



# Fiscal Outlook Report

County of Santa Barbara  
November 15, 2011



## Report Overview

Economic Outlook  
Fiscal Issues  
FY 2012-13 Projected Budget Gap



## Economic Outlook

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### ▶ National level

- ▶ Very slow recovery
- ▶ Risk of another recession
- ▶ Consumer & corporate spending up

### ▶ County

- ▶ Lags behind country in economic recovery
  - ▶ Small increases in major revenues last year
  - ▶ Small increases expected this year and next
  - ▶ Cost of doing business continues to increase
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## Fiscal Issues

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### ▶ Countywide risks on the horizon

### ▶ Separated according to probability

- ▶ Tier 1: expected to occur in the next 2 years
  - ▶ Tier 2: will probably occur in the next 2 years
  - ▶ Tier 3: will possibly occur in the next 2 years
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## Fiscal Issues – Tier 1 (Expected)

Issue		FY 2012-13 Impact	FY 2013-14 Additional Impact	One-time or Ongoing
		(in millions)		
A	Pension fund stability	\$ 4.6	\$ 8.0	Ongoing
B	Workers' compensation & general liability insurance	2.9		Ongoing
C	Goleta revenue neutrality	2.3		Ongoing
D	Fire Department level of service	2.4		Ongoing
E	Health insurance	1.8	1.8	Ongoing
F	Expiration of concession agreements	1.0	3.6	Ongoing
G	State unemployment insurance	0.4		One-time
H	State suspension of vote by mail reimbursement	0.4		Ongoing
I	Indigent & uninsured clients - Public Health	0.4		Ongoing
J	Retiree healthcare	0.3	0.3	Ongoing
<b>Total</b>		<b>\$ 16.5</b>	<b>\$ 13.7</b>	



## Fiscal Issues – Tier 2 (Probable)

Issue		FY 2012-13 Impact	FY 2013-14 Additional Impact	One-time or Ongoing
		(in millions)		
K	ADMHS Cost Report Settlement Issues	\$ 8.0		One-time
L	Mental Health and Partner Agencies Medi-Cal Billing Exposure	4.8		One-time
M	Special Distribution Fund - Indian Gaming	0.6		Ongoing
N	State Budget - Redevelopment	0.5		Ongoing
<b>Total</b>		<b>\$ 13.9</b>	<b>\$ -</b>	





## Fiscal Issues – Tier 3 (Possible)

Issue	FY 2012-13 Impact	FY 2013-14 Additional Impact	One-time or Ongoing
	(in millions)		
O Social Services mandate match	\$ 5.0		Ongoing
P Property Tax Administration Fee	3.8	0.6	One-time + \$600K ongoing
Q Deferred Maintenance Backlog	2.0	2.0	Ongoing
R Goleta Beach Long Term Protection Plan	1.5	2.3	One-time
S Retiree Healthcare Unfunded Liability	1.2	1.2	Ongoing
T Fire Department level of service	1.0	5.0	Ongoing
U County Jail - Northern Branch Construction	Unknown	Unknown	One-time
V State Budget - Trigger Cuts	Unknown	Unknown	Unknown
W State Budget - Mental Health, Social Services, and Public Safety Realignment	Unknown	Unknown	Unknown
<b>Total</b>	<b>\$ 14.5</b>	<b>\$ 11.1</b>	



## FY 2012-13 Projected Budget Gap

	Total Countywide	General Fund	Special Revenue Funds
<b>Projected Changes to Expenditures</b>			
Retiree healthcare	\$ 300,000	\$ 180,000	\$ 120,000
Pension fund stability	4,600,000	2,760,000	1,840,000
Workers' compensation & general liability	2,900,000	1,740,000	1,160,000
Unemployment insurance	450,000	270,000	180,000
Health insurance contribution	1,850,000	1,110,000	740,000
Increase regular salaries	400,000	240,000	160,000
Expiration of Firefighters Local 2046 concessions	1,000,000	-	1,000,000
State suspension of vote by mail reimbursement	400,000	400,000	-
Indigent & uninsured clients - Public Health	400,000	-	400,000
Total expenditure increase	12,300,000	6,700,000	5,600,000
<i>Savings from concession agreements</i>	<i>(14,870,000)</i>	<i>(8,920,000)</i>	<i>(5,950,000)</i>
<b>Total change in expenditures</b>	<b>(2,570,000)</b>	<b>(2,220,000)</b>	<b>(350,000)</b>
<b>Projected Changes to Revenues</b>			
State/fed reimbursement for S&B increases	4,190,000	1,250,000	2,940,000
General revenues	3,480,000	3,480,000	-
Revenue loss from Goleta revenue neutrality	(2,300,000)	(2,300,000)	-
Total revenue increase/(decrease)	5,370,000	2,430,000	2,940,000
<i>One-time sources for on-going expenditures</i>	<i>(17,230,000)</i>	<i>(7,350,000)</i>	<i>(9,880,000)</i>
<i>Reduced state/fed reimbursement from concessions</i>	<i>(5,940,000)</i>	<i>(1,780,000)</i>	<i>(4,160,000)</i>
<b>Total changes in revenues</b>	<b>(17,800,000)</b>	<b>(6,700,000)</b>	<b>(11,100,000)</b>
<b>FY 12-13 Projected Budget Gap</b>	<b>\$ 15,230,000</b>	<b>\$ 4,480,000</b>	<b>\$ 10,750,000</b>