



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

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

Department Name: County Executive Office
Department No.: 012
For Agenda Of: June 14, 2022
Placement: Departmental
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Director(s) Mona Miyasato, County Executive Officer
Contact Info: Nancy Anderson, Assistant County Executive Officer

SUBJECT: Fiscal Year 2022-23 Recommended Budget

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

It is recommended that the Board of Supervisors of the County of Santa Barbara (acting concurrently as the Board of Supervisors of the County of Santa Barbara and the Board of Directors of the Santa Barbara County Fire Protection District, Santa Barbara County Flood Control and Water Conservation District, Laguna County Sanitation District, Santa Barbara County Water Agency and other special districts under the supervision and control of the Board of Supervisors):

- a) Receive, consider, and file the Fiscal Year 2022-23 Recommended Budget (Attachment A);
- b) Approve final budget adjustments (Attachment A-2) to the Fiscal Year 2022-23 Recommended Budget;
- c) Adopt the Resolution of the Board of Supervisors entitled In the Matter of Adopting the Budget for Fiscal Year 2022-23 (Attachment D);
- d) Approve budget adjustments in the form of Attachment E, as amended during the hearings, to the Fiscal Year 2022-23 Recommended Budget;
- e) Delegate authority to the Chair of the Board to execute single-year renewals of grants and contracts (Attachments B and C) previously approved by the Board and included in the Fiscal Year 2022-23 Recommended Budget, where contract amounts are within 10% of previously contracted amounts;

- f) Receive the draft salary resolution (Attachment F), direct any specific changes made during the June 2022 budget hearings, and adopt that amended salary resolution to be effective July 1, 2022, which updates job classifications and department position allocations to include positions approved by the Board of Supervisors during the Fiscal Year 2022-23 budget hearings;
- g) Adopt position changes previously approved by the County Executive Officer during Fiscal Year 2021-22 under Board Resolution 99-486, as shown in Attachment G; and
- h) Determine pursuant to CEQA Guidelines §15378(b)(4) that the above fiscal activities are not a project subject to the California Environmental Quality Act.

Summary Text:

The Fiscal Year (FY) 2022-23 Recommended Budget is hereby submitted to the Board of Supervisors pursuant to the County Budget Act (California Government Code § 29000 et seq.), which specifies that the Board of Supervisors must adopt a balanced budget each year, with funding sources equal to financing uses. Any Board adjustments to the budget made during June budget hearings will also be incorporated in the form of Attachment E. The information in this letter, attachments, and hearing binder are provided to enable the Board to adopt the FY 2022-23 budget during budget hearings. Budget hearings are scheduled for June 14 and, if necessary, June 15, and may also be continued into the following week.

Discussion of individual department work initiatives and budgets for the coming year were reviewed with the Board during the budget workshops conducted in April. The purpose of the budget hearings is to provide the Board with an overview of the budget, respond to questions about the budget, and provide updates to department budgets since the April workshops. The FY 2022-23 Recommended Budget was made available to the public on May 27, 2022 via the County's website and by paper copy in the Clerk of the Board's office in Santa Barbara and the County's Fifth District office in Santa Maria.

FY 2022-23 Recommended Budget Overview

The FY 2022-23 Recommended Budget for all funds totals \$1.41 billion, an increase of \$60 million, or 4.4% from the FY 2021-22 Adopted Budget. The General Fund, which funds many County operations, totals \$509.0 million, an increase of \$26.0 million, or 5.4%. \$27.3 million of American Rescue Plan Act (ARPA) federal funding is also allocated in the recommended budget, and the Board has now provided direction on planned uses for the County's full \$86.7 million allocation through December 2024 or the end of the funding period. Much of the change in the overall budget of \$60 million from last fiscal year is related to a \$15 million increase in State 2011 Realignment and Mental Health Services Act (MHSA) funding to the Department of Behavioral Wellness, and local property tax collection increases of almost \$10 million. Additionally, charges for services increased by \$16.92 million, including an almost \$6 million increase to the Fire District's State contract revenues and \$3 million in increased revenue for the Tajiguas landfill as fees continue to increase to cover the debt service on the new facilities. Operating expenditures include both ongoing and one-time costs, and ongoing costs are largely supported by ongoing revenues. The budget, in total, supports a workforce of 4,460 full-time equivalent (FTE) positions

and reflects a net increase of 111 FTE, with the majority of that increase, 65 FTE, occurring in Behavioral Wellness and Social Services funded by increased State funding.

Overall, the recommended budget includes funding to provide mandated and essential services, meet debt service obligations, address critical deferred maintenance and infrastructure needs, address Board priorities, and adhere to the Board's financial management policies.

