



BOARD OF SUPERVISORS AGENDA LETTER

Agenda Number:

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

Department Name: CEO
Department No.: 012
For Agenda Of: November 29, 2022
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: Department: Mona Miyasato, County Executive Officer
Director(s)
Contact Info: Nancy Anderson, Assistant CEO – Budget and Research
Jeff Frapwell, Assistant CEO – Cannabis Administration Division
SUBJECT: Fiscal Year 2022-23 First Quarter Budget Status Report and Cannabis Taxation, Compliance and Enforcement Update

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

It is recommended that the Board of Supervisors:

- a) Receive and file the Fiscal Year (FY) 2022-23 First Quarter Budget and Status Report as of September 30, 2022, showing the status of appropriations and financing for departmental budgets adopted by the Board of Supervisors; and
- b) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA), because pursuant to sections 15378(b)(4) and 15378(b)(5) the recommended actions consist of organizational, administrative, or fiscal activities of government that will not result in direct or indirect physical changes in the environment.

Summary:

The FY 2022-23 budget status report for the first quarter ending September 30, 2022 provides a fiscal-year-to-date look at the County's financial position relative to the FY 2022-23 adjusted budget.

With only three months into the current fiscal year, there is much activity that has yet to determine the final fiscal position of the County's General Fund. At this time, staff look at the final assessed valuations determined by the Assessor on July 1 and other changes that could have potential impacts on the assumptions used in the FY 2022-23 adopted budget and estimate what the variances may be.

For the first quarter, taking into consideration those identified changes, the General Fund is projected to have a net positive variance of \$25.8 million compared to the adopted budget. The majority of the variance (\$22.4M) is related to General Revenues. Property tax revenue comprises \$17.5 million of the variance that is primarily driven by assessed values coming in higher than initially estimated due to unusually high residential and commercial property transactions in the previous fiscal year. Other significant variances include the Probation Department at a positive variance of \$2.4 million related to salary savings due to vacancies and a \$1.04 million negative variance for the Sheriff's Office related to overtime usage. While still early in the year, cannabis revenue is once again trending at lower collections than budgeted with a \$6 million negative variance.

The fiscal position of the General Fund will continue to be monitored and presented to the Board on a quarterly basis. At the end of the fiscal year, any funds resulting from a positive variance are typically carried forward for the Board to consider as part of the next budget cycle development as priorities and fiscal issues are identified. The five-year forecast for the General Fund will be presented to the Board in December, which will set the stage for FY 2023-24 budget development.

FIRST QUARTER REPORT

The first quarter for the fiscal year includes activity through September 30, 2022. In this report, projected financial results for the fiscal year end are compared to the annual adjusted budget. The major differences (variances) between budgeted and actual amounts are discussed on the following pages.

This report highlights the variances that exceed the following thresholds:

- 1) General Fund departments (including Discretionary General Revenues) with projected variances greater than \$300 thousand per department; shown in the Financial Summary Report (Attachment A) and;
- 2) Special Revenue and Other Funds with projected variances greater than \$500 thousand per fund; shown in the Financial Summary Report (Attachment B).

Both Attachments A and B use actual revenues and expenditures for the first three months of FY 2022-23, and then add departmental projections for the next nine months to arrive at the "Projected Actual" columns. These annual Projections are then compared to Adjusted Budgets for both Sources and Uses to produce a "Net Financial Projected Variance" for the end of the fiscal year (shown in the far-right column of the Attachment A and Attachment B reports).

BUDGET POLICY

Departments are responsible for maintaining expenditure levels within the Board-approved budget appropriations in accordance with Board adopted policy and procedure '*Budgetary Control & Responsibility*' as the following abbreviated excerpt states:

- A. If expenditures are projected to exceed appropriations, the department head responsible for the budget shall perform one or more of the following steps in the following order:
 - 1) Lower the expenditure level to maintain overall expenditures within the total amount budgeted,
 - 2) Request a transfer from fund balance within the same department and fund under the department head's control (if available for appropriation),

- 3) Prepare a transfer request from General Fund Contingency and an agenda item for the Board of Supervisors with a memo to the County Executive Office, providing adequate justification.

In addition, the County Budget Act, Section 29121, California Government Code, places liability for over-expenditure upon the department director authorizing the expenditure:

Except as otherwise provided by law, obligations incurred or paid in excess of the amounts authorized in the budget unit appropriations are not a liability of the county or dependent special district, but a personal liability of the official authorizing the obligation.

GENERAL FUND SUMMARY (Attachment A)

As of September 30, 2022, the General Fund had a projected year-end positive variance of \$25.8 million. This is the result of favorable results in most General Fund departments, partially offset by a reportable negative variance in one department.

General Revenues (Department 991) projects a positive year-end variance of \$22.4 million, 6.6% over total budgeted revenues, shown in detail in the table below. This variance is due primarily to higher than budgeted Property Taxes, Sales and Use Taxes, Transient Occupancy Taxes (TOT), and Interest Income. Cannabis Cultivation and Retail Storefront Taxes are projected to come in lower than budgeted but are not contributing to the projected year-end variance and are explained later in this section.

Property Taxes are the major driver of the General Revenue's positive variance through the first quarter as they project higher than budget by \$17.5 million. Secured and unsecured property taxes are mainly driving this variance as they project to exceed budget by \$13.7 million, primarily due to the real estate market that flourished over the last several years resulting from historically low mortgage rates and high demand for residential and commercial properties. As expected in a strong real estate market, a high volume of property ownership changes occurred over the past two years and were reassessed upon property transfer. In many instances, the reassessed property values had increased substantially, thereby contributing to robust assessed property value growth of 8.1% for the property tax year 2022-23. At the time that the current fiscal year's property tax budget was developed, staff had anticipated that assessed value growth would be strong at 4.5%; however, the Assessor finalized the tax roll at the end of June with substantially higher growth resulting in the positive variance. Property Taxes In-lieu of Vehicle License Fees (VLF) are also contributing to the positive variance in property taxes as they project higher than budget by \$2.4 million, given that they too are driven by assessed value growth.

