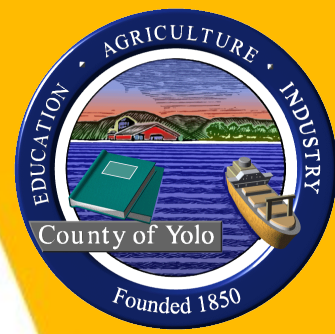


# FY 2025-26 Recommended Budget

June 10, 2025

Michael Webb, County Administrative Officer  
Tom Haynes, Chief Financial Officer  
Laura Liddicoet, Chief Budget Official



# OVERVIEW OF BUDGET PRESENTATION

- ▶ **Opening Remarks – Michael Webb, Chief Administrative Officer**
- ▶ **Budget Development Process – Tom Haynes, Chief Financial Officer**
- ▶ **Recommended Budget Specifics – Tom Haynes, Chief Financial Officer**
  - ▶ **HHSА Fiscal Restructuring Update – Evis Morales, HHSА Assistant Director**
- ▶ **Recommended Actions and Closing Remarks –Michael Webb, CAO**



# BUDGET DEVELOPMENT PROCESS

# STRUCTURAL BUDGET DEFICIT



1. Commitment to achieving a structurally balanced budget.
2. Will require a multi-year process.
3. Implement an immediate hiring review.
4. Continue to identify one-time funding and solutions to limit severe program and service impacts.
5. Evaluate the use of restricted departmental funding.
6. Departmental reduction process.
7. Evaluate options for long-term cost savings.
8. Evaluate options for ongoing revenue enhancement.



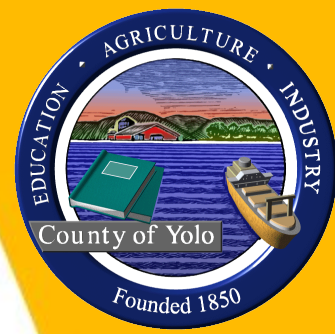
# TWO-PRONGED APPROACH

## Immediate Focus – Balance Recommended Budget for June 10<sup>th</sup>

- Use of reserves and one-time funding sources
- Unfunding/elimination of vacant positions
- Limited program reductions
- Continued use of salary savings

## Longer-Term Focus – Strategic process to address structural deficit

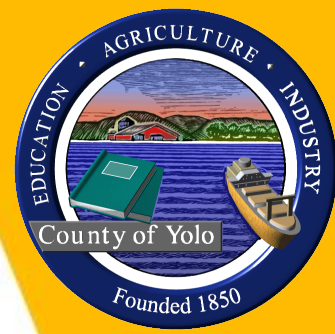
- Budget reduction principles
- Mandatory-Discretionary analysis
- Updated 5-year financial projections
- Department Head working group
- Board workshops



# BUDGET PROCESS

- ▶ January 14 – Preliminary budget outlook
- ▶ January 28 – Board adopted Budget Principles
- ▶ January 29 – Financial Services developed base budget
- ▶ February 21 – Departments submitted requests
- ▶ March 11 – Budget Development Update to the Board
- ▶ March 17 to April 4 – CAO/DFS meeting with Departments
- ▶ April 29 – Budget Development update to Board
- ▶ May 30– Published Budget Book
- ▶ June 10 – Budget Hearing
  
- ▶ DFS and CAO staff met with the Budget Ad-Hoc Committee (Chair and Vice Chair) regularly on budget development.

