

# SANTA BARBARA COUNTY BOARD AGENDA LETTER



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

**Agenda Number:**  
**Prepared on:** 10/17/03  
**Department Name:** County Administrator & Auditor  
**Department No.:** 012  
**Agenda Date:** 10/28/03  
**Placement:** Departmental  
**Estimate Time:** 1 hour  
**Continued Item:** Yes  
**If Yes, date from:** October 7, 2003

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**TO:** Board of Supervisors

**FROM:** Michael F. Brown, County Administrator  
Robert Geis, Auditor-Controller

**STAFF CONTACT:** Ken A. Masuda, Lori Norton  
568-3411, 568-3421

**SUBJECT:** **Fall 2003 Budget Update and Forecast (Continued)**

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## **Recommendation(s):**

That the Board of Supervisors:

- A. Approve a net reduction of \$654,000 to the FY 03-04 County General Fund budget to complete the full \$8 million reduction recommended by the County Administrator on October 7 to deal with impacts of the adopted State budget and identified local issues, and
- B. Direct departments to submit budget revisions to implement these recommendations.
- C. Receive an updated 5-year financial forecast, focusing on discretionary General Fund revenues and projected salary and benefit changes.

**Alignment with Board Strategic Plan:** [An efficient government able to anticipate and respond effectively to the needs of the community.](#)

## **Discussion:**

### Action Taken On October 7, 2003

At the October 7 meeting your Board received a report on the adopted State budget, signed by Governor Davis on August 4, including its significant negative one-time and on-going impacts on County finances.

Also on October 7 your Board approved \$7,346,000 in one-time and on-going adjustments to revenues and appropriations to begin to cope with identified State and local impacts totaling \$8 million. Other expenditure reductions totaling \$728,000 and increases of \$74,000, resulting in a net impact of \$654,000 were reviewed, but were put over to October 28, for further discussion.

### Budget Reductions for Consideration on October 28

Recommended On-going Budget Reductions for October 28 are the Tier 1 reductions shown in Attachment A. We are providing the information to you in a new format, putting more total information on one spreadsheet. Each proposed reduction is numbered and where a question about the reduction was raised at the October 7 meeting, a check mark appears. As requested, if the program or service is a mandated county service, that too is indicated.

The same format is followed for the listing of Tier 2, Available Alternate On-going Reductions, in Attachment B. Tier 2 reductions are provided to give your Board options to consider if your Board wants to reject one of the Tier 1 recommended reductions. Although Tier 2 reductions are not recommended at this time, the Public Health Department is currently negotiating the contract for services with Cottage Hospital which pertains to the use of resident physicians, which is one of the Tier 2 reductions. The Department may negotiate an agreement with a lower amount for your Board's approval.

Finally, we are reviewing other department budget impacts listed in our October 7 presentation as part of our First Quarter financial reviews with departments. If there are significant cost and/or service level impacts, other than those mentioned on October 7, we will provide the additional information on October 28.

### 5-Year Financial Forecast

Also held over from the October 7 presentation was the Five-Year Financial Forecast. The forecast focuses on discretionary general fund revenues and salary and benefit costs. The forecast predicts that discretionary revenues will continue to increase, driven by increases in property taxes and Vehicle License Fees (VLF) revenues assuming the current VLF rate continues and is not reduced. Only the known current year \$6.1 million one time VLF loss is factored into the forecast for FY 03-04. The possible repeal of the Vehicle License Fee increase, while noted, is not included. Nor does the forecast include any speculation regarding how the projected \$8-10 billion State deficit for FY 04-05 might affect the County's budget. Expenditure estimates include a modest 3% cost of living adjustment (COLA), but also recognize substantial increases for retirement payments (due to retirement fund equity losses in recent years) and health insurance costs, and a modest on-going increase in Workers Compensation rates. Detailed information has been provided in the material provided for the October 7 hearing.