Detail of the County's FY 2022-23 Recommended Budget can be found on the County's website (<https://www.countyofsb.org/3317/2022-2023>) and as Attachment A of this Board item. Significant changes made by staff to the budget since April budget workshops are identified below and on the following pages.

Budget Workshop and CEO Recommended Expansions

Public workshops to review the preliminary budget were held April 11, 12 and 14, 2022, wherein the Board and public provided input and comments on departments' budgets. At the conclusion of the workshops, the Board directed the County Executive Office to include certain expansion requests into the recommended budget and approved the final ARPA allocation of \$38.4 million.

Since that time, the County Executive Office has continued to work with departments on specific issues and conducted more analysis on expenditures and available revenues, resulting in additional changes in this recommended budget. Budget workshop items discussed by the Board and CEO-recommended expansions total \$6.8 million in the General Fund (\$606,700 in ongoing funding and \$6.2 million in one-time funding) and 5.0 FTE. The recommend budget increases anticipated Transient Occupancy Tax (TOT) revenue for FY 2022-23 by \$267,600, compared to the preliminary budget, which is offset by the cost of the TOT compliance position added in the budget. Funding recommendations were based on Board priorities, established needs, and areas in which the County could face significant financial, legal, health, or safety risks or liability. The recommended budget is balanced with the adjustments listed below, which are incorporated into the individual departments.

An unallocated balance of \$419,200 in one-time, General Fund dollars is available and has been set aside in the Emerging Issues fund balance. Staff recommends these funds be dedicated towards partially funding the second year of either the Long-Range Planning consultant team (\$562k) and/or the remaining balance of the EV infrastructure project (\$1.1M). The Recommended Budget includes first year funding only for the three- year commitment for a Long-Range Planning consultant team, and \$400,000 of the \$1.5 million EV infrastructure project. If there are more urgent needs, the Board may wish to propose other uses of these funds at budget hearings that would be discussed as part of the "Attachment E" budget adjustment process.

FY 2022-23 CEO Recommended Expansions

Description	FTE	Ongoing	One-Time
Community Services			
Zero Emissions Transport Specialist: implement zero-emission vehicle (ZEV) related measures and actions identified in the CAP, coordinate ZEV education and outreach to departments, county employees and general public, identify funding sources, apply for grant funding and lead or assistance with grant implementation for ZEV and charging infrastructure projects, and support General Services, Public Works and other County departments to transition gas vehicles to ZEVs.	1.0		\$ 165,000
General County Programs			
Waterfront Infrastructure Feasibility Study through REACH to determine where and how waterfront and supporting infrastructure can be enhanced or created to enable offshore wind energy on the Central Coast.			\$ 100,000
North County Youth Services - \$50k Lompoc; \$50k Santa Maria (for FY 2022-23 and FY 2023-24)			\$ 200,000
General Services			
Electric Vehicle Infrastructure project will update EV Policy to include all non-public safety light duty vehicles and required EV infrastructure (total cost \$1.5 million over two years).			\$ 400,000
Human Resources			
Management Compensation Study Cost Increase for consulting services to perform the research and calculations. Bids for work are exceeding original estimate of \$80k. (Addition since workshops)			\$ 115,000
Planning and Development			
Long Range Planning OPTION 1 consultant and supervising planner (1 FTE) for 3-years to expand the number of locally driven (non-state mandated) projects undertaken on an annual basis by the division.	1.0		\$ 562,500
Sheriff-Coroner			
Human Trafficking Detective – Retain existing position after end of 6-year grant funding.	1.0	\$ 288,300	
Treasurer Tax Collector			
Veterans' Service Representatives to provide increased support and outreach to local veterans.	1.0	\$ 109,700	
Transient Occupancy Tax (TOT) Compliance to review and audit operator's records.	1.0	\$ 208,700	
Capital Improvement Program Priority Projects			
Orcutt Library Acquisition Set-Aside			\$ 500,000
Modoc Multi-Modal Phase 2 Set-Aside			\$ 500,000
Mission Canyon Sewer Extension Set-Aside			\$ 500,000
Refugio Right of Way			\$ 400,000
Santa Maria Public Defender Office Reconfiguration			\$ 400,000

CEO Recommended Expansions (continued)

Description	FTE	Ongoing	One-Time
SB Courthouse Exterior Lighting Upgrades			\$ 300,000
No. County Communications Shop Retrofit			\$ 250,000
New Cuyama Sheriff Substation Reconfiguration			\$ 150,000
ADA Restroom Upgrade – Rincon Beach Park			\$ 750,000
Betteravia Campus - Bldg. Weatherization & Window Replacement			\$ 525,000
Reserve - Set Aside			
Emerging Issues Set Aside			\$ 419,200
Totals	5.0	\$ 606,700	\$ 6,236,700

Summary of ARPA Project Funding

The Board of Supervisors held public meetings to discuss the allocation of \$86.7 million in American Rescue Plan Act federal funding on June 1, 2021, October 19, 2021, and April 14, 2022. Half of the funding \$43.3 million (tranche 1) was received in FY 2021-22 and the other half (tranche 2) will be received in FY 2022-23. The Board approved the final allocation of the remaining balance of \$38.4 million at budget workshops on April 14 as listed on the table below.