# BUDGET PRINCIPLES

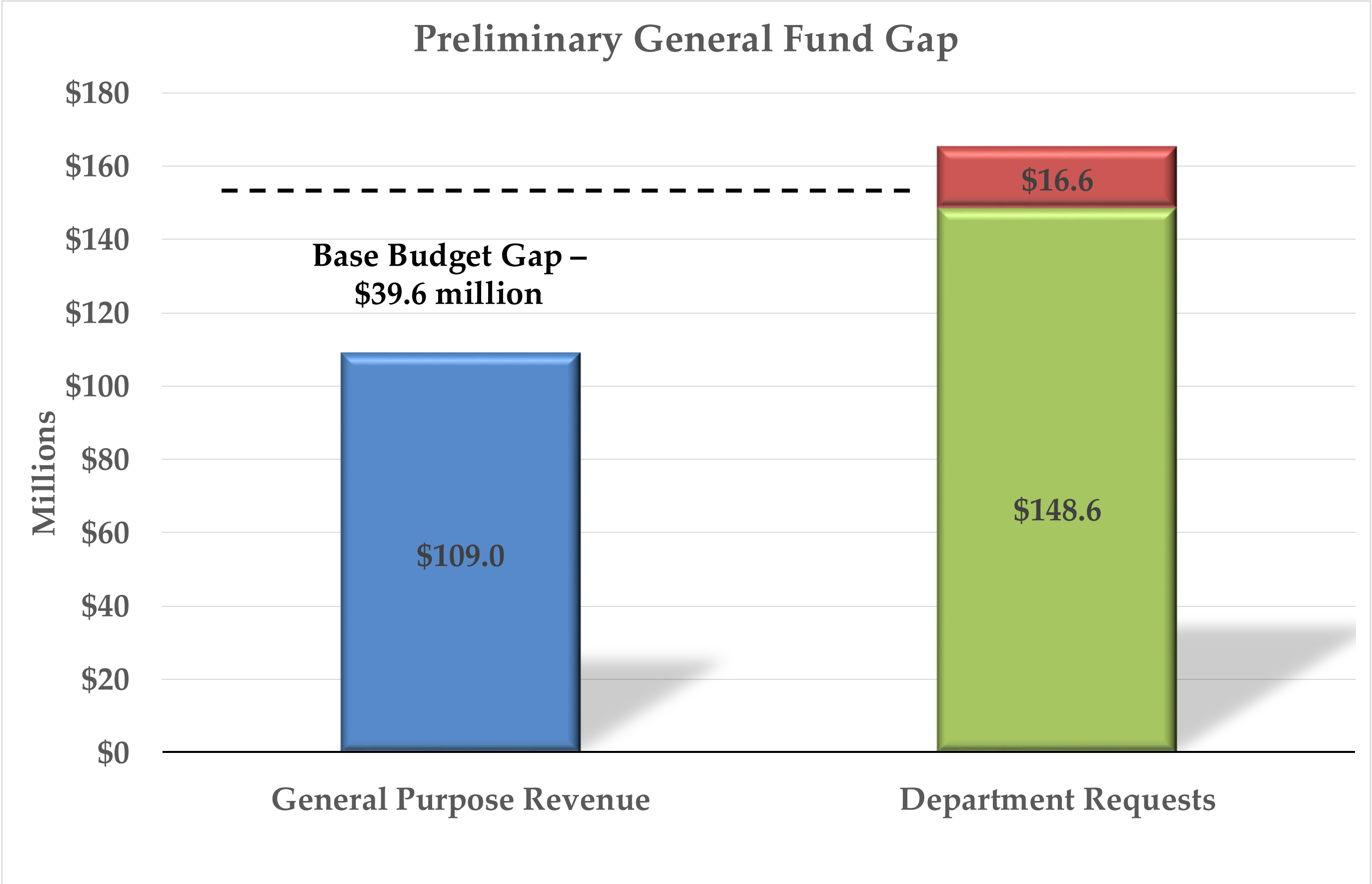
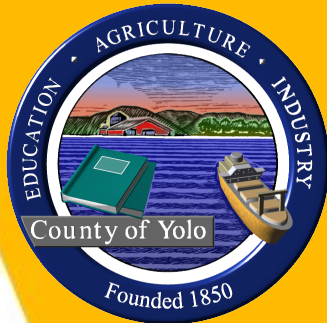


Strengthen financial sustainability by working towards achieving a structurally balanced budget.

Identify one-time solutions to mitigate program reductions and service impacts, while we develop longer-term solutions.

Pursue grant funding provided opportunities do not lead to ongoing, post-grant term expenses.