Sales and Use Taxes are projecting a positive variance of \$1.8 million as consumer demand for taxable goods remains high despite an uncertain economy. Although the County outpaced regional and State Sales and Use Tax averages, consultant HdL expects recent actions taken by the Federal Reserve to exert downward pressure on many of the major industry sectors, resulting in slower growth in the second half of the current fiscal year. Transient Occupancy Taxes (TOT), which is highly dependent on tourism, is also projecting a positive variance and expected to exceed budget by \$1.7 million. Although TOT receipts remained elevated through the first quarter, staff anticipates growth to slow in the second half of the fiscal year, similar to Sales and Use Taxes, as actions taken by the Federal Reserve to curb inflation begin to impact consumers. Interest income is the final significant driver of the General Revenue's positive variance as it projects to exceed budget by \$1.1 million. In the first two years of the pandemic, treasury interest rates dropped to well below 1% but have modestly, yet consistently, increased over the course of the past calendar year as banks enter a higher rate environment. Year-end projections have been updated accordingly to reflect this new trend in rates.

Cannabis Cultivation Tax is currently projecting a negative variance of \$6 million on a \$15.2 million adopted budget. This projected decrease continues to be attributable to the oversupply of wholesale cannabis product and resulting price compression that continues to persist locally and state-wide. Cannabis Retail Storefront Tax is also projected to end the year under budget by \$471 thousand on a \$1.1 million adopted budget. This decrease is due to the timing of when each retail operator is expected to complete the land use entitlement and business licensing processes. When the budget was developed, staff had assumed that one retail storefront operator would commence operations at the end of fiscal year 2021-22, and two other operators would commence operations early in fiscal year 2022-23. The anticipated commencement of operations for all three operators has been delayed, with all three entities expected to open for business at various times throughout the current fiscal year. Staff will continue to closely monitor cannabis tax revenues as the fiscal year progresses and will keep the Board apprised of updated projections when new information becomes available.

Discretionary General Revenue Summary (in thousands):			
Source	Adjusted FY 2022-23	Projected FY 2022-23	Variance Proj vs. Adjusted
Property Taxes	\$ 261,719	\$ 279,237	\$ 17,518
Sales and Use Retail State Tax	14,240	16,010	1,770
Cannabis Cultivation Tax	15,193	9,140	(6,053)
Cannabis Retail Tax	1,100	629	(471)
Transient Occupancy Tax	15,165	16,891	1,726
Interest Income	727	1,834	1,107
All Other Revenues	32,415	32,713	298
Total Discretionary Revenues	\$ 340,559	\$ 356,454	\$ 15,895
Decrease to Cannabis Fund Balance	\$ 16,293	\$ 9,769	\$ (6,524)
All Other Transfers	324,266	324,266	0
Projected Fiscal Year End Variance	\$ -	\$ 22,419	\$ 22,419

Probation is projecting a positive year-end variance of \$2.4 million, 2.9% on a total budget of \$81.7 million, primarily due to staffing vacancies. The department continues to work on filling these vacancies and has reduced the number of vacancies compared to the beginning of the fiscal year.

Sheriff-Coroner Office is projecting a negative year-end variance of \$1.04 million, 0.6% on a total budget of \$183.6 million, primarily due to overtime costs in excess of budget. Actual overtime costs through the first quarter were \$4.3 million on a quarterly budget of \$1.0 million, exceeding the quarter's budget by \$3.3 million. However, all but \$300 thousand, or 10%, of the first quarter overage is being absorbed by salary and benefit savings as a result of numerous funded vacancies within the department. If these trends continue, the department could ultimately exceed their overtime budget by \$12 million, of which all but \$1.2 million would be absorbed with salary savings. The department has also incurred approximately \$100 thousand in pandemic direct response costs to be reimbursed through ARPA funds, which will offset a portion of the projected deficit.

Consequently, if the department has more success in filling vacancies and retaining staff in the coming quarters, they will no longer be experiencing salary savings that cover 90% of their unbudgeted overtime, but will still have periods of high overtime while newly hired staff is being trained to work in the facilities. This would cause their projected negative variance to grow even larger, and is an unavoidable short-term cost as new staff come on board. As stipulated in the October 18, 2022 presentation on Sheriff Overtime

Usage and Costs, the department may receive reimbursement for eligible overtime costs and recruitment incentives from the \$2 million set-aside of Proposition 172 funds at year-end, and the CEO's Office continues to work closely with the department to develop more robust tracking of overtime drivers.

Public Health is projecting a positive year-end variance of \$484 thousand, 8.3% on a total budget of \$5.8 million, primarily due to salary and benefit savings as a significant number of positions are vacant in the Animal Services Division.

SPECIAL REVENUE AND OTHER FUNDS SUMMARY (Attachment B)

There were no reportable variances in the Special Revenue and Other Funds for the first quarter.

ADVANCE CONSTRUCTION RESERVE ACTIVITY

Beginning in FY 2021-22, the budget includes the temporary transfer of General Fund cash to Public Works (Fund 0017) for costs associated with high cost bridge construction that requires cashflow in advance of federal reimbursement. The Board has approved an estimated cashflow need for two bridge projects currently in progress. The status of those transfers will be reported in each quarterly update to the Board.

Project	Board Date	Approved Maximum	Transferred To-Date	Net Remaining	Period of Cashflow Need
Floradale Bridge	6/8/2021	\$6,800,000	(\$5,270,600)	\$1,529,400	2021-2024
Foothill Bridge	1/11/2022	\$6,000,000	-0-	\$6,000,000	2022-2025
Totals		\$12,800,000	(\$5,270,600)	\$7,529,400	

To the extent that federal reimbursements are received throughout the projects, that cash will be used first prior to any General Fund transfer. The Board approved a Budget Development policy in December 2021 to establish an Advance Construction Reserve in General County Programs to set aside the maximum amount estimated for the projects and track the activity. Staff will process budget revision requests as cashflow is needed for the projects.

CANNABIS TAXATION, COMPLIANCE AND ENFORCEMENT ACTIVITY (Attachment C)

During the first quarter, the County collected \$1.03 million in cannabis gross tax receipts. The County completed four enforcement actions against illegal cannabis activities: 300 plants and 62 pounds of cannabis product were confiscated totaling an estimated street value of \$226 thousand. The County also issued seven new cannabis business licenses.