Description	FTE	April 14, 2022 Allocation
Final ARPA Allocation		
General Fund Backfill Projects:		
Criminal Justice Data and Discovery - 3 Data Analyst Positions and 2 LOP Positions (3 Years)*		\$ 743,600
Criminal Justice Data Dashboard - one-time		\$ 250,000
Co-Response Teams - Sheriff costs (3 Years)		\$ 384,700
Court Backlog Prior Budgeted Costs - GF backfill		\$ 800,568
Earmark Remaining General Fund Backfill Years 2 and 3 of items above		\$ 3,724,055
Total General Fund Backfill Projects		\$ 5,902,923
Project Clean Water Mandates		\$ 818,000
IV Community Center Sewer Replacement and Other Improvements		\$ 532,000
Hearing Room Improvements with closed captioning		\$ 400,000
Deputy District Attorney Court Backlog positions**	2.0	\$ 312,800
Deputy Public Defenders Court Backlog positions**	2.0	\$ 312,800
Earmark Remaining DA/PD Court Backlog Years 2 and 3		\$ 1,251,200
Health and Human Services Plan:		
Organization and Technology		\$ 500,000
Community Wellbeing		\$ 2,005,000
Housing and Homelessness		\$ 7,306,896
Disaster Resiliency		\$ 945,000
Total Health and Human Services Plan Projects		\$ 10,756,896
Public Safety Radio Network		\$ 17,624,618
HVAC or Other Projects		\$ 444,600
Total	4.0	\$ 38,355,837

* These positions will require tracking of performance metrics

** Subject to the submission of a strategic plan to reduce the backlog

Criminal Justice Funding Changes

Data and Discovery Set-Aside from FY 2021-22. In FY 2021-22, the Board approved setting aside funds in the amount of \$1.25 million for criminal justice partners to use for data collection and more efficient processing of discovery for court proceedings. KPMG addressed these needs as well during their departmental management reviews. A Chief Data Officer position approved by the Board has been hired to start in August to oversee and evaluate the needs related to the data positions. This will include a determination of how best to ensure coordination, roles, and placement of the positions or for additional software costs to maximize the effectiveness of these investments. Since last year, the Public Defender has submitted expansion requests that identify similar data and discovery needs as the District Attorney.

Final budget adjustments (FBA) #6, 10, and 24 on Attachment A-2 totaling \$537,300 include appropriating a portion of the set aside for two Legal Office Professional positions for discovery efforts, one each for the District Attorney and Public Defender (\$243,600). These positions had been pending evaluation by the CEO's consultant, retired Judge Sherrill Ellsworth, and agreement by the two departments with the CEO budget staff on how they will track their discovery efforts with these additional positions. Those issues have been resolved. In addition, two data analyst positions in the CEO's office (\$293,700) are included in the FBA who will work in coordination with the Chief Data Officer in the County Executive Office to assist the District Attorney and Public Defender offices. The remaining set-aside balance is being held in fund balance for further review and until the Digital Evidence Management System (DEMS) or similar technology solution is purchased during the fiscal year.

Strategic Plan for COVID-related Backlog for District Attorney and Public Defender. At Budget Workshops, the Board directed the addition of two attorneys each for the District Attorney and Public Defender from ARPA dollars for up to three years, predicated on a plan that addresses how these positions will mitigate the court backlog. The departments' methods for ensuring these positions will achieve the desired outcomes are discussed in Budget Inquiry Form #001. Therefore, CEO staff recommends that the Board go forward with adding these positions, which are already included in the Recommended Budget.

Final Budget Adjustments (To Be Added to Recommended Budget):

As is the case each year, events have occurred since the Recommended Budget document was prepared that prompt staff to recommend adjustments to various appropriations and revenues. The recommended adjustments are detailed in **Attachment A-2**. Most of the adjustments are related to appropriations included in the FY 2021-22 budget that were not spent but are planned to be spent in FY 2022-23, department fund balance use for one-time costs and other minor corrections or changes that adjust General Fund and non-General Fund budgets. Other more significant changes to note include:

- **Adjustment #3 CSD:** The department had initially requested General Fund to fund an additional accountant to assist with the management of grant funds; the department was able to fund this utilizing State Homeless Housing, Assistance, and Prevention funding.
- **Adjustment #6 CEO:** Release of \$293,700 from the Data/Discovery set aside for two data analyst positions to work in coordination with the Chief Data Officer.

