COUNTY OF SANTA BARBARA

RECOMMENDED BUDGET AT A GLANCE

FY 2023-2024

one COUNTY
one FUTURE

Ready for
TODAY
Preparing for
TOMORROW

LAST YEAR, as we emerged from the pandemic, the County budget development process focused on resetting, reimagining, and reconnecting as we adapted to our changing environment and new ways of serving the needs of our residents. County efforts to implement federally funded recovery plans are now well underway and departments are focusing on core services and current needs while planning for the future.

The theme for the Fiscal Year (FY) 2023-24 budget is ***Ready for Today, Preparing for Tomorrow,*** signifying the progress made on Board priorities and investments and continued prudent planning for the known and emerging issues on the horizon. The budget outlook is stable, despite uncertainties, as a result of the Board's prudence and fiscal planning.

The recommended operating budget is $1.48 billion. This is a 6.5% increase from the previous year and marks the fifth year in a row that service level reductions are not necessary.

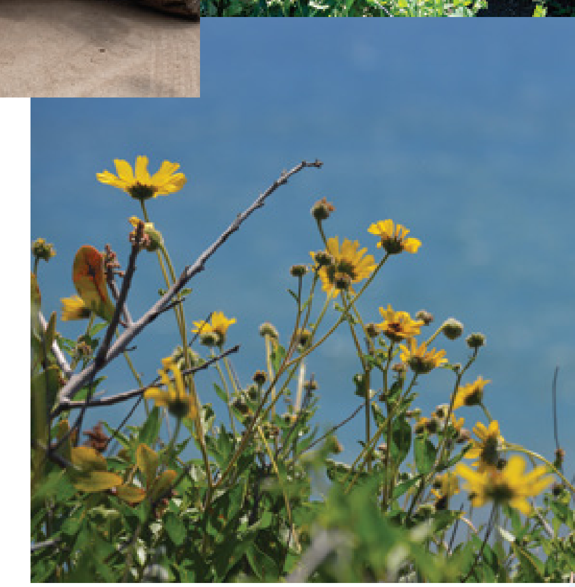
Ready for Today....

- Several years of setting aside funds, status quo budgets and adopting fiscally sound budgets has resulted in a sustained stable budgetary environment for the County
- This long-term fiscal planning has enabled support and progress to be made on many of the Board's priorities, including homeless and housing services; mental health services; electric vehicle infrastructure and energy efficiency solutions; deferred maintenance; diversity, equity, and inclusion efforts; and criminal justice initiatives

Preparing for Tomorrow....

- State budget shortfalls, unforeseen disasters, legislative changes and workforce instability can significantly impact the County
- The FY 2023-24 budget recommends targeted investments in areas of need and to address key Board priorities
- It also sets aside ongoing funding for future deficits, given the uncertainty of the State budget and known cost increases identified in the five-year forecast

Transformative projects on the horizon include: the regional fire dispatch center and new ambulance services model, the broadband strategic plan, the Calle Real master plan, recreation master plan and climate action plan, and lastly, new technology infrastructure.



COUNTY OF SANTA BARBARA CALIFORNIA
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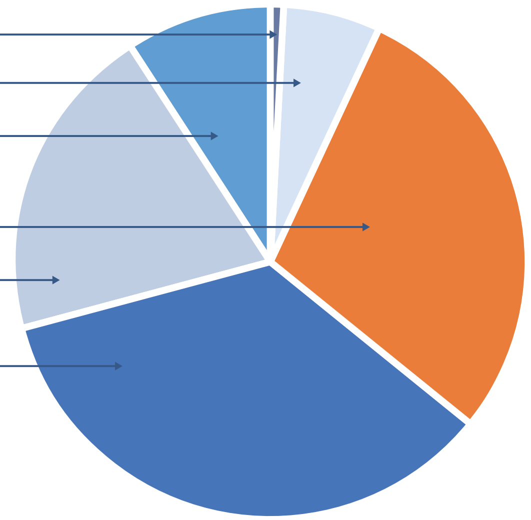
BUDGET SUMMARY

The County of Santa Barbara's FY 2023-24 Recommended Budget is balanced, with ongoing costs largely supported by ongoing revenues.

