



COUNTY OF  
SANTA BARBARA

FY 2019-20  
**QUARTER 3**  
**BUDGET UPDATE**

May 19, 2020  
County Executive Office

# Today's Report

## Financial Status as of March 31, 2020

- General Fund
- Special Revenue and Other Funds

## Anticipated Fiscal Impacts of the COVID-19 Pandemic





# Financial Status

# Background

- **Financial Status**

- Compares projected year-end actuals as of March 31, 2020 against the adjusted budget
- Reportable variance thresholds:

General Fund > **\$300K** per department

Special Revenue and  
Other Funds > **\$500K** per fund

- **Budget Policy**

- Departments responsible for maintaining expenditures within Board-approved appropriations
- Board-adopted policy specifies options for departments if expenditures are projected to exceed appropriations

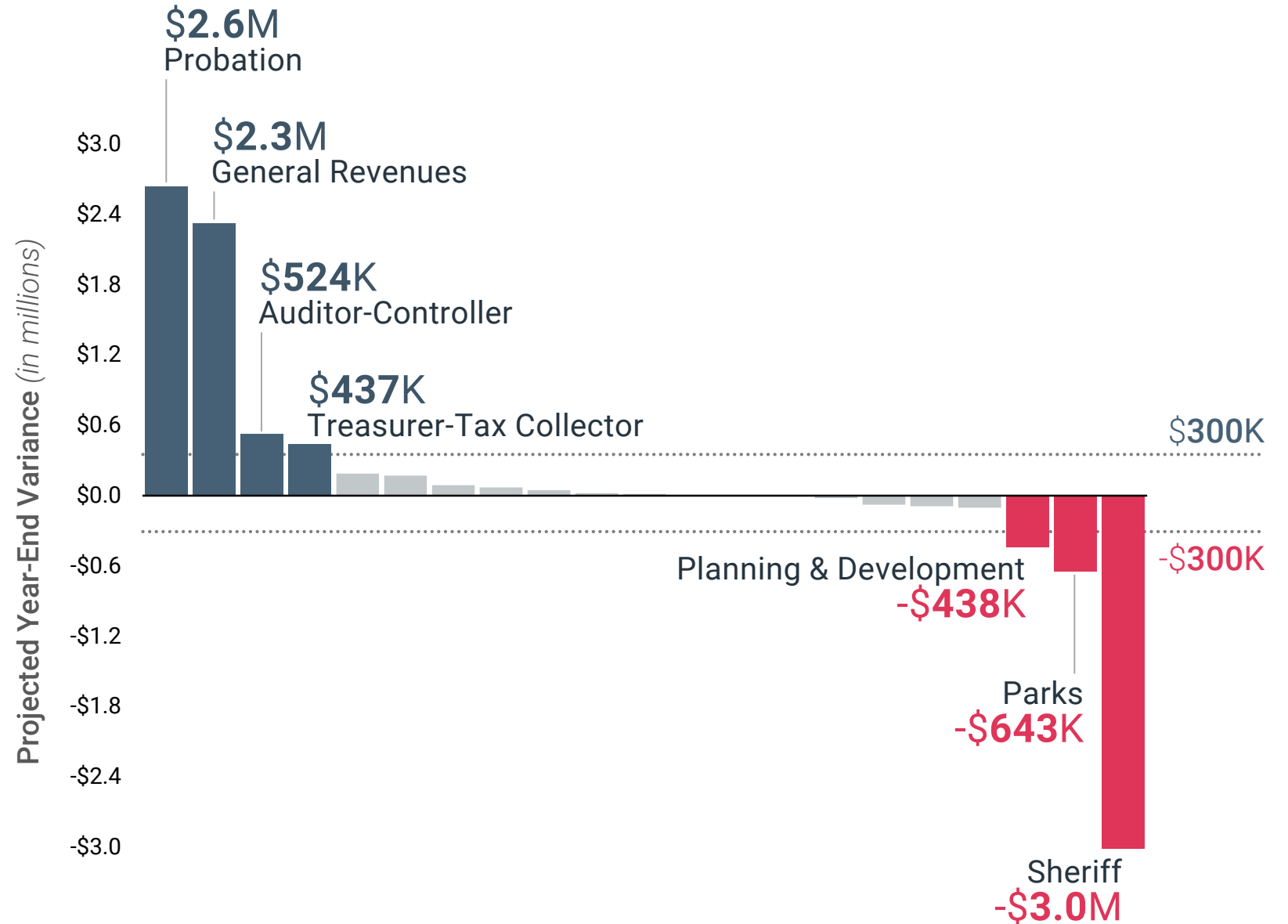
# General Fund Summary

**\$2.1M**

Projected Net  
Positive Variance  
*as of March 31, 2020*

**7**

Reportable  
Variances



# General Fund

## Reportable Variances

### Operating/Internal Service Departments

Positive variances largely due to salary savings from vacant positions

### General Revenues

Projected to end the year above budget by **\$2.3M**—less than in prior years

#### Notable Variances

Revenue	Variance
Cannabis Tax	\$3.6M
Property Taxes	\$2.6M
Interest Income	\$0.9M
Transient Occupancy Tax	-\$1.9M