As reported in the past, the County has approved enough cultivation acreage in land use entitlements to exceed the acreage cap in the unincorporated inland area. There are currently six operators with approved land use entitlements on the waiting list for this area requesting a total of over 220 acres. The acreage cap in Carpinteria has yet to be committed. To date, operators submitted a total of 210 business license applications through the first quarter, of which 62 have been issued. The majority of these pending business license applications remain in process, largely due to: 1) applicants that have been approved for a land use entitlement, but have not yet been issued a final, un-appealable entitlement, as many applications are being appealed after approval, and 2) applicants that have not yet obtained required building permits to construct new buildings or change the use of existing buildings. Further details can be found in Attachment C.

Attachments:

A – Financial Summary Report – General Fund

B – Financial Summary Report – Special Revenue and Other Funds

C – Cannabis Taxation, Compliance and Enforcement, First Quarter FY 2022-23

Authored by:

CEO Budget and Research Division

Brittany Heaton, CEO Cannabis Administration Division

Financial Summary (Real-Time)

Attachment A

As of: 9/30/2022 (25% Elapsed)
Accounting Period: CLOSED

Selection Criteria: Fund = 0001

Layout Options: Summarized By = Department; Columns = SrcUseYEP

Department	Sources Fiscal Year Adjusted Budget	Sources Projected Actual	Sources Projected Variance	Uses Fiscal Year Adjusted Budget	Uses Projected Actual	Uses Projected Variance	Net Financial Projected Variance
011 -- Board of Supervisors	4,054,000.00	4,054,000.00	0.00	4,054,000.00	3,992,858.31	61,141.69	61,141.69
012 -- County Executive Office	15,828,061.00	15,192,821.39	-635,239.61	15,828,061.00	15,149,489.41	678,571.59	43,331.98
013 -- County Counsel	11,648,600.00	11,340,411.97	-308,188.03	11,648,600.00	11,340,411.97	308,188.03	0.00
021 -- District Attorney	32,621,373.00	32,036,400.00	-584,973.00	32,621,373.00	32,036,400.00	584,973.00	0.00
022 -- Probation	81,658,600.00	80,934,541.26	-724,058.74	81,658,600.00	78,554,873.06	3,103,726.94	2,379,668.20
023 -- Public Defender	18,884,536.00	18,580,504.05	-304,031.95	18,884,536.00	18,580,504.05	304,031.95	0.00
032 -- Sheriff	183,592,727.00	182,294,433.40	-1,298,293.60	183,592,727.00	183,338,533.83	254,193.17	-1,044,100.43
041 -- Public Health	5,829,522.00	5,863,687.23	34,165.23	5,829,522.00	5,380,054.70	449,467.30	483,632.53
051 -- Agricultural Commissioner/W&M	7,180,200.00	7,241,965.11	61,765.11	7,180,200.00	7,065,933.51	114,266.49	176,031.60
053 -- Planning & Development	5,240,800.00	5,296,436.89	55,636.89	5,240,800.00	5,104,205.32	136,594.68	192,231.57
054 -- Public Works	15,259,200.00	15,267,723.23	8,523.23	15,259,200.00	15,239,239.10	19,960.90	28,484.13
057 -- Community Services	43,908,107.00	42,908,243.20	-999,863.80	43,908,107.00	42,776,383.12	1,131,723.88	131,860.08
061 -- Auditor-Controller	10,254,400.00	10,271,915.00	17,515.00	10,254,400.00	10,031,432.99	222,967.01	240,482.01
062 -- Clerk-Recorder-Assessor	17,343,400.00	17,428,543.39	85,143.39	17,343,400.00	17,194,255.83	149,144.17	234,287.56
063 -- General Services	27,672,795.00	27,260,222.09	-412,572.91	27,672,795.00	27,050,370.83	622,424.17	209,851.26
064 -- Human Resources	7,454,090.00	7,450,729.00	-3,361.00	7,454,090.00	7,417,032.84	37,057.16	33,696.16
065 -- Treasurer-Tax Collector-Public	10,091,700.00	10,073,628.92	-18,071.08	10,091,700.00	9,911,698.61	180,001.39	161,930.31
990 -- General County Programs	263,734,955.00	261,420,480.51	-2,314,474.49	263,734,955.00	261,414,782.53	2,320,172.47	5,697.98
991 -- General Revenues	340,559,200.00	356,453,989.62	15,894,789.62	340,559,200.00	334,034,499.19	6,524,700.81	22,419,490.43
Total Report	1,102,816,266.00	1,111,370,676.26	8,554,410.26	1,102,816,266.00	1,085,612,959.20	17,203,306.80	25,757,717.06

Financial Summary (Real-Time)