- **Adjustments #10 and #24 District Attorney and Public Defender:** Release of \$243,600 of the Criminal Justice Data/Discovery set aside for two legal office professionals for discovery efforts, one each for the District Attorney and Public Defender.
- **Adjustment #17 Santa Maria Levee Trail Study:** Appropriation of \$1.5 million from available litigation settlement funds set aside in prior years in General County Programs to reimburse the Roads fund for costs incurred for the preliminary engineering, including survey, design, technical studies, right of way research, environmental and permitting work for the Santa Maria Levee Trail, directed by the Board on May 17, 2022.
- **Adjustment #21 Human Resources:** Appropriation of \$270,000 from one-time DEI funds carried over from FY 2021-22 to fund a limited-term position to coordinate County department efforts.
- **Adjustment #22 Planning Department:** Appropriation of \$348,100 in one-time contingency funds for a consultant related to the housing element project.

Expansion Requests Deferred to Hearings for Board Consideration:

Departmental requests for additional ongoing or one-time General Fund support that were not included in the Recommended Budget after budget workshops are presented for Board consideration in **Attachment A-3**. Requests total \$10.3 million in ongoing funding, \$5.5 million in one-time funds, and 31.5 FTEs.

Board Adjustments (further expansions) – Attachment E:

While the FY 2022-23 Recommended Budget is presented as balanced, there is \$419,200 of one-time funding available in General County Programs should the Board wish to allocate it during hearings. Otherwise, it will remain available to address future needs or unexpected expenses. Should the Board wish to allocate these funds, or change any other allocations, this would occur during deliberation. **Attachment E** provides a form that can be used for Board deliberation.

Ongoing Grants and Contracts:

The County has numerous ongoing grants and contracts that are renewed each year with the funding and expenditures approved by the Board during annual budget adoption. The execution then becomes ministerial and is delegated to the Chair of the Board, who signs the contracts on behalf of the County, thus reducing the number of administrative agenda items that come before the Board during the year.

The Board has customarily delegated this authority to include grants and contracts where amounts are within 10% of current agreement amounts.

This process is only for single-year renewals, not multi-year agreements. To qualify for this process:

1. Contract terms and conditions, including contract scope of work, must remain materially unchanged from the prior contract, and
2. The value of the contract cannot change by more than 10% from the prior year value.

Ongoing contracts or grants in amounts that exceed this 10% threshold must be individually presented to the Board for approval. If rates or units of service change, the contract may qualify for the ongoing contracts process if these changes are clearly disclosed on the ongoing contract list.

The recommended ongoing grants and contracts by department are included as attachments with a recommendation that the Board approve, as a group, their renewal for FY 2022-23. The grants to be included in this year's budget hearings are identified in **Attachment B**. The contracts to be included in this year's budget hearings are identified in **Attachment C**. The contract list may include partial-year contracts that equate to an appropriate pro rata share (including the 10% threshold) had the request been to renew for a full year.

Budget Resolution:

The Resolution of the Board of Supervisors follows as **Attachment D**. The Board adopts the budget through this Resolution. The Resolution also allows the County Executive Officer, under limited circumstances, to approve changes to appropriations for previously approved equipment purchases, and includes other approvals and authorizations.

Salary Resolution

In conjunction with the budget, the FY 2022-23 salary resolution is also before the Board for consideration and adoption. **Attachment F** lists all positions requested for authorization by the Board, including those already authorized as well as any changes included in the recommended budget. In addition, the Board's approval of the salary resolution will include approval of any amendments made during budget hearings. **Attachment G** details the position changes approved by the CEO during FY 2021-22 under the authority granted through Resolution 99-486. This resolution delegates authority to the CEO to administratively approve position changes throughout the year when the changes do not result in a change to a department's budget or a net change in a department's allocated positions. The total number of positions changed in this manner cannot exceed 10% of the total authorized positions within a department for a fiscal year. The resolution also requires that the Board annually review and approve such administrative changes.

Fiscal Impacts:

Approval of these recommendations adopts the FY 2022-23 Recommended Budget with any modifications determined by the Board, and authorizes the County Executive Officer and/or the County Auditor-Controller to take any necessary related fiscal actions.

Attachments:

- A FY 2022-23 Recommended Budget
- A-1 CEO Recommended Expansions
- A-2 Final Budget Adjustments
- A-3 Department Expansion Requests - Deferred to Hearings
- B Ongoing Grants
- C Ongoing Contracts

- D Budget Resolution of the Board of Supervisors
- E Board-Approved Budget Adjustments (pending Board deliberation)
- F FY 2022-23 Salary Resolution
- G FY 2021-22 Position Changes under Resolution 99-486

Cc:

Department Directors
Assistant County Executive Officers
CEO Fiscal and Policy Analysts