# General Fund

## Reportable Variances

### Planning & Development

**-\$438K**

- Some impact from COVID-19 pandemic on permit activity
- Revenue shortfall largely due to:
  - Unrecoverable costs for cannabis appeals processing
  - Staff vacancies early in the year and lower billable rates for planners-in-training in Development Review

### Parks

**-\$644K**

Losses in camping revenues and charges for services due to the closure of park facilities in response to the COVID-19 pandemic

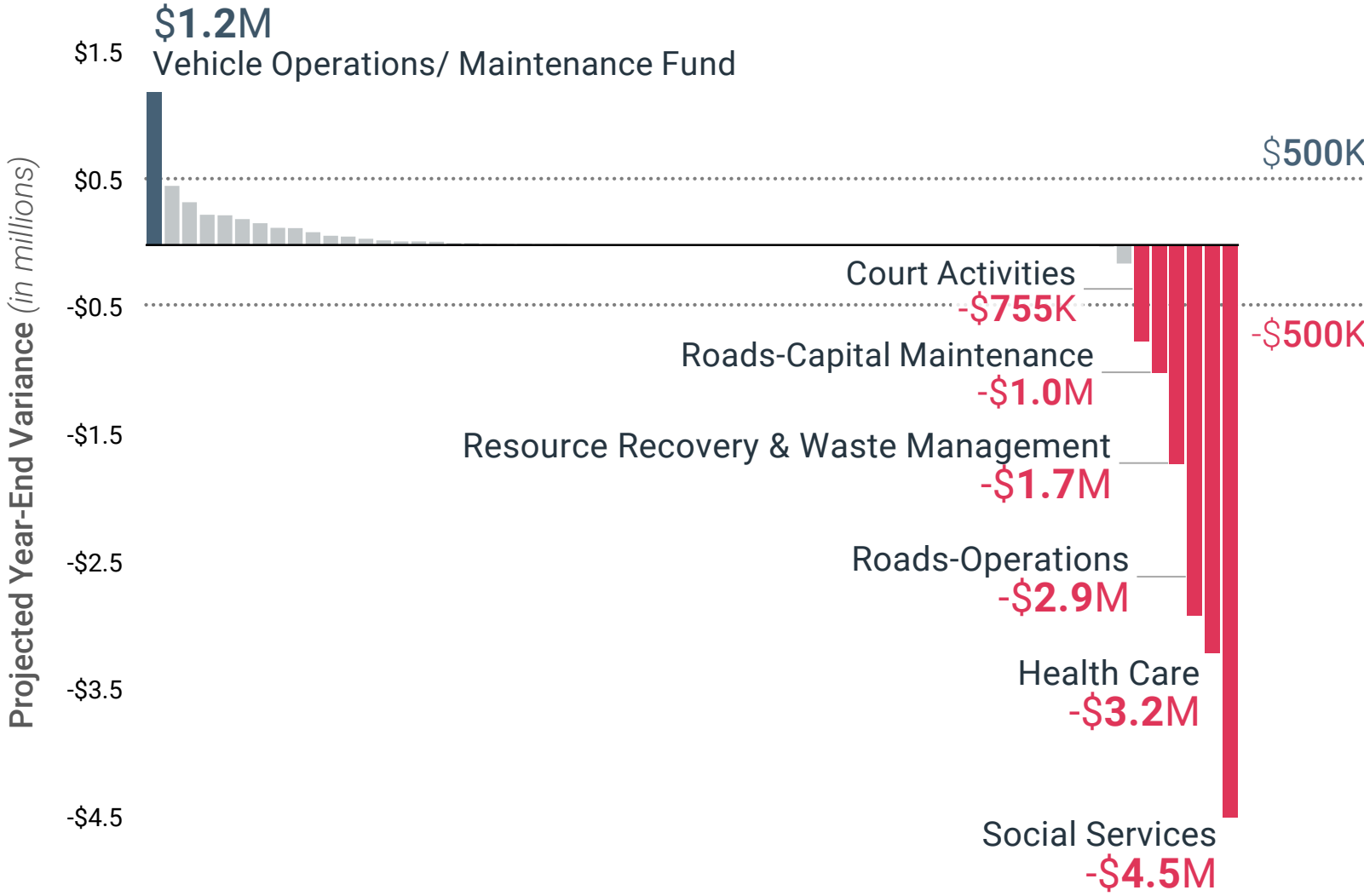
### Sheriff

**-\$3.0M**

- Primarily due to overtime costs largely resulting from minimum staffing
- COVID-19-related costs contribute to variance

