure	med	both	little	14,400,402	yes	Potential disallowable MISC/CEC program costs extrapolated over the period of Fiscal Year 2002-2003 through Fiscal Year 2007-08 are estimated at \$14.4M. \$1.6M was transferred from Strategic Reserve to fund FY 08-09 liability. No repayment source has been identified. Ongoing negotiations are taking place to reduce/eliminate potential costs to County.	8/4/2009
EXPENDITURE								
4	Pension Fund Stability	high	ongoing	little	3,750,000	multiple	Pension rates increase by 1% for FY 2009-10 (\$3.8m or 5%). However, primarily due to recent significant losses in the Santa Barbara County Employees' Retirement System (SBCERS), rates could potentially increase by 16% for FY 2010-11 (\$54.9M or 69%).	5/13/2009
5	Retiree Healthcare	certain	ongoing	none	5,600,000	multiple	Prospective costs to County to directly fund post employment healthcare benefits through a 401(h) 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%.	5/11/2009
6	May Statewide Special Election	high	onetime	little	1,100,000	yes	A Statewide Special Election occurred on May 19th, 2009. This required the County to upfront \$1.1M from Strategic Reserve to be reimbursed from the State in the following Fiscal Year 2009-2010. The reimbursement is not included in the adopted State budget.	8/7/2009
7	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).	5/11/2009
IMMEDIATE HORIZON (beyond 2009-10 fiscal year)								
8	County Jail - Northern Branch	med	both	much	1,019,000	yes	AB 900 grant \$56.3M was conditionally awarded. The grant process is currently held up by the State. County capital contribution is \$23.9M (\$20.6M unfunded, \$3.3 spent for land purchase). Operating cost in FY2008 -09 dollars = \$13.2M.	5/11/2009
9	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"	12/19/2008
10	Indian Gaming	low	ongoing	little	1,500,000	multiple	SB 357 was introduced on 2/25/09 and amended on 4/1/09 to extend the Special Distribution Fund grants for mitigation of gaming until 1/1/2021. Bill passed in Governmental Organization Committee 17-0. Bill currently on Appropriations Suspense File.	8/4/2009
11	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.	5/11/2008
12	Goleta Revenue neutrality	certain	ongoing	little	3,740,000	yes	FY 12-13 voter approved Goleta revenue neutrality agreement adjusts.	3/9/2009
13	Fiscal Year 2010-2011 Budget Gap	high	ongoing	much	24,056,812	yes	Projected General Fund shortfall for Fiscal Year 2010-11 primarily a result of the impact of Retirement Fund market losses.	4/9/2009
14	Selected County Revenues	high	both	little	9,327,856	multiple	Due to the economic downturn a number of sales tax driven revenues are declining. This item represents the projected impact on selected revenues dedicated to Public Safety Departments, Social Service, Mental Health and Public Health for FY 2010-11.	8/7/2009
15	Santa Barbara RDA	high	ongoing	little	6,000,000	yes	The tax increment of the City of Santa Barbara RDA will expire, if not modified or extended, resulting in the County General General Fund (\$5.5M), Flood Control District (\$400k), and Water Agency (\$100k) once again receiving the tax increment apportionment beginning FY 2014-15	