

# FY 2024-25 BUDGET UPDATE Fourth Quarter



one  
COUNTY  
one  
FUTURE

COUNTY OF  
SANTA BARBARA

September 23, 2025  
County Executive Office



# Today's Report

FY 2024-25 Budget and Financial Recap  
Update on the County's 4th Quarter financial  
position relative to the adjusted budget

# Background

- Compares 4<sup>th</sup> quarter financial position as of June 30, 2025 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**

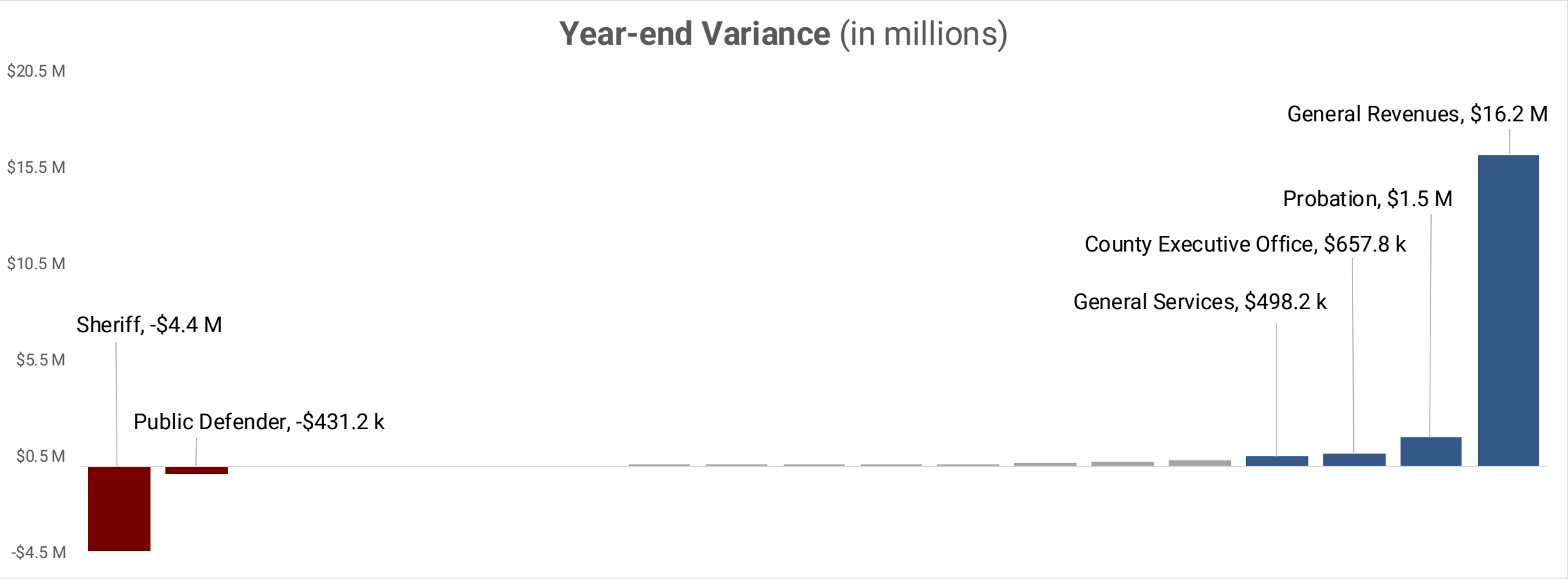
End the fiscal year balanced

# General Fund

## Summary by Department

\$14.7M

Positive Variance



General Fund  
Significant Net  
Financial Impacts

General Revenues  
Cannabis Taxes

Notable Variances  
by Source

		Variance	% Budget
		\$16.2M	4.2%
		(\$958K)	(15.6%)
General Revenues Source		Variance	
Property Taxes		\$6.4M	
Transient Occupancy Tax		\$4.5M	
Interest Income		\$3.5M	
Property Transfer Taxes		\$1.2M	
Sales and Use Retail State Tax		\$954K	
Cannabis Tax		(\$958K)	
Other Revenues		(\$383K)	

- Cannabis Taxes ended lower than budgeted
  - Shortfall primarily due to a decrease in cultivation tax receipts driven by operator attrition

**General Fund**  
Significant Net  
Financial Impacts

**Probation**  
**County Executive Office**  
**General Services**

Variance	% Budget
\$1.47M	1.6%
\$658K	6.3%
\$498K	1.6%

**Probation & County Executive  
Office**

Positive variance due to lower-than-anticipated expenditures in Salaries and Benefits generated by staffing vacancies

**General Services**

Positive variance due to lower-than-budgeted expenditures in Services and Supplies and Other Charges, driven by underspending on maintenance and janitorial services

General Fund  
Significant Net  
Financial Impacts

Sheriff

Variance	% Budget
(\$4.4M)	(2.0%)

Greater-than-anticipated deficit driven primarily by overtime costs in custody operations despite lower vacancies

- Overspending masked by \$3.3M in unrealized grant, realignment and law enforcement program revenue
- Full \$2M Proposition 172 set aside used to cover training backfill costs
- \$3.5M release of General County Program funds used to cover anticipated costs of jail medical and DSA side letter - neither contributed to the \$4.4 million deficit
- Review of overtime timecoding practices referred to the Auditor’s Office
- Improved budget monitoring practices for overtime and outside revenue sources recommended

General Fund  
Significant Net  
Financial Impacts

Public Defender

Variance	% Budget
(\$431K)	(1.7%)

Public Defender

Deficit was primarily driven by higher-than-expected salaries & benefits and expert costs, along with lower-than-anticipated grant revenue from delayed program implementation.