# Special Revenue and Other Funds Summary

## 7 Reportable Variances





## Special Revenue and Other Funds Reportable Variances

### Vehicle Operations/Maintenance Fund **\$1.2M**

- Favorable variances in Charges for Services for vehicle usage
- Salary savings from vacant positions
- Postponed vehicle purchases caused by COVID-19-related suspensions of vehicle manufacturing

### Court Activities **-\$755K**

- COVID-19-related reductions in fees, fines, forfeitures, and penalties
- Unanticipated increased costs for Court-appointed attorneys for complex cases
- General Fund will need to close any year-end deficit

# Special Revenue and Other Funds Reportable Variances

## Roads—Capital Maintenance

**-\$1.0M**

- COVID-19-related impacts to revenues generated by state excise taxes on gasoline and diesel as well as vehicle registration fees and electric vehicle fees
- Public Works will use fund balance to close any year-end deficit

## Roads—Operations

**-\$2.9M**

- Projected shortfall in revenues:
  - **State Highway Users Tax (HUTA)** – Generated largely through state excise taxes on gasoline and diesel
  - **Measure A** – Based on sales tax revenues
- Public Works will use fund balance to close any year-end deficit

## Special Revenue and Other Funds Reportable Variances

### Resource Recovery & Waste Management

**-\$1.7M**

- COVID-19-related declines in incoming tonnages at facilities resulting in revenue losses
- Delay in receipt of CalRecycle grant and reduction in commercial waste hauling contribute to variance
- Public Works will use fund balance to close any year-end deficit

### Health Care

**-\$3.2M**

- COVID-19-related impacts to revenues due to redirection of staff from grant and health center programs
- COVID-19-related impacts to expenses to support and provide core public health response
- Public Health will use fund balance to close any year-end deficit

## Special Revenue and Other Funds Reportable Variances

### Social Services

**-\$4.5M**

- Projected shortfalls in 1991 and 2011 Realignment revenues due to declines in taxable sales
- Social Services will use fund balance to close any year-end deficit



# Projected COVID-19 Impacts



# COVID-19 Impacts

## FY 2019-20

- Year-end projections reflect anticipated impacts of COVID-19 on revenues and expenditures
- **Expected Significant Impacts**
  - **General Fund:** Discretionary Revenues
  - **Non-General Fund**
    - Public Health
    - Behavioral Wellness
    - Social Services
    - Public Health
- One-time fund balance draws in affected departments will address current year budgetary impacts

# COVID-19 Impacts

## FY 2019-20

### Major Revenue Categories

General Fund Discretionary Revenues	\$ 2,245,300
1991 & 2011 Realignment (PHD, BW, DSS)	11,513,300
Transportation Revenues (SB 1 Gas Tax, HUTA, Measure A)	3,989,000
Prop 172 Public Safety Sales Tax	2,000,000
<b>Total Estimated Revenue Loss</b>	<b>\$ 19,747,600</b>

### Response Cost Categories

Alternative Care Sites	\$ 450,000
EOC Operations, Public Health DOC, and Overtime Response Staffing	2,682,000
Temporary Shelter and Accommodations	500,000
COVID-19 Testing and Contact Tracing	500,000
Paid Leave Time Provided to Employees	1,250,000
<b>Total Estimated Response Cost</b>	<b>\$ 5,382,000</b>

**Total Estimated Impact \$ 25,129,600**

# COVID-19 Impacts

## FY 2020-21

- Budgetary impacts of COVID-19 pandemic will continue
  - Higher costs
  - Reduced revenues
- Anticipated impacts will be incorporated in the CEO's FY 2020-21 Recommended Budget

# COVID-19 Impacts

## FY 2020-21

### Major Revenue Categories

General Fund Discretionary Revenues	\$ 3,597,000
1991 & 2011 Realignment (PHD, BW, DSS)	10,618,000
Transportation Revenues (SB 1 Gas Tax, HUTA, Measure A)	3,916,000
Prop 172 Public Safety Sales Tax	3,616,000
<b>Total Estimated Revenue Loss</b>	<b>\$ 21,747,000</b>

### Response Cost Categories

Alternative Care Sites	\$ 2,750,000
EOC Operations, Public Health DOC, and Overtime Response Staffing	1,000,000
Temporary Shelter and Accommodations	850,000
COVID-19 Testing and Contact Tracing	750,000
Paid Leave Time Provided to Employees	250,000
<b>Total Estimated Response Cost</b>	<b>\$ 5,600,000</b>

**Total Estimated Impact \$ 27,347,000**



# Recommended **Action**

Receive and file the FY 2019-20 Third Quarter Budget Update as of March 31, 2020 showing the status of appropriations and financing for departmental budgets adopted by the Board of Supervisors.