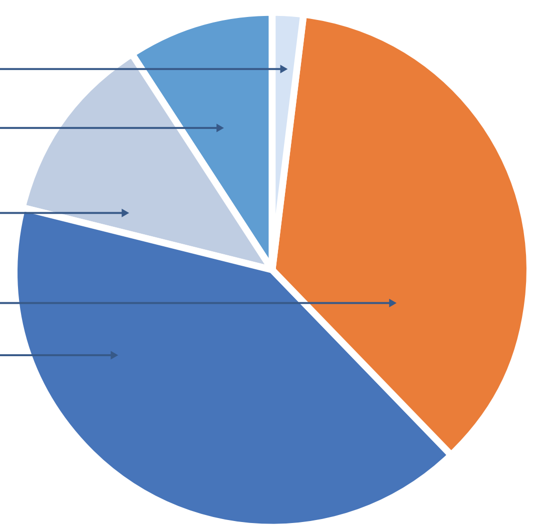
OPERATING BUDGET
$1.48 BILLION

- General County Programs, **$10.1M - 0.7%**
- Policy & Executive, **$82.1M - 5.5%**
- General Government & Support Services, **$130.1M - 8.8%**
- Community Resources & Public Facilities, **$283.9M - 19.2%**
- Public Safety, **$458.1M - 30.9%**
- Health & Human Services, **$515.9M - 34.8%**



STAFFING
4,638 Full-Time Equivalent (FTE) Staff

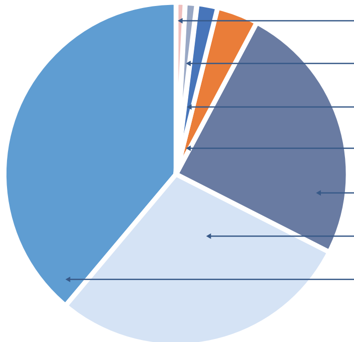
- Policy & Executive, **107 FTE - 2.3%**
- General Government & Support Services, **400 FTE - 8.6%**
- Community Resources & Public Services, **550 FTE - 11.9%**
- Public Safety, **1668 FTE - 36%**
- Health & Human Services, **1913 FTE - 41.2%**



Key Points in Budget:

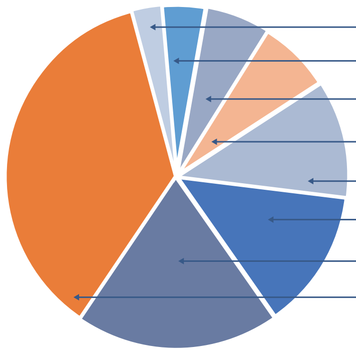
- ***Service level reductions have been avoided.***
- ***Three of the County's largest discretionary revenue sources—property, sales, and transient occupancy taxes (TOT)—experienced strong growth over the past year, as strong home sales continued, taxable sales climbed, and travel to Santa Barbara County increased.***
- ***Labor and liability costs continue to increase; salaries and benefits alone are expected to rise $50.1M from the prior year.***
- ***Cannabis tax revenue has continued to decline and remains a volatile revenue source.***

$1.52 BILLION
OPERATING REVENUES BY CATEGORY



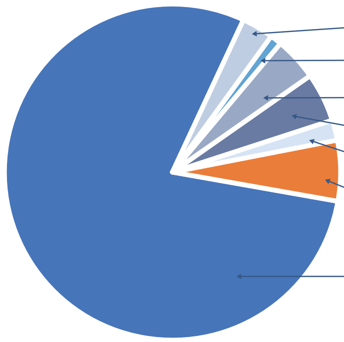
- Use of Money and Property, **$9.4M - 0.6%**
- Fines, Forfeitures, and Penalties, **$10.1M - 0.7%**
- Licenses, Permits and Franchises, **$30.1M - 2.0%**
- Miscellaneous Revenue, **$71.6M - 4.7%**
- Charges for Services, **$382.2M - 25.1%**
- Taxes, **$437.7M - 28.7%**
- Intergovernmental Revenue, **$582.1M - 38.2%**