Overspending in some areas was masked by unspent appropriations from delayed grant programs, making the overall budget appear sufficient and masking the shortfall.



Special  
Revenue  
Funds

Significant Issues

Social Services

Social Services

Variance	% Budget
\$-	0.0%

\$1.58M deficit at year-end was primarily due to unanticipated growth in categorical aid payments and overestimated salary savings

Department used \$624K in fund balance, a \$305K set-aside, and \$655K in General Fund (originally budgeted in FY 2025-26) to close the year balanced

The Department will return to the board later this fall with proposed measures to balance the FY 2025-26 budget

# Funded Vacancies

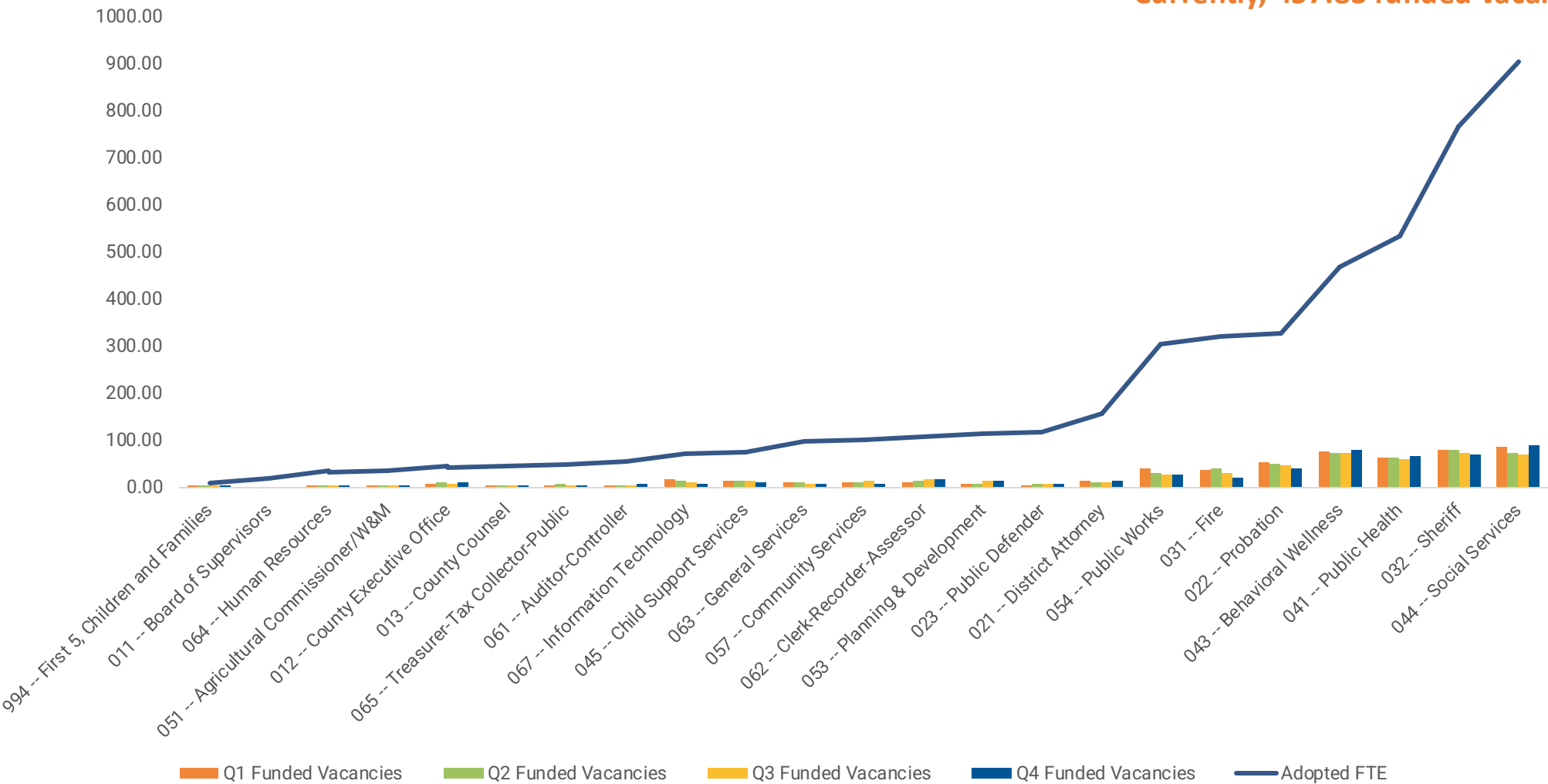
## Summary by Department

513.55

Funded Vacancies

As of June 30, 2025.  
Currently, 457.83 funded vacancies

FY 2024-25 Funded Vacancies by Quarter



## **Anticipated FY 2026-27 Needs**

- Positive variances (savings) at year-end are common; we have used these savings to fund capital improvement projects and one-time priorities in following fiscal year budget.
- Staff recommends the \$14.7 M positive variance in the General Fund balance be reserved for construction costs for the expansion at the Northern Branch Jail.
- One-time funds to reduce construction cost will reduce ongoing debt service costs and therefore impacts to County operations.
- \$14 million toward construction costs would reduce debt service by an estimated \$1 million ongoing.

# Recommended Actions

- a) Receive and file the Fiscal Year (FY) 2024-25 Fourth Quarter Budget and Status Report as of June 30, 2025, 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.