**Mandates and Service Levels:** Information on service level impacts is provided in the following pages.

**Fiscal and Facilities Impacts:** Both are detailed in the following pages.

Attachments: Tier 1 Detail  
Tier 2 Detail  
Revised Budget Reduction Powerpoint Slides

cc: Each Department Director  
Deputy County Administrators  
Administrative Analysts  
Recognized Employee Organizations

Recommended Tier 1 On-going Reductions

Administrative Program Reductions

Department	Division	Reduction	Amount	Q at 10/7 Bd. Mtg.?	Mandated?	
1. County Administrator	Budget and Research	Delete one vacant Administrative Analyst position	81,000		No	Delay work on special projects and studies. May require hiring of contractor to assist with county split analysis.
2. County Counsel		Delete one Sr Deputy County Counsel currently filled thru Sept, then employee is retiring. Ongoing savings \$91K/year	55,000	✓	No	With deletion of this position, Small Claims Advisory work now performed by County Counsel will most likely be performed by Legal Aid.
3. Courts		Two furlough days	6,000		No	Furloughs already taken. May be one-time.
4a. Mental Health	04-Adult Programs	01-Administration	10,000		No	Reduce Administrative operating expenses
4b. Mental Health	Administration	02-Human Resources	5,000		No	NONE: To minimize the impact to the Community,
5. Public Works	Surveyor	Salary Savings	15,000		Mandated-Practical	No service level impact. Salary savings
6. Human Resources	Recruitment & Compensation	Reduce marketing plan from \$217k to \$119k, saving \$35,000 (direct GF contribution)	35,000	✓	No	Reduced marketing of County as a desirable place to work may have an adverse long-term effect on quality of new hires.
7. Treasurer	01 - Administration and Support	Reclass DP Manager Dept to Financial Systems Analyst (8 month savings for FY 0304; \$16,300 savings for FY 0405).	13,000		No	Annual savings of \$5,600 if Financial Systems Analyst is paid at step E
			<b>220,000</b>			

Internal and External Service Reductions/Increases

8. Courts	01 - Grand Jury	Reduce funding from \$205k to \$200k, impacting Meals and Printing Costs	5,000	✓	Mandated - Practical	Community impact: reduction of printing budget means reduced distribution of Grand Jury reports or less aesthetically pleasing reports. Possible solution: encourage public to utilize website.
9. Sheriff	Law Enforcement	Achieve salary savings equivalent to \$100 K more than current budgeted salary savings.	100,000		No	An increase to current budgeted salary savings.
10. Fire	03 - Emergency Ops	Defer purchase of new pickup truck	27,000		No	Loss of flexibility for using non-emergency vehicles for emergency purposes. Loss of ability to: change-out staff on long incidents, send single resource staff to fires in and out of county, accelerated engine deterioration (rather than using pickup for misc tasks engines have to be used)

Recommended Tier 1 On-going Reductions

<b>11. Agricultural Commissioner</b>	01.- Agricultural Commissioner	Reduce Oak ordinance enforcement funding from \$120,782 to \$45,782 (reduced from \$150,000 to \$120,782 due to retirement cost increases).	75,000	✓	No	Current impacts to program would be minimal, as all outreach and education is being done by the Ag Advisory Committee and Ag Dept is only fielding phone call inquiries (no big issues of land owners clearing Oak Trees has occurred since Program adoption in Spring of 2003). Impact to Program future would be related to the lack of available funding to employ 'Oak Tree Specialist' to run the Oak Tree Ordinance Programs as originally planned. Currently the job description for 'Oak Tree Specialist' is being developed.
<b>12. Parks</b>	01 - Administration & Support Services	Delete vacant half-time (0.5) Accounting Assistant II position (reservation clerk).	20,000		No	Deletion of this half time vacant position may impact the established RPM of 60 minutes per reservation for group picnic areas in South County day use parks during busy season (March - September).
<b>13. Parks</b>		Add back cost of Goleta Beach Sand Berm maintenance and permit compliance monitoring	(35,000)		No	
<b>14. General Services</b>	Support	Delete 2 vacant Carpenter positions	121,000		No	Deletion of these 2 vacant carpenter positions may impact the measure "Ensure 90% approx 3000 work orders completed within 15 days of scheduled completion time". General Services will review its process to minimize impacts to customers.
<b>15. General Services</b>	Support	Pay debt service on auxiliary generator (from deferred maintenance request) in SB Admin. Building parking lot	(39,000)		No, but debt obligation.	
<b>16. General County Programs</b>	Developing Programs	Defer Oak conservation easement funding.	75,000		No	
<b>17. General County Programs</b>	Organization Development	Delete funding for the Community Survey	85,000		No	Survey is a method of receiving resident input on service needs/satisfaction
			<b>434,000</b>			