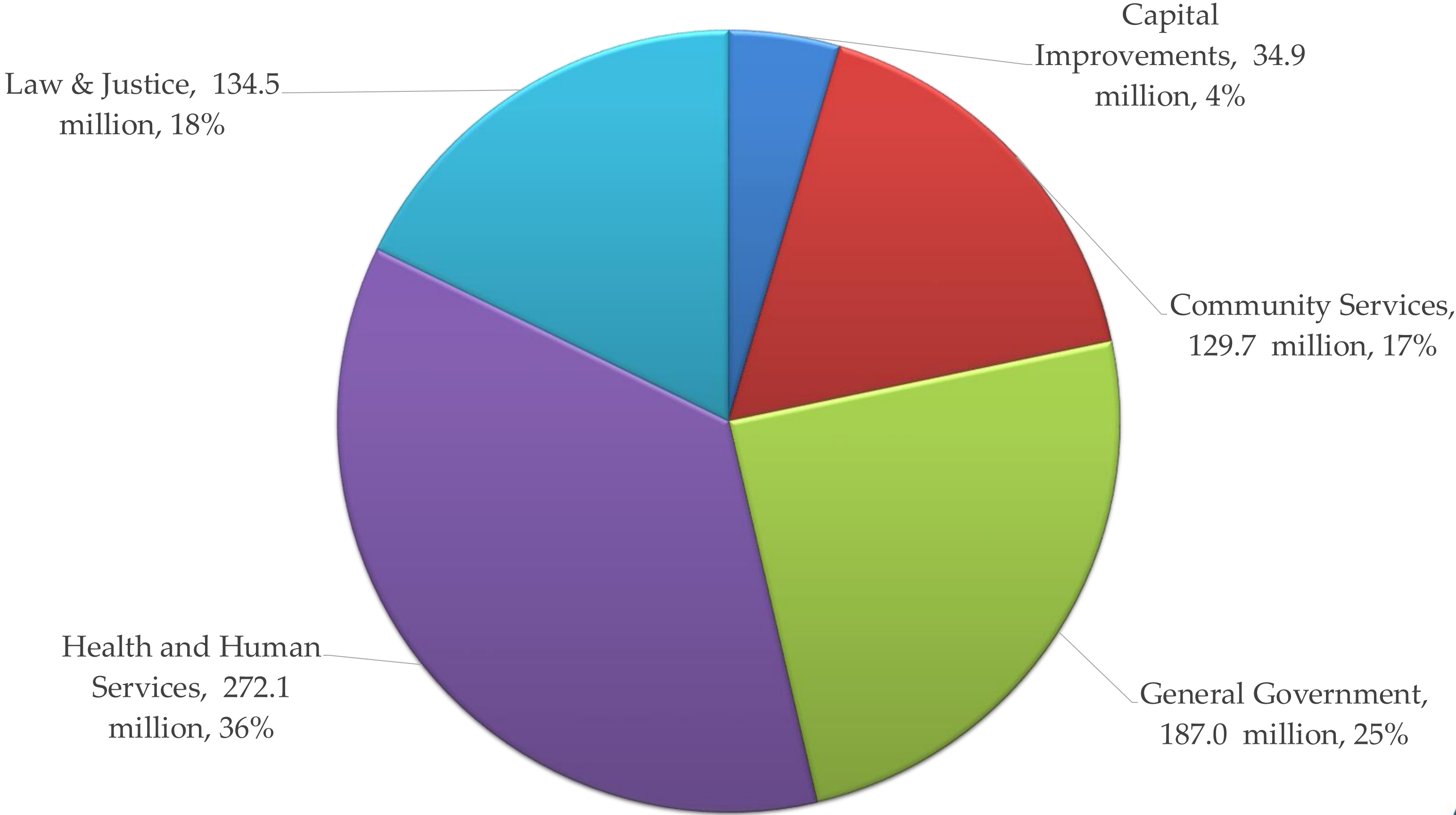
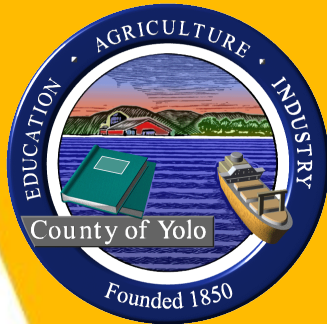
# BASE BUDGET GAP





