

Fiscal Issues Report

ISSUE		POTENTIAL			NEAR TERM BUDGET IMPACT		COMMENT	Last Update
		high/med/low	onetime/ongoing	BOS discretion		Gen. Fund		
REVENUE								
1	State Budget Impacts	high	both	little	undefined	multiple	On 1/6/09, the Governor vetoed the bill package passed by the Legislature on 12/18/08 as part of the special session on the current budget shortfall. The Governor released the FY 09-10 Proposed Budget on 12/31/08, projecting a \$41.6 Billion deficit by the end of FY 09-10. The State is projected to run out of cash in February-March 2009.	1/8/2009
2	State Contribution for Cost of Doing Business	med	ongoing	little	7,000,000	no	State froze the revenue contribution limits to the Department of Social Services at 2001 levels; DSS is absorbing cost increases.	11/24/2008
3	ADMHS Cost Report Settlement Issues	high	onetime	little	17,084,000	likely	County's accrued liability is \$17M as of June 2008. 08-09 adopted budget includes \$15m from Strategic and Audit reserves to ADMHS	2/9/2009
4	Mental Health and Partner Agencies Medi-Cal Billing Exposure	high	both	little	15,650,499	likely	Disallowable costs extrapolated over the period of Fiscal Year 2002-2003 through Fiscal Year 2007-08 are roughly estimated at \$14.4M.	2/9/2009
5	Property Tax Administration Fee	med	both	little	1,279,819	yes	Statewide dispute between cities and counties. Approx \$400,000 annually + potential back pay of 4 years in the amount of \$879,819.	10/28/2008
EXPENDITURE								
6	Pension Fund Stability	high	ongoing	little	3,750,000	multiple	Pension rates increase by 1% for FY 2009-10 (\$3.75m). However, primarily due to recent significant losses in the Santa Barbara County Employees' Retirement System (SBCERS), rates could increase by at least 47% for FY 2010-11 (\$28.2M).	2/5/2009
7	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%.	10/28/2008
8	June Statewide Special Election	high	onetime	little	1,500,000	yes	A Statewide Special Election is expected to occur in May or June of 2009. This will require the County to upfront approx \$1.5M to be reimbursed from the State in the following year.	10/28/2008
9	Public Defender Funding	certain	both	much	7,127,000	yes	\$4.4M one-time funding for Public Defender Office remodel. \$2.7M ongoing for operations.	10/28/2008
10	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).	10/28/2009
11	Selected County Revenues	high	both	little	10,000,000	multiple	Due to economic downturn a number of sales and property tax driven revenues are projected to decline. This item represents the projected impact on selected revenues dedicated to Public Safety Departments, Social Service, Mental Health and Public Health.	2/6/2009
IMMEDIATE HORIZON (beyond 2008-09 fiscal year)								
12	County Jail - Northern Branch	med	both	much	1,019,000	yes	AB 900 grant \$56.3M was conditionally awarded. County capital contribution is \$23.9M (\$20.6M unfunded, \$3.3 spent for land purchase). Operating cost in FY2008-09 dollars = \$13.2M or estimated \$17.4M in FY2013-14, projected first year of operation.	10/28/2008
13	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
14	Indian Gaming	low	ongoing	little	1,500,000	multiple	Assembly Bill 158 was signed by the Governor on 9/30/08 and will restore \$30M to the Special Distribution Fund for grants to local governments to mitigate the impacts of gaming. However the funding only covers current FY08-09 need.	12/19/2008
15	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.	10/28/2008
16	Reauthorization of Measure D (Measure A)	high	ongoing	med	8,000,000	no	FY 10-11 revenue loss without re-approval; A primary source of local matching funds utilized to receive \$9M to \$10M in State and Federal funds.; Reauthorization approved by voters 11/4/08	11/5/2008
17	Santa Maria River Levee Reinforcement Project	high	onetime	much	48,000,000	no	County is not yet at construction stage but estimated cost of \$48 million would satisfy the highest-priority areas near the city. The cost of repairing the entire levee would be \$350 million.	10/28/2008
18	Goleta Revenue neutrality	certain	ongoing	little	6,440,000	yes	FY 12-13 voter approved Goleta revenue neutrality agreement adjusts.	10/28/2008
19	Fiscal Year 2009-2010 Budget Gap	high	ongoing	much	6,911,000	yes	Projected shortfall for Fiscal Year 2009-10. Expected to increase to \$16.9M in FY 2010-2011; 09-10 retirement rates lower than forecast	12/15/2008
20	Selected County Revenues	high	both	little	14,000,000	multiple	Due to economic downturn a number of sales and property tax driven revenues are projected to decline. This item represents the projected impact on selected revenues dedicated to Public Safety Departments, Social Service, Mental Health and Public Health.	2/6/2009