Available Alternate Tier 2 On-going Reductions

<u>Department</u>	<u>Division</u>	<u>Reduction</u>	<u>Amount</u>	<u>Q at 10/7 Bd. Mtg.?</u>	<u>Mandated</u>	
<b>18. General Co. Programs</b>	Organization Development	Delete funding for Director of Organizational Effectiveness (vacant) and program funding.	180,000		No	May slow and/or damage progress in critical staff development and leadership programs, as well as the loss of a high-level organizational staff member who specializes in facilitation and remediates internal and external conflict and tackles unanticipated problems.
<b>19. Probation</b>	Adult Services	Delete funding for 2 Medium Supervision DPOs and related operating expenditures.	100,000		Mandated - Practical	300 medium priority supervision cases will be moved to the central caseload resulting in an average 81% annual decrease in supervision hours per case. This will result in a decrease of contraband searches, urine testing for drugs and alcohol, residence verification, field visits, therapy attendance checks, fugitive location activities, service to victims, restitution collection, and sex, arson, and narcotics offender services which greatly reduces the chances of these cases having successfully fulfilled probation at closing.
<b>20. Sheriff</b>	Law Enforcement	Unfund 1 Deputy position planned to restaff the Gang Unit eliminated during 2002-03 budget process (March 2002).	100,000		No	Not having a specialized unit diminishes efforts to maintain crime prevention & preparedness. Not having a speacialized unit makes the Patrol function more burdened and without the speacilized training needed in this area of law enforcement.
<b>21. Public Health</b>	Primary Care/ Family Health	11% reduction (\$100,000 out of \$891,000) to support of SB <b>Cottage Hospital</b> medical residency program	100,000	✓	No	The Public Health Department is in negotiations with Cottage Health System about the Graduate Medical Education Program regarding the total cost of the program, revenue sources outside the county, and what other local medical groups and or organizations benefit by the use of the residents. Residents staff PH clinics and provide specialty care to PH patients. We do not anticipate any patient care reduction because of this proposed decrease from \$891,000 to \$791,000.
<b>22. General Co. Programs</b>	Transfers to Other Govts. & Orgs.	Reduce the 5% COLA for <b>Libraries</b> to 3%.	46,000	✓	No	A 3%-5% reduction to the proposed COLA will be absorbed within the materials budget of each of the three Zones. However, there may be a significantly higher impact to the smaller county branches due to such small budgets. The Goleta branch may need to close one evening per week, rather than take the complete loss in their materials budget.

Available Alternate Tier 2 On-going Reductions

23. Social Services	Social Programs	Reduce <b>Adult and Aging Network (AAN)</b> support by 53%. Specific reduction will be identified at a later date.	45,000	✓	No	The AAN budget for FY 03/04 totals \$136,000 with \$62,000 being provided by TSAC funds and other departments and \$72,500 from county general funds (CGF). Pro-rating the CGF for 9 months leaves \$54,375 available to be withdrawn from the AAN. The loss of this funding would be devastating to the network and it is doubtful if it could continue to function. Delete half-time (filled) Office Assistant position.
24. Planning & Development	Comprehensive Planning	Reduce level of effort on Grading Ordinance	40,000		Local ordinance	Would reduce progress on amendments to the Grading Ordinance. County Counsel indicates that these amendments should reduce potential future litigation. Savings from keeping a currently vacant position in Comp. Planning vacant through the end of the year.
25. Court Services	02 - Courts-Special Services	Eliminate Training Classes sponsored by <b>Juvenile Justice Commission</b>	35,000		No	Community and public schools will be negatively impacted due to reduction of training classes and educational services.
26. District Attorney	Criminal	DDA will not represent minors or make court appearances related to W & I 300 codes (Court will have to contract for alternative services). Contract DDA position lost.	33,000		No, not a County mandated service.	Services to approximately 650 minors represented by the DA in Juvenile Court to determine out of home placements and in biannual Court placement reviews will be eliminated. Total funding is comprised of \$33,000 from the GF and \$45,000 from Court financing. The Court portion will be returned to secure alternative representation.
27. General Services	Financial Services	Delete Systems Analyst Snr. (\$92,376). Funded through GS/ Gen Fund contribution (\$13,856) and various ISF's (\$78,520). Assumes 6 months savings. The \$78,520 is billed to departments, \$51,824 to GF depts and \$26,697 to special revenue fund departments.	33,000		No	This may impact the measure which states "37.5% of County Depts. will use the look and feel of Countyofsb.org for their websites by the end of the FY". General Services is committed to reviewing its process to minimize the impacts to its customers.
28. Housing & Community Development	Economic Development	Reduce funding to outside organizations for Economic Development (EDAC) Activities	30,000	✓	No	Reduction is unallocated EDAC funds.