Attachment B

As of: 9/30/2022 (25% Elapsed)
Accounting Period: CLOSED

Selection Criteria: FundType = 02-06

Layout Options: Summarized By = Fund; Columns = SrcUseYEP

Fund	Sources Fiscal Year Adjusted Budget	Sources Projected Actual	Sources Projected Variance	Uses Fiscal Year Adjusted Budget	Uses Projected Actual	Uses Projected Variance	Net Financial Projected Variance
0002 -- COVID-19 General Assistance	48,892,461.00	48,784,264.54	-108,196.46	48,892,461.00	48,784,264.54	108,196.46	0.00
0010 -- First 5 Child & Families Comm	3,746,600.00	3,417,071.56	-329,528.44	3,746,600.00	3,694,812.58	51,787.42	-277,741.02
0015 -- Roads-Operations	34,168,400.00	34,047,071.25	-121,328.75	34,168,400.00	33,950,688.73	217,711.27	96,382.52
0016 -- Roads-Capital Maintenance	21,913,200.00	21,841,414.79	-71,785.21	21,913,200.00	21,922,229.06	-9,029.06	-80,814.27
0017 -- Roads-Capital Infrastructure	37,424,600.00	37,405,801.61	-18,798.39	37,424,600.00	37,498,077.65	-73,477.65	-92,276.04
0018 -- Roads-Measure A	2,020,200.00	2,022,875.38	2,675.38	2,020,200.00	2,020,200.00	0.00	2,675.38
0019 -- Roads-Alternative Transport	762,300.00	600,027.65	-162,272.35	762,300.00	689,963.05	72,336.95	-89,935.40
0030 -- Capital Outlay	45,533,365.00	36,356,263.12	-9,177,101.88	45,533,365.00	36,288,238.23	9,245,126.77	68,024.89
0031 -- Parks Dept Capital Projects	9,489,440.00	9,489,653.63	213.63	9,489,440.00	9,489,408.22	31.78	245.41
0032 -- North County Jail AB900	0.00	0.00	0.00	0.00	-1,513.23	1,513.23	1,513.23
0036 -- Municipal Finance Debt Svc	4,116,900.00	4,048,982.56	-67,917.44	4,116,900.00	4,099,830.28	17,069.72	-50,847.72
0041 -- Fish and Game	26,600.00	26,875.27	275.27	26,600.00	26,344.75	255.25	530.52
0042 -- Health Care	95,676,117.00	93,245,488.20	-2,430,628.80	95,676,117.00	93,166,743.94	2,509,373.06	78,744.26
0044 -- Mental Health Services	57,617,546.00	57,617,546.00	0.00	57,617,546.00	57,617,546.00	0.00	0.00
0045 -- Petroleum Department	870,700.00	728,934.72	-141,765.28	870,700.00	857,954.77	12,745.23	-129,020.05
0046 -- Tobacco Settlement	5,382,009.00	5,417,936.91	35,927.91	5,382,009.00	5,417,936.91	-35,927.91	0.00
0048 -- Mental Health Services Act	98,082,900.00	98,082,900.00	0.00	98,082,900.00	98,082,900.00	0.00	0.00
0049 -- Alcohol and Drug Programs	22,979,400.00	22,849,400.00	-130,000.00	22,979,400.00	22,849,400.00	130,000.00	0.00
0050 -- Clerk-Recorder	4,363,500.00	4,358,558.81	-4,941.19	4,363,500.00	4,328,281.15	35,218.85	30,277.66
0051 -- Environmental Health Services	7,830,296.00	7,822,776.59	-7,519.41	7,830,296.00	7,722,010.42	108,285.58	100,766.17
0052 -- Special Aviation	2,007,329.00	1,996,956.44	-10,372.56	2,007,329.00	1,999,082.51	8,246.49	-2,126.07
0055 -- Social Services	184,619,641.00	180,301,104.10	-4,318,536.90	184,619,641.00	180,301,104.10	4,318,536.90	0.00
0056 -- SB IHSS Public Authority	13,002,700.00	13,002,700.00	0.00	13,002,700.00	13,002,700.00	0.00	0.00
0057 -- Child Support Services	10,011,000.00	10,012,103.88	1,103.88	10,011,000.00	10,012,103.88	-1,103.88	0.00
0058 -- WIOA-WDB	7,456,200.00	6,605,303.07	-850,896.93	7,456,200.00	6,605,303.07	850,896.93	0.00

Financial Summary (Real-Time)

Attachment B

As of: 9/30/2022 (25% Elapsed)
Accounting Period: CLOSED

Selection Criteria: FundType = 02-06

Layout Options: Summarized By = Fund; Columns = SrcUseYEP

Fund	Sources Fiscal Year Adjusted Budget	Sources Projected Actual	Sources Projected Variance	Uses Fiscal Year Adjusted Budget	Uses Projected Actual	Uses Projected Variance	Net Financial Projected Variance
0061 -- Fisheries Enhancement	14,700.00	14,751.79	51.79	14,700.00	11,807.50	2,892.50	2,944.29
0062 -- Local Fishermen Contingency	16,900.00	16,943.56	43.56	16,900.00	15,881.00	1,019.00	1,062.56
0063 -- Coast Resource Enhancement	1,140,200.00	1,143,396.14	3,196.14	1,140,200.00	932,524.75	207,675.25	210,871.39
0064 -- CDBG Federal	2,250,800.00	1,423,039.30	-827,760.70	2,250,800.00	1,422,252.09	828,547.91	787.21
0065 -- Affordable Housing	44,840,693.00	40,454,605.92	-4,386,087.08	44,840,693.00	40,453,652.57	4,387,040.43	953.35
0066 -- HOME Program	4,376,600.00	3,270,071.14	-1,106,528.86	4,376,600.00	3,269,572.00	1,107,028.00	499.14
0069 -- Court Activities	15,549,482.00	15,130,333.03	-419,148.97	15,549,482.00	14,906,526.77	642,955.23	223,806.26
0070 -- Crim Justice Facility Constrt	500,000.00	519,746.44	19,746.44	500,000.00	519,746.44	-19,746.44	0.00
0071 -- Courthouse Construction SB668	540,000.00	556,641.93	16,641.93	540,000.00	556,641.93	-16,641.93	0.00
0074 -- Sheriff AB 1600 Fees	100,000.00	79,528.06	-20,471.94	100,000.00	100,000.00	0.00	-20,471.94
0075 -- Inmate Welfare	2,248,000.00	1,951,651.19	-296,348.81	2,248,000.00	1,960,319.66	287,680.34	-8,668.47
0076 -- Planning and Development	23,916,569.00	22,364,302.53	-1,552,266.47	23,916,569.00	22,755,780.12	1,160,788.88	-391,477.59
0920 -- Animal Health/Reg-Trust	248,000.00	235,063.47	-12,936.53	248,000.00	248,000.00	0.00	-12,936.53
0923 -- HAZMAT CUPA Enforcement	355,000.00	355,036.29	36.29	355,000.00	355,000.00	0.00	36.29
1128 -- Fire AB 1600 Fees-Orcutt	0.00	6.09	6.09	0.00	0.00	0.00	6.09
1129 -- Fire/AB 1600 Fees-Goleta	774,000.00	775,541.51	1,541.51	774,000.00	774,000.00	0.00	1,541.51
1130 -- Fire District Mitigation Trust	0.00	423.22	423.22	0.00	0.00	0.00	423.22
1133 -- Fire AB1600 Fees	300,000.00	337,886.14	37,886.14	300,000.00	300,000.00	0.00	37,886.14
1163 -- Casa Del Mural/HCD/SBCHC-Loan	446.00	446.05	0.05	446.00	445.75	0.25	0.30
1180 -- HCS-AB75 Health Education	626,000.00	625,474.64	-525.36	626,000.00	626,090.00	-90.00	-615.36
1416 -- Isla Vista In-Lieu Parking Fee	0.00	827.03	827.03	0.00	0.00	0.00	827.03
1510 -- Roads/AB 1600 Fees-Orcutt	850,000.00	785,719.21	-64,280.79	850,000.00	850,000.00	0.00	-64,280.79
1511 -- Roads/AB 1600 Fees-Goleta	2,150,000.00	2,148,746.52	-1,253.48	2,150,000.00	2,137,501.00	12,499.00	11,245.52
1512 -- Roads/AB 1600 Fees-Countywide	60,000.00	67,828.67	7,828.67	60,000.00	60,000.00	0.00	7,828.67
1900 -- Vehicle Operations/Maintenance	19,161,922.00	19,925,376.95	763,454.95	19,161,922.00	19,671,754.53	-509,832.53	253,622.42

