



COUNTY OF
SANTA BARBARA

FY 2019-20 BUDGET RECAP

September 1, 2020
County Executive Office



Today's Report

FY 2019-20 Budget and Financial Recap

Update on the County's year-end financial position relative to the adjusted budget



Financial Update

Background

- Compares year-end financial position as of June 30, 2020 against the adjusted budget

- Reportable variance threshold:

General Fund

> **\$200K** per department

Special Revenue Funds

Not included

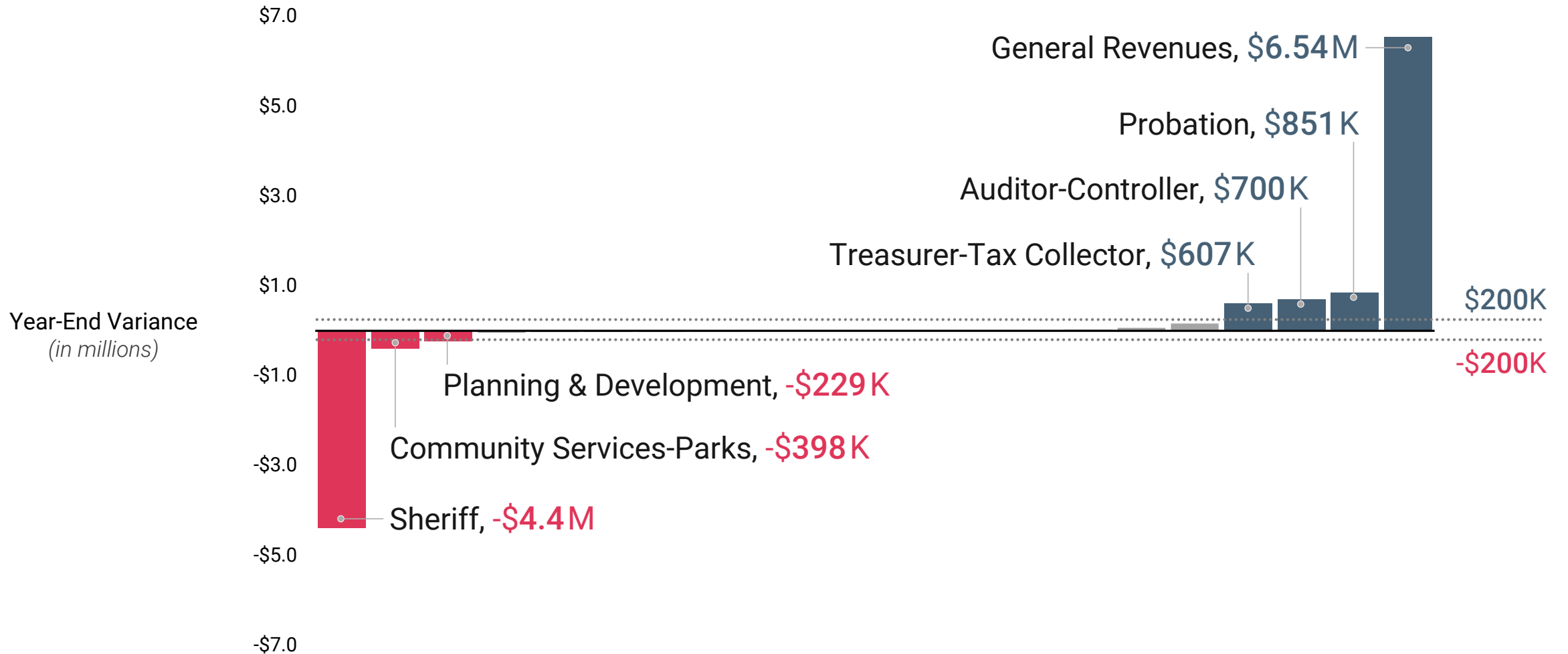
Funds required to end the year balanced

- COVID-19 pandemic response and economic downturn continued to impact revenues and expenditures

General Fund

Summary by Department

\$3.8 M Year-End Net Positive Variance



General Fund

Significant Net Financial Impacts

Sheriff
 FY 2018-19 Look-back

-\$1.1 M
 Year-End Variance

0.7%
 Variance as % of Budget

Sheriff

Variance	% Budget
-\$4.4M	2.75%

Overtime costs not completely offset by salary savings

- Time required to train new staff before they can work unsupervised
- Sworn staff on workers' compensation leave due to injury
- Provide minimum level of staffing necessary for all Post positions
- Disasters and mutual aid to other jurisdictions

COVID-19 pandemic

Response costs and lost revenue

Revenue shortfalls

Less than anticipated revenue from cannabis business licenses, state and federal sources, and charges for services

Expenditure overruns

More than anticipated expenditures in various categories (e.g., investigations, guarding inmates transported to the hospital)

General Fund

Significant Net Financial Impacts

Community Services-Parks

Variance

% Budget

-\$398K

2.3%

COVID-19 pandemic-
related revenue loss

- Decreased camping and hookup fees
- Impacted park concessions and group activities
- Total loss of \$716K partially offset by departmental fund balance

Planning & Development

-\$229K

0.9%

Cannabis cultivation
project appeal costs

- Staff costs for work related to appeals not recovered from permit fee revenues
- General Fund bears unrecoverable costs

General Fund

Significant Net
Financial Impacts

	Variance	% Budget
Treasurer-Tax Collector	\$607K	6.7%

Salary savings Savings generated by unfilled positions

Auditor-Controller	\$700K	7.6%
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Salary savings Savings generated by unfilled positions

Probation	\$851K	1.2%
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Salary savings \$2.6M in savings generated by staffing vacancies offset by \$1.8M in reduced revenue from the State and charges for services

General Fund

Significant Net Financial Impacts

General Revenues

Variance	% Budget
\$6.5M	2.3%

Unanticipated revenues

- Property tax, RDA distributions, interest income, and payment from the federal government for federal lands within County boundaries exceeded budget
- Shortfall in Transient Occupancy Tax (TOT) revenue due to COVID-19

Notable Variances by Source

	Variance
Property Taxes	\$3.0M
Payments in Lieu of Taxes	\$2.0M
RDA Distributions	\$1.1M
Interest Income	\$1.1M
Transient Occupancy Tax	-\$3.0M

Special Revenue Funds

- Required to end the year balanced so no funds are reportable
- Revenue shortfalls and unanticipated costs were addressed by departments in most cases
 - Public Health used \$2.0M in fund balance to address revenue loss and expenditure impacts from COVID-19
 - Behavioral Wellness used \$6.0 million in fund balance to cover COVID-19 revenue and expenditure impacts
- General Fund provided Courts Special Services with an additional \$500K due to declining revenues and increased costs for indigent defense for which the County is responsible

Recommended **Action**

Receive and file the FY 2019-20 Year-End Budget and Financial Status Report as of June 30, 2020, showing the status of appropriations and financing for departmental budgets adopted by the Board of Supervisors.