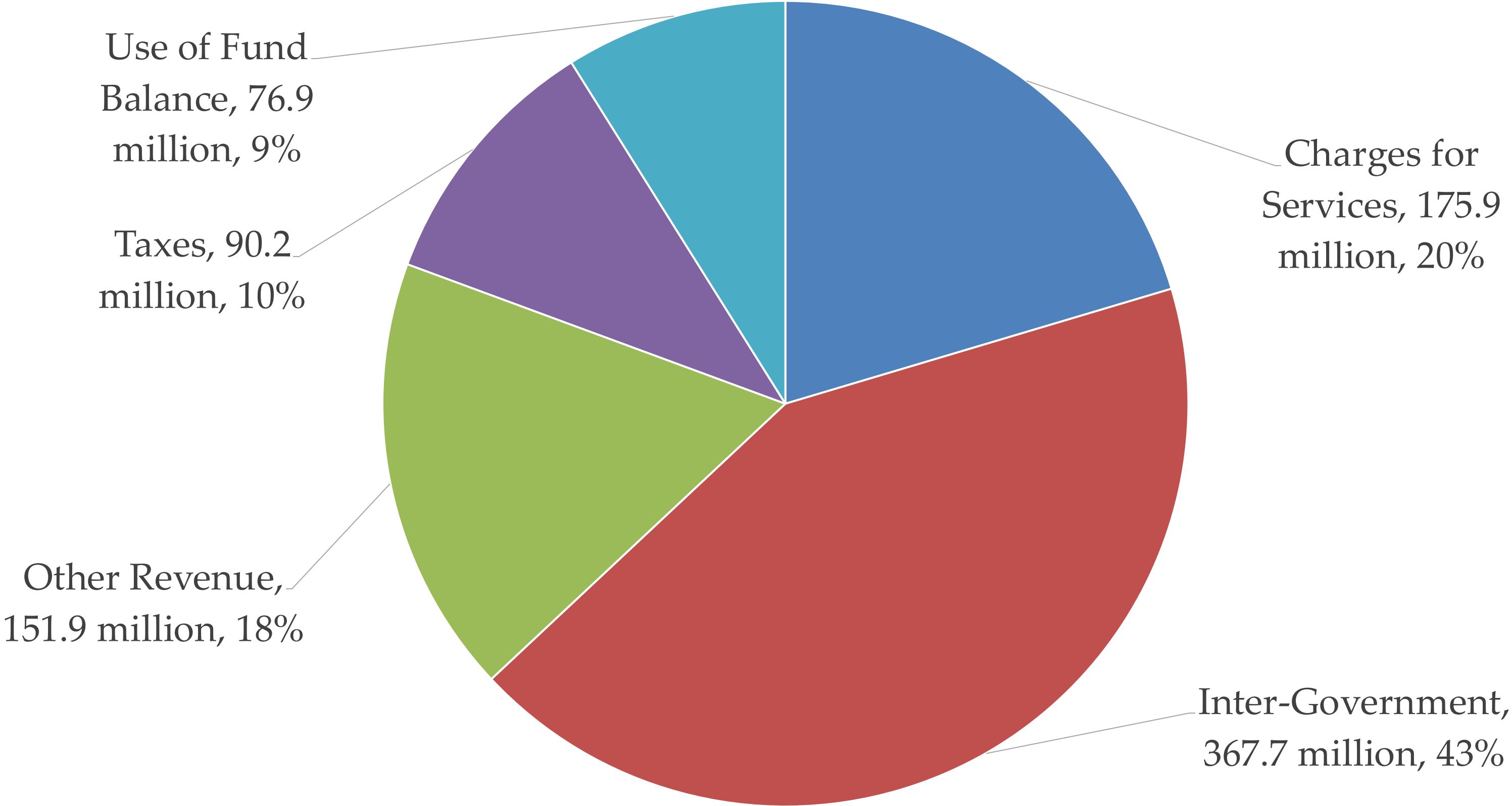
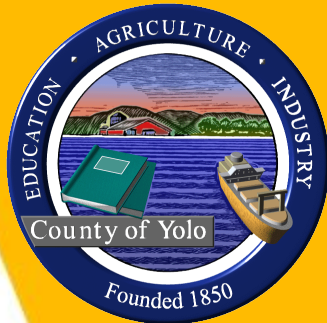
# RECOMMENDED BUDGET