Financial Summary (Real-Time)

Attachment B

As of: 9/30/2022 (25% Elapsed)
Accounting Period: CLOSED

Selection Criteria: FundType = 02-06

Layout Options: Summarized By = Fund; Columns = SrcUseYEP

Fund	Sources Fiscal Year Adjusted Budget	Sources Projected Actual	Sources Projected Variance	Uses Fiscal Year Adjusted Budget	Uses Projected Actual	Uses Projected Variance	Net Financial Projected Variance
1911 -- Workers' Comp Self Insurance	22,092,500.00	21,883,003.76	-209,496.24	22,092,500.00	21,883,003.76	209,496.24	0.00
1912 -- County Liability-Self Insuranc	21,434,000.00	21,686,155.23	252,155.23	21,434,000.00	21,686,155.23	-252,155.23	0.00
1913 -- County Unemp Ins-Self Ins	926,800.00	928,137.17	1,337.17	926,800.00	928,137.17	-1,337.17	0.00
1914 -- Dental Self-Insurance Fund	2,495,500.00	2,239,873.05	-255,626.95	2,495,500.00	2,209,746.98	285,753.02	30,126.07
1915 -- Information Technology Srvcs	21,377,958.00	21,348,357.76	-29,600.24	21,377,958.00	21,086,616.96	291,341.04	261,740.80
1919 -- Communications Services	8,846,813.00	8,914,852.54	68,039.54	8,846,813.00	8,636,779.96	210,033.04	278,072.58
1920 -- Utilities Services	9,406,600.00	9,409,857.23	3,257.23	9,406,600.00	9,360,813.21	45,786.79	49,044.02
1930 -- Resource Recovery & Waste Mgt	64,716,400.00	64,714,426.47	-1,973.53	64,716,400.00	64,517,115.83	199,284.17	197,310.64
1931 -- TRRP Capital	12,645,100.00	12,636,908.50	-8,191.50	12,645,100.00	12,636,906.64	8,193.36	1.86
1932 -- TRRP Debt	10,067,200.00	10,058,847.37	-8,352.63	10,067,200.00	10,052,200.00	15,000.00	6,647.37
2120 -- CSA 3 Unincorp Goleta Valley	1,569,900.00	1,505,465.25	-64,434.75	1,569,900.00	1,557,413.47	12,486.53	-51,948.22
2130 -- CSA 4	80,200.00	80,483.95	283.95	80,200.00	80,469.40	-269.40	14.55
2140 -- CSA 5	171,600.00	171,604.58	4.58	171,600.00	171,597.94	2.06	6.64
2170 -- CSA 11 Carp Valley/Summerland	105,200.00	104,957.66	-242.34	105,200.00	95,070.83	10,129.17	9,886.83
2185 -- CSA 12 Mission Cyn Swr Svc Chg	932,400.00	898,030.82	-34,369.18	932,400.00	931,209.91	1,190.09	-33,179.09
2220 -- CSA 31 Isla Vista	174,600.00	150,542.39	-24,057.61	174,600.00	150,258.80	24,341.20	283.59
2242 -- CSA 41 Rancho SantaRita-Rd Mtc	48,400.00	48,274.07	-125.93	48,400.00	48,400.00	0.00	-125.93
2270 -- Orcutt CFD	693,200.00	684,634.32	-8,565.68	693,200.00	684,005.00	9,195.00	629.32
2271 -- Providence Landing CFD	206,600.00	206,601.41	1.41	206,600.00	206,600.00	0.00	1.41
2280 -- Fire Protection Dist	110,727,043.00	111,007,393.25	280,350.25	110,727,043.00	110,629,196.23	97,846.77	378,197.02
2400 -- Flood Ctrl/Wtr Cons Dst Mt	15,960,200.00	15,859,990.13	-100,209.87	15,960,200.00	15,779,787.96	180,412.04	80,202.17
2430 -- Bradley Flood Zone	44,300.00	44,555.04	255.04	44,300.00	40,495.60	3,804.40	4,059.44
2460 -- Guadalupe Flood Zone	138,800.00	138,827.52	27.52	138,800.00	136,587.74	2,212.26	2,239.78
2470 -- Lompoc City Flood Zone	622,300.00	626,526.93	4,226.93	622,300.00	616,219.37	6,080.63	10,307.56
2480 -- Lompoc Valley Flood Zone	1,064,400.00	1,067,033.48	2,633.48	1,064,400.00	1,023,876.40	40,523.60	43,157.08

Financial Summary (Real-Time)

