

**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:** 9/15/05  
**Department Name:** County Executive  
**Department No.:** 012  
**Agenda Date:** 9/27/05  
**Placement:** Administrative  
**Estimate Time:**  
**Continued Item:** NO  
**If Yes, date from:**

**TO:** Board of Supervisors  
**FROM:** Michael F. Brown, County Executive Officer  
**STAFF CONTACT:** Ken Masuda and Lori Norton  
568-3411 568-3241

**SUBJECT:** Set a Hearing to Receive a Report on Final FY 2005-06 State Budget Impacts, and to Consider Use of Vehicle License Fee (VLF) Gap Loan Repayment Funds to Mitigate these Impacts and Fund a Variety of Budget Expansion Items Deferred from Budget Hearings

**Recommendation(s):**

That the Board of Supervisors set a hearing (1 hour) on October 18, 2005 to receive a Report on Final FY 2005-06 State Budget Impacts, and consider use of Vehicle License Fee (VLF) Gap Loan Repayment Funds to mitigate these impacts and fund a variety of budget expansion items deferred from Budget Hearings

**Alignment with Board Strategic Plan:** The recommendation(s) are primarily aligned with Goal No. 1: An Efficient Government Able to Respond Effectively to the Needs of the Community.

**Executive Summary and Discussion:**

The State's early repayment of \$8.14 million in Vehicle License Fee revenues, withheld in 2003, has provided us with an opportunity to repay the Tobacco Settlement Loan and address outstanding needs. Our approach to the allocation of these funds is illustrated in the following table:

<b>Approved in August: \$1.627 million</b>	<b>Mitigate State Impacts: Recommend \$1.622 M</b>	<b>Address Expansion Requests: Pending</b>	<b>Defer for Future Consideration</b>
Allocations to Tobacco Settlement Fund (\$800T), Proposition 42 (\$442T) and Litigation Reserve (\$385T).	October allocations for one-time Special Election costs (\$695T) and one-time backfill of State Property Tax Administration funding loss (\$927T).	CEO will recommend October allocations for certain budget expansion requests and unmet needs.	CEO will recommend deferral of over \$8 million in requests.

The combination of VLF loan repayment amounts allocated in August plus allocations to mitigate State impacts would leave a balance of \$4.89 million in unallocated VLF Gap Loan Repayment Funds to address budget expansion requests and other future needs.

**Mandates and Service Levels:** Hearing is required to allocate unanticipated revenue.

**Fiscal and Facilities Impacts:** Setting the hearing will have neither fiscal nor facilities impacts.

Cc: Each Department Head  
Deputy and Assistant CEOs  
Administrative Analysts