



COUNTY OF SANTA CRUZ

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NEWS RELEASE



Date: May 4, 2023

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COUNTY RELEASES 2023-24 PROPOSED BUDGET

The County of Santa Cruz has released its 2023-24 Proposed Budget and interactive website, giving resident unprecedented digital access to County spending and revenue forecasts, line-item details and insight into how the budget connects to ongoing strategic priorities.

The \$1.1 billion Proposed Budget includes a \$731.2 million General Fund and reflects slowing revenue growth while preserving support for community priorities despite significant uncertainties in local, state and national financial forecasts.

Despite challenges including financing the most recent storm disasters, the Proposed Budget supports several community investments, including continued build-out of a new South County Government Center, development of a new Children's Crisis Stabilization Center, a Unified Permit Center, a new countywide emergency alert system, planning for the continuation of the Rail Trail, fully reopening the Simpkins Family Swim Center, design of a new Freedom Campus Health Care Center, completion of the Live Oak Library Annex and Aptos Library, a Master Plan on Aging, increases in inmate medical and behavioral health care, and completion of a new DNA laboratory to reduce case processing times.

However, the County faces significant headwinds when it comes to providing future services, with a projected budget deficit exceeding \$10 million by 2028. County revenues are projected to grow just 0.4 percent in 2023-24, reflecting a slowing economy, changes in retail shopping patterns, and reduced cannabis business taxes.

The slowdown comes in addition to longstanding structural issues that limit services the County can provide to the community. Despite a much higher share of residents living in unincorporated areas than other counties, the County collects just 13 cents out of every property tax dollar, far less than peer counties. While the County collects

approximately \$500 annually in per capita property taxes, some counties collect eight times that amount, or nearly \$4,000.

Furthermore, the County collects just 5.4 percent in sales taxes from online sales, compared to nearly 20 percent of sales taxes from local retailers. Climate change, in the form of ongoing increased costs for disaster response, and unfunded mandates such as the Community Assistance, Recovery and Empowerment (CARE) Act, continue to weigh on County finances.

The Board of Supervisors has scheduled a series of budget hearings to review the 2023-24 Proposed Budget. Hearings are scheduled to be held May 9th, May 30th and May 31st at 9 a.m., and June 13th at 1:30 p.m. All meetings will be held in Board Chambers, 701 Ocean St., 5th Floor, Santa Cruz.

To learn more about the 2023-24 Proposed Budget, visit the County's award-winning budget website at <https://www.santacruzcounty.us/VisionSantaCruz/Budget.aspx>.