# TOTAL SPEND BY PROGRAM AREA



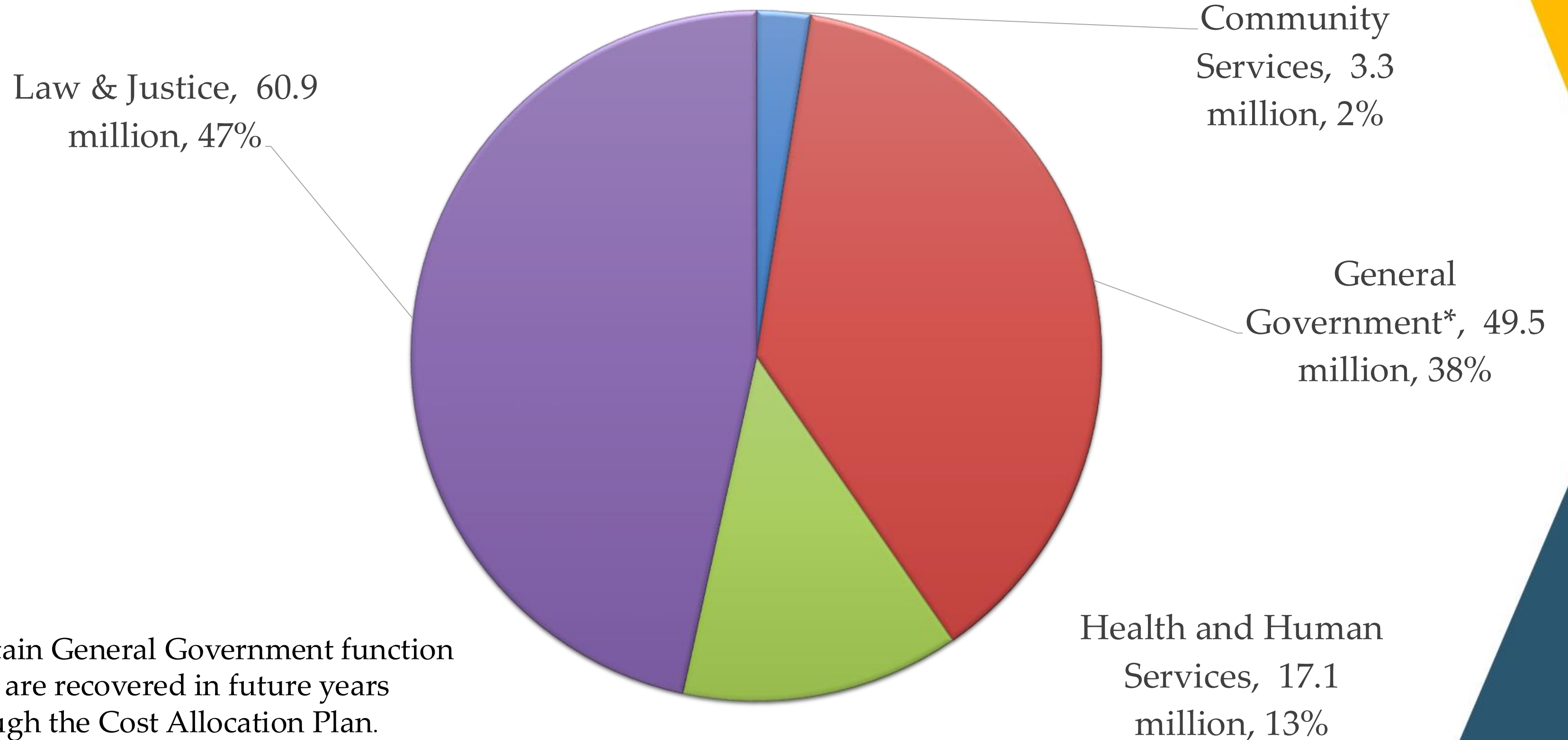
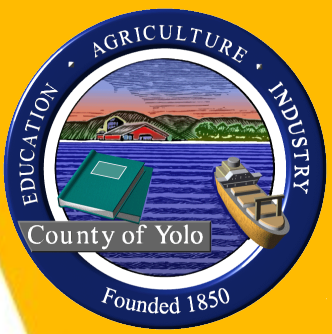
# SOURCES OF TOTAL COUNTY FUNDS

Total County Funds - \$862.6 million



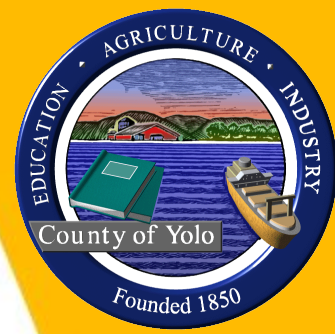
# GENERAL FUND SUPPORT BY PROGRAM AREA

Total General Fund Allocations - \$130.8 million



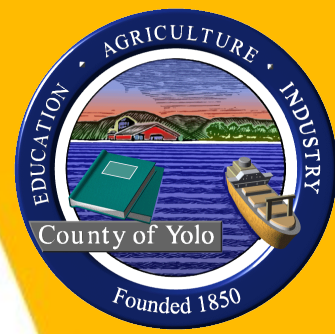
\*Certain General Government function costs are recovered in future years through the Cost Allocation Plan.