Available Alternate Tier 2 On-going Reductions

<b>29. Planning &amp; Development</b>	Building , Isla Vista (IV) RDA	Shift General Fund contribution to Isla Vista RDA for Isla Vista Housing Code Program	30,000	✓	No	Would replace GF dollars with RDA funds which would be used to fund the same level of Code Enforcement servcies in IV. Currently, IV RDA has approximately \$250,000 in fund balance that could be used for this purpose.
<b>30a. BOS</b>	Board of Supervisors	Delete Special Projects funding	5,000		No	
<b>30b. BOS</b>	Board of Supervisors	Delete Special Projects funding	5,000		No	
<b>30c. BOS</b>	Board of Supervisors	Delete Special Projects funding	5,000		No	
<b>30d. BOS</b>	Board of Supervisors	Delete Special Projects funding	5,000		No	
<b>30e. BOS</b>	Board of Supervisors	Delete Special Projects funding	5,000		No	
<b>31. Public Health</b>	Community Health	Reduction in <b>Human Services Commission</b> pass through funding to CBOs	25,000	✓	No	Will reduce the amount of funding available to county-wide Community Based Organizations (currently 80 contracts) who provide essential life-skills and social services to county residents most in-need. Services include those provided to individuals who are older adults, homeless, or disabled.
<b>32. Public Health</b>	Community Health	Reduction in service and support to the geriatric assesment program	25,000	✓	No	Will reduce the service provision in a program aimed at low-income older adults with mild degenerative and/or psycho-social issues. Very few services exist in the community for these individuals and many could go without the assessment, referral, and case-management services offered by this program.
<b>33. Mental Health (ADMHS)</b>	04-Adult Programs	01-Administration	25,000		No	Reduce Administrative operating expenses
<b>34. Parks</b>	03 - North County Parks & Open Spaces	Reduce preventive tree maintenance budget.	15,000		No	May impact goals established for tree maintenance, customer satisfaction survey responses & work orders processed. Funds remaining would allow department to address those trees in imminent danger of failure.
<b>35a. Courts</b>	02 - Courts-Special Services	Reduce budgeted expenses for non-expert witnesses.	10,000		Mandate - Practical	Under PC 1329 the allowance for witness expense is at the court's discretion.

Available Alternate Tier 2 On-going Reductions

<b>35b. Courts</b>	02 - Courts-Special Services	Reduce budgeted expenses for non-death penalty contract attorneys.	10,000	Mandate - Absolute	Statutorily mandated service. If actuals exceed budget and savings from other programs are not available, would require BOS budget adjustment.
<b>36. Courts</b>	01 - Grand Jury	Fewer Criminal Grand Juries	10,000	Mandate - Absolute	If number of criminal grand juries exceeds budget, BOS would need to approve additional expenditures in this program.
<b>37a. Parks</b>	02 - South County Parks & Open Spaces	Reduce preventive tree maintenance budget.	7,000	No	May impact goal of \$9.14 in operating and maintenance expenditures per capita and goals established for tree maintenance, customer satisfaction survey responses & work orders processed.
<b>37b. Parks</b>	0306 - South County Buildings & Grounds	Reduce building grounds landscape and preventive tree maintenance budget.	4,000	No	May impact established goal of \$9.14 in operating and maintenance expenditures per capita. May impact goals established for tree maintenance, customer satisfaction survey responses & work orders processed.
			<b>928,000</b>		