$1.52 BILLION
OPERATING REVENUES BY FUND



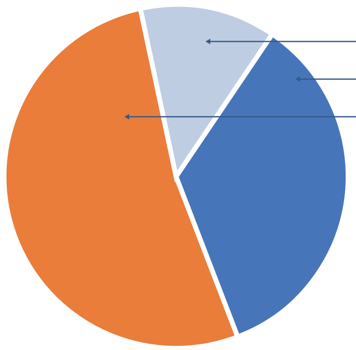
- Resource Recovery, **$50.6M - 3.3%**
- Roads, **$58.5M - 3.8%**
- Public Health, **$83.7M - 5.5%**
- Fire, **$114M - 7.5%**
- Behavioral Wellness, **$171.2M - 11.2%**
- Social Services, **$205M - 13.5%**
- Other Fund, **$282.2M - 18.5%**
- General Fund, **$558.2M - 36.6%**

$372.1 MILLION
GENERAL FUND DISCRETIONARY REVENUES



- All Other, **$11.9M - 3.2%**
- RDA Property Taxes, **$4.1M - 1.1%**
- Local Sales Tax, **$15.1M - 4.1%**
- Transient Occupancy Tax, **$17.6M - 4.7%**
- Cannabis Taxes, **$7.5M - 2.0%**
- Cost Allocation Services, **$22M - 5.9%**
- Significant Property Taxes, **$293.9M - 79.0%**

$1.48 BILLION
OPERATING EXPENDITURES BY CATEGORY



- Other Charges, **$188.7M - 12.7%**
- Services & Supplies, **$509.9M - 34.4%**
- Salaries & Employee Benefits, **$782.5M - 52.8%**

ESSENTIAL PRIORITIES & COMMITMENTS FOR THE FUTURE

HOMELESSNESS & HOUSING: $30.1 million is planned next year and combined with an approved $16 million in American Rescue Plan Act (ARPA) funds, this equates to $46.1 million toward facilities, outreach, support, rental assistance and an encampment strategy. To address the County's critical housing needs, the budget includes efforts to update the Housing Element for 2023-2031, complete a workforce housing study, update the County's Inclusionary Housing Ordinance Program, and continue to support new affordable housing production.

REGIONAL PARKS & LIBRARIES: The budget continues to prioritize outdoor activities by providing funding for improvements and maintenance at many of the regional parks, including planned recreational improvements at Cachuma Lake, Manning Park, Arroyo Burro and Lookout Park. A draft of the Countywide Recreation Master Plan is anticipated to be released to the public in Summer 2023. Ongoing Consumer Price Index (CPI) growth continues to be included for library funding and solutions are being considered among all library partners for more equitable and sustainable library funding.

CAPITAL IMPROVEMENTS: Continued strategic investments in County facilities help ensure efficient and sustainable services. Several projects including the anticipated start of construction for the new Probation headquarters, anticipated completion of the Regional Fire Communications Center, completion of RV park renovations at Cachuma Lake, and continued progress on the Public Safety Radio Network project are planned in FY 2023-24. Following Board direction at budget workshops, 16 priority capital projects totaling $11.9 million are funded in the recommended budget, including:

- ***Phase 2 of the Modoc Road Multi-Modal Path***
- ***Energy efficiency HVAC projects***
- ***Expansion of the Lompoc Veterans Memorial Hall parking lot***
- ***Funding towards Orcutt Library building acquisition***

ECONOMIC VITALITY: The Comprehensive Economic Development Strategy ($150,000) will be completed in FY 2023-24 and implementation efforts will begin in August 2023 giving the County access to federal funding opportunities for economic development efforts. Additionally, economic vitality efforts like the Vandenberg Space Force Base Master Plan will continue, which includes working with the regional economic action coalition on exploring possible expansions of the VSFB Memorandum of Understanding with other local agencies.