Attachment B

As of: 9/30/2022 (25% Elapsed)
Accounting Period: CLOSED

Selection Criteria: FundType = 02-06

Layout Options: Summarized By = Fund; Columns = SrcUseYEP

Fund	Sources Fiscal Year Adjusted Budget	Sources Projected Actual	Sources Projected Variance	Uses Fiscal Year Adjusted Budget	Uses Projected Actual	Uses Projected Variance	Net Financial Projected Variance
2500 -- Los Alamos Flood Zone	173,100.00	171,008.17	-2,091.83	173,100.00	146,317.41	26,782.59	24,690.76
2510 -- Orcutt Flood Zone	1,695,400.00	1,692,000.07	-3,399.93	1,695,400.00	1,616,070.47	79,329.53	75,929.60
2560 -- SM Flood Zone	1,746,800.00	1,750,800.03	4,000.03	1,746,800.00	1,707,497.91	39,302.09	43,302.12
2570 -- SM River Levee Maint Zone	436,500.00	404,896.14	-31,603.86	436,500.00	449,280.62	-12,780.62	-44,384.48
2590 -- Santa Ynez Flood Zone	519,800.00	518,374.07	-1,425.93	519,800.00	501,782.08	18,017.92	16,591.99
2610 -- So Coast Flood Zone	34,754,200.00	34,754,077.77	-122.23	34,754,200.00	34,658,067.50	96,132.50	96,010.27
2670 -- North County Lighting Dist	716,600.00	717,624.72	1,024.72	716,600.00	761,235.11	-44,635.11	-43,610.39
2700 -- Mission Lighting District	26,000.00	25,884.93	-115.07	26,000.00	25,957.21	42.79	-72.28
2870 -- Laguna Co Sanitation-General	35,638,300.00	35,615,511.88	-22,788.12	35,638,300.00	35,620,113.73	18,186.27	-4,601.85
3000 -- Sandyland Seawall Maint Dist	360,800.00	272,138.77	-88,661.23	360,800.00	266,131.37	94,668.63	6,007.40
3050 -- Water Agency	4,975,300.00	4,838,067.91	-137,232.09	4,975,300.00	4,858,851.68	116,448.32	-20,783.77
3060 -- Project Clean Water	0.00	-136,523.59	-136,523.59	0.00	-53,916.91	53,916.91	-82,606.68
3122 -- Low/Mod Inc Housing Asset Fund	1,395,000.00	1,054,934.73	-340,065.27	1,395,000.00	1,054,320.75	340,679.25	613.98
Total Report	1,226,998,530.00	1,200,359,532.38	-26,638,997.62	1,226,998,530.00	1,199,113,480.04	27,885,049.96	1,246,052.34

ATTACHMENT C

Cannabis Taxation, Compliance, and Enforcement

FIRST QUARTER

FISCAL YEAR 2022-2023

CANNABIS TAXES

Table 1 provides a comparison of fourth quarter tax revenue data received from the Treasurer Tax-Collector's Office for this fiscal year versus the last two fiscal years.

TABLE 1. CANNABIS TAXES – REVENUES

First Quarter	FY 20-21	FY 21-22	FY 22-23
Taxes Paid (M)	\$4.2M	\$3.1M	\$1.0M

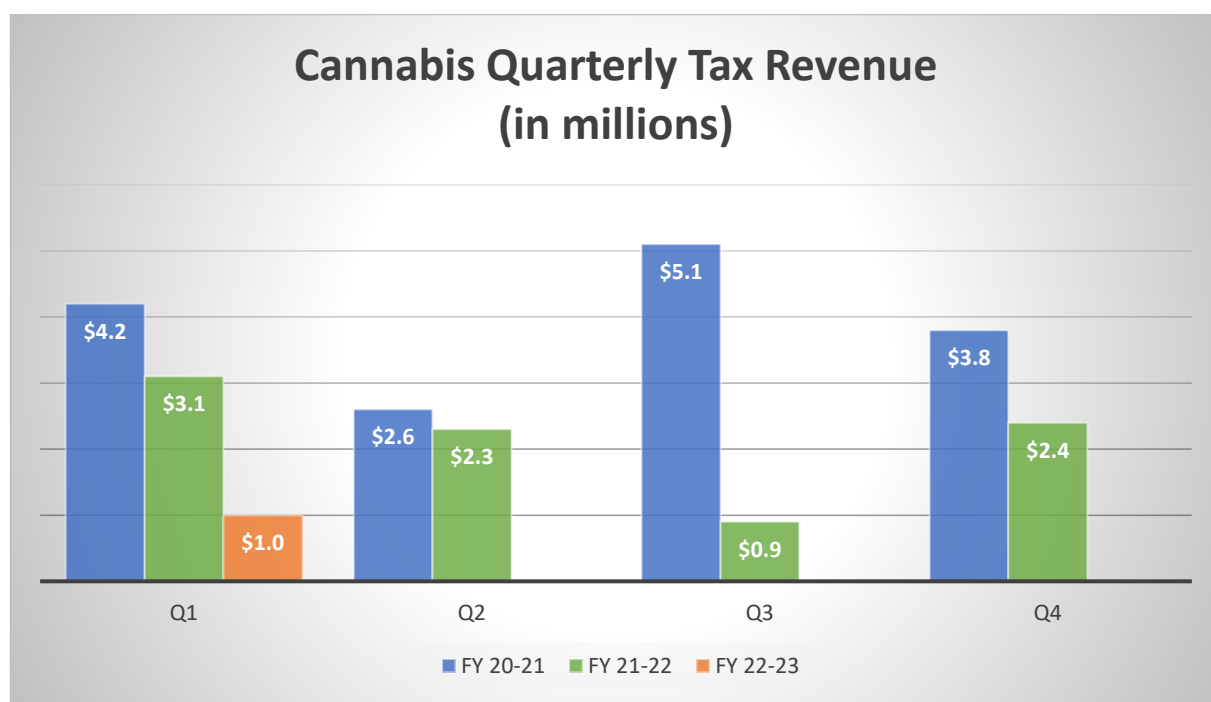


FIGURE 1. TAX REVENUE COMPARISON FY 20-21 TO 22-23 BY QUARTER

TABLE 2. CANNABIS TAXES – REPORTING

Time Frame	Tax Revenue Received	Operators that Did Not Report	Number of Operators Reporting Gross Receipts	Number of Operators Reporting Zero Gross Receipts	Total Number of Operations
FY 22-23 Q1	\$1.3M	21	39	16	76

CANNABIS COMPLIANCE: LAND USE ENTITLEMENT PERMITS

As of November 8, 2022, P&D has approved 165.95 acres of cannabis cultivation within the Carpinteria Agricultural Overlay Area and 1,869.47 acres of cannabis cultivation within the remaining unincorporated area. Of those approved acres, 68.16 acres within the Carpinteria Agricultural Overlay Area and 1,002.44 acres in the remaining unincorporated area have been permitted with an issued land use entitlement. The table below summarizes the amount of acreage that has been applied for, and the amount of acreage that has been approved and permitted as of November 8, 2022 through the land use entitlement process.

TABLE 3. ACREAGE CAP STATUS BY AREA – LAND USE ENTITLEMENT PROCESS

	Acreage Cap	Submitted Permit Acreage¹	Approved Permit Acreage²	Issued Permit Acreage³
Carpinteria Agricultural Overlay	186	215.91	165.95	68.16
Remaining Unincorporated Area	1,575	2,956.46	1,869.47	1,002.44

1. Submitted permit acreage can fluctuate based on project redesigns or changes to proposed cultivation areas.

2. An applicant may apply for a business license upon approval of their land use entitlement.

3. The “Issued Permit Acreage” is a subset of the “Approved Permit Acreage”. A land use entitlement can only be issued after it has been approved.

4. The approved acreage can fluctuate down from previous quarterly data due to changes to approved projects during the appeal process or when a project is withdrawn after approval.

To date, P&D has received 86 unique appeals of 56 cannabis projects. Of the 86 appeals received, 74 have been withdrawn, closed, or action has been taken by the decision maker. P&D is currently processing 12 unique appeals of 10 cannabis projects, eight of which are on appeal to the County Planning Commission, and two are on appeal to the Board of Supervisors.

TABLE 4. STATUS OF CANNABIS APPEALS

CURRENT APPEAL TOTALS	
Number of Cannabis Projects on Appeal to Planning Commission	8
Number of Cannabis Projects on Appeal to Board of Supervisors	2
Total Number of Cannabis Projects Currently on Appeal	10

TABLE 5. ELIGIBILITY LISTS FOR ACREAGE CAP

Updated: 11/4/2022 CARPINTERIA AGRICULTURAL OVERLAY AREA

Rank	Operator	Date Placed on List	Acreage Requested	Acreage Issued in License	Acreage left in cap
					186
1	Olivella, Inc	04/15/20	0.03	0.03	185.97
2	G&K Produce/K&G Produce	10/01/19	8.17	8.17	177.80
3	Farmlane, Inc	11/20/19	5.60	5.60	172.20
4	Ednigma, Inc	04/22/21	3.80	3.80	168.40
5	Emmawood B1, LLC	06/14/21	7.95	7.95	160.45
6	CAS Road Investments, LLC	06/24/21	4.73	Pending	155.72
7	Bosim 1628 Management Co, LLC	06/25/21	5.63	Pending	150.09
8	Farmlane, Inc	06/28/21	8.90	8.90	141.19
9	Twisted Roots, Inc	06/29/21	0.43	Pending	140.76
10	CP1 Supply Systems, Inc	07/15/21	4.76	Pending	136.00
11	Autumn Brands, LLC	08/06/21	6.19	6.19	129.81
12	Pacific Grown Organics LLC	09/13/21	4.89	4.89	124.92
13	Ocean Hill Farms, LLC	11/09/21	3.37	Pending	121.55
14	Vista Verde Farms, LLC	11/09/21	13.29	Pending	108.26
15	Carp Red Barn Inc	11/10/21	0.45	Pending	107.81
16	Primetime Farms, LLC	11/10/21	7.58	Pending	100.23
17	Ceres Farm, LLC	11/12/21	10.42	Pending	89.81
18	Yamaoka	11/23/21	3.2	Pending	86.61
19	New Horizon Farming, Inc.	12/23/21	4.59	Pending	82.02
20	JJ Agriculture, Inc	12/23/21	0.92	Pending	81.1
21	SLO Cultivation, Inc	12/23/21	7.98	Pending	73.12
22	Glass House Cultivation LLC	01/25/22	0.57	Pending	72.55
23	CKC Farms	01/25/22	1.08	Pending	71.47
24	Life Remedy Farms	01/26/22	3.19	Pending	68.28
25	Orbiter Blooms, Inc	01/26/22	2.13	Pending	66.15
26	Saga Farms, Inc	01/27/22	2.25	Pending	63.90
27	Valley Crest Farms	02/9/22	8.98	Pending	54.92
28	Melodious Plots	02/11/22	3.35	Pending	51.57
29	Ednigma, Inc	02/11/22	7.39	Pending	44.18
30	New Generation Farms, Inc	02/18/22	0.84	Pending	43.34
31	Blue Whale Agriculture, Inc	02/18/22	1.66	Pending	41.68
32	Twisted Roots, Inc	03/10/22	2.25	Pending	39.43
33	Flora Coast, Inc	03/10/22	1.90	Pending	37.53
34	Mission Health Associates, Inc	04/25/22	3.36	Pending	34.17
35	VR1 Farms	5/25/2022	14.00	Pending	20.17