CLIMATE CHANGE ADAPTATION: Investments in electrification of the County's fleet and EV infrastructure that began in FY 2022-23 and total $1.5 million continue, along with energy efficiency upgrades to increase the County's renewable energy profile. The Community Services Department plans to complete development of the 2030 Climate Action Plan during the fiscal year.

CRIMINAL JUSTICE: Criminal justice partners continue to make progress on initiatives to improve communication, processes, and data availability, while optimizing diversion programs, expanding alternative sentencing, and improving discovery management. Some of these improvements are being accomplished through internal efficiencies, and reallocation and optimization of existing resources, while other initiatives require funding, including many that are funded through State and Community Correction Partnership resources.

SUPPORTING DISADVANTAGED & VULNERABLE POPULATIONS: $2 million in the ARPA Health and Human Services Recovery Plan is for Childcare Recovery and Resiliency, with $730,000 budgeted in FY 2023-24. ARPA also funds $200,000 for digital literacy and $600,000 to senior meals in this budget. The FY 2023-24 Department of Social Services recommended budget includes grant match and administrative costs to stand up a County Farmworker Resource Center to assist farmworkers. Behavioral Wellness is implementing a new electronic health record system to coordinate services with community-based organizations, adding a co-response team to serve the Lompoc area, for a countywide total of four teams, and creating transitional housing units utilizing state bridge housing funding.

DIVERSITY, EQUITY & INCLUSION INITIATIVES: The County continues to value and embrace a culture of diversity, equity and inclusion (DEI) and is committed to promoting these values. The recommended budget includes $851,000 of ARPA funds for translation services to improve language access, and consultant services to develop a comprehensive community-facing DEI plan. It also continues funding of the equity grant program that began two years ago.

INNOVATION & TECHNOLOGY: To effectively facilitate the County's technology needs and priorities, the Information Communications and Technology division within General Services, is transitioning to a standalone department. Planned projects in FY 2023-24 include implementation of a digital evidence management system, cyber security projects, and expansion of the County's wireless network. Many other major systems updates will be occurring, including implementation of two phases of the new Enterprise Resource Planning system, Statewide Automated Welfare system, and adoption of an Electronic Health Record for County Health and Human Services departments.

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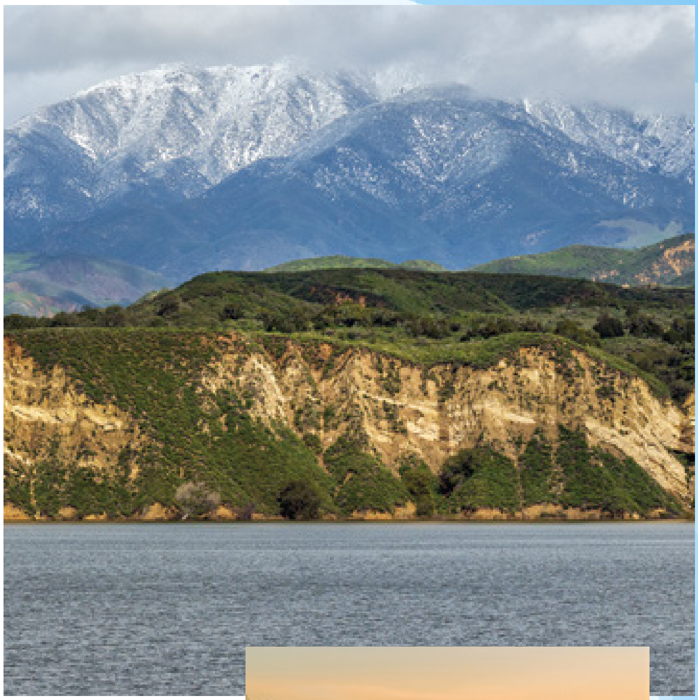

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Joan Hartmann, Third District

Bob Nelson, Fourth District

Steve Lavagnino, Fifth District, Vice Chair

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Nancy Anderson, Chief Assistant County Executive Officer

Jeff Frapwell, Assistant County Executive Officer

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