Updated: 11/4/2022 REMAINING UNINCORPORATED AREA

Rank	Operator	Date Placed on List	Acreage Requested	Acreage Issued in License	Acreage left in cap
					1,575
1	Healy & Associates, LLC	09/27/19	39.60	39.60	1,535.40
2	Cuyama Ventures, LLC	10/03/19	0.23	0.23	1,535.17
3	Sierra Botanicals, LLC	10/03/19	3.50	3.50	1,531.67
4	Chips 18, Inc	10/07/19	60.00	60.00	1,471.67
5	Busy Bee's Family Farm	10/22/19	22.33	22.33	1,449.34
6	Central Coast Chronic, LLC	12/23/19	11.55	Pending	1,437.79
7	Sunset Point Nursery	04/16/20	7.10	7.10	1,430.69
8	TSBC Ranch, LLC	06/16/20	14.64	14.64	1,416.05
9	Fields, LLC	06/17/20	49.00	49.00	1,367.05
10	Castlerock Family Farms II, LLC	08/28/20	22.95	22.95	1,344.10
11	SB Westcoast Farms, LLC	05/13/21	50.12	50.12	1,293.98
12	San Antonio Ranch 101, LLC	05/13/21	4.65	Pending	1,289.33
13	Santa Barbara's Finest, LLC	05/14/21	8.69	8.69	1,280.64
14	Chips 18, Inc (modification)	05/18/21	0.29	0.29	1,280.35
15	Central Coast Ag Farming, LLC	05/18/21	24.45	24.45	1,255.90
16	Central Coast Ag Farming, LLC	05/18/21	29.78	29.78	1,226.12
17	Cuyama Farms, LLC	06/15/21	34.70	Pending	1,191.42
18	Organic Liberty SB, LLC	06/16/21	42.00	Pending	1,149.42
19	Greenies Management, LLC	06/29/21	4.93	4.93	1,144.49
20	Heavenly Green, Inc	06/29/21	37.00	Pending	1,107.49
21	Alamos Farm, Inc	07/01/21	8.56	8.56	1,098.93
22	Canyon Produce, LLC	07/06/21	62.47	62.47	1,036.46
23	Canna Rios, LLC	07/06/21	47.74	47.74	988.72
24	Clean and Clear, LLC	07/14/21	14.85	14.85	973.87
25	Rancho Riviera, Inc	07/15/21	4.09	Pending	969.78
26	Xotics, LLC	07/15/21	4.73	4.73	965.05
27	BDZ, Inc	07/23/21	40.00	40.00	925.05
28	Villa Americana, Inc	07/23/21	6.50	Pending	918.55
29	Gypsy Canyon Farms, Inc.	08/11/21	10.21	10.21	908.34
30	Chips19 LLC	08/17/21	44.00	Pending	864.34
31	Cuyama Foothill Road Farm	08/19/21	91.49	Pending	772.85
32	SBC Farms, LLC	08/19/21	167.28	Pending	605.57
33	SBGL, LLC	09/07/21	3.84	Pending	601.73
34	Tahquitz Farms LLC	09/07/21	15.72	Pending	586.01
35	Heirloom Valley	09/12/21	47.00	Pending	539.01
36	Ag Roots	09/12/21	33.02	Pending	505.99
37	Santa Rita Holdings, INC.	09/12/21	2.54	Pending	503.45

Attachment C

Rank	Operator	Date Placed on List	Acreage Requested	Acreage Issued in License	Acreage left in cap
38	La Laguna Los Alamos, LLC	09/13/21	22.35	Pending	481.10
39	Coyote Hills Ag Enterprise, LLC	09/21/21	11.75	Pending	469.35
40	9500 Cultivators, LLC	09/23/21	93.00	93.00	376.35
41	SFS Farms OpCo1, LLC	09/27/21	86.8	Pending	289.55
42	Winchester LLC	09/28/21	17.23	Pending	272.32
43	Iron Angel	09/29/21	27.25	27.25	245.07
44	ABL Farms	09/29/21	5.20	Pending	239.87
45	The World is Yours, LLC	09/30/21	25.93	Pending	213.94
46	Castro Canyon	09/30/21	3.62	Pending	210.32
47	ABL Farms 2085 Sweeney (017)	09/30/21	5.11	Pending	205.21
48	ABL Farms 2065 Sweeney (014)	09/30/21	3.52	Pending	201.69
49	G&B Family Farms, LLC	09/30/21	6.52	Pending	195.17
50	Clear Source, LLC	10/1/2021	14.41	Pending	180.76
51	JJPC Creekside, LLC	10/1/2021	9.19	Pending	171.57
52	Morrison Farms, LLC	10/1/2021	0.66	Pending	170.91
53	Santa Barbara Cultivation, Inc	10/8/2021	1.26	Pending	169.65
54	WTMCA, LLC	10/14/2021	63.16	Pending	106.49
55	Hidden Oaks Enterprises, LLC	11/10/2021	0.05	0.05	106.44
56	Tranquility AGI, LLC	1/20/2022	8.84	Pending	97.60
57	9451 Cultivators, LLC	2/8/2022	30.06	Pending	56.30
58	Foxen Canyon Farms	2/8/2022	2.11	Pending	54.19
59	Anderson Development SB, LLC	6/16/2022	36.41	Pending	17.78
60	Elements 5.0 Corporation	7/19/2022	4.00	Pending	13.78

* Remaining acreage offered to Wait List operation pending completion of business license application

CANNABIS COMPLIANCE: COUNTY BUSINESS LICENSING**TABLE 6. CANNABIS BUSINESS LICENSES ISSUED AND PENDING**

	Business Licenses Issued thru <u>FY21-22 Q4</u>	Business Licenses Issued thru <u>FY22-23 Q1</u>	Business Licenses Pending thru <u>FY22-23 Q1</u>	Total Applications Rec'd thru <u>FY22-23 Q1</u>
Cultivator	31	35	65	122
Nursery	20	23	36	68
Manufacturer	0	0	0	0
Retail Non- Storefront	3	3	0	4
Retail Storefront	0	0	3	3
Distributor	1	1	6	14
Totals	55	62	110	210*

*Total of applications received through FY 22-23 Q1 includes applications that have since been withdrawn, revised, or reissued

CANNABIS ENFORCEMENT

TABLE 7. CANNABIS ENFORCEMENT ACTIVITIES

	FY 22-23	FY 21-22				FY 20-21			
	Q1	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
# of Enforcement Actions	4	8	7	4	6	5	6	4	9
# Live Plants Confiscated	300	3,253	9,886	78	1,701	7,220	64	594	6,975
Live Plant Value \$\$	\$148.5K	\$1.6M	\$4.9M	\$38.6K	\$842K	\$3.6M	\$32K	\$297K	\$4.2M
Dried Product Confiscated (lbs.)	62	1,205	2,313	41	9	250	180	123	1,615
Dried Product Value \$\$	\$77.5K	\$1.8M	\$2.3M	\$40.7K	\$13.5K	\$250K	\$315K	\$291K	\$1.9M