# BUDGET SUMMARY



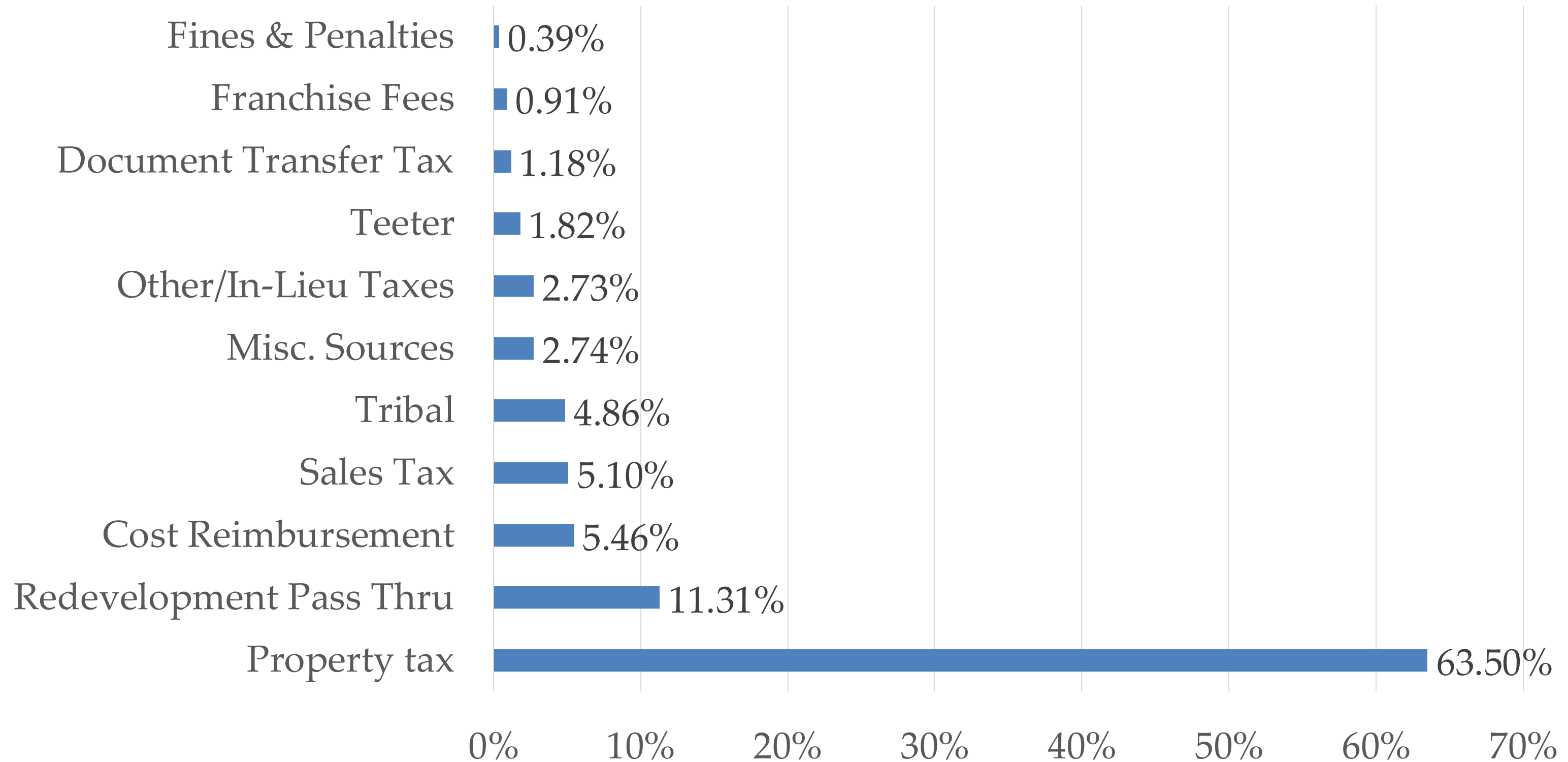
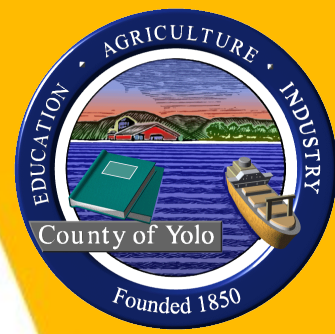
	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
	<b>Actuals</b>	<b>Adopted</b>	<b>Recommended</b>
Net Operating Budget	\$601,805,468	\$718,866,060	\$723,373,461
Capital Improvement Budget	\$14,628,595	\$38,201,749	\$34,921,931
<b>Total County Budget</b>	<b>\$616,434,063</b>	<b>\$753,067,809</b>	<b>\$758,295,392</b>
<u>Fund Highlights</u>			
General Fund	\$90,838,965	\$123,657,213	\$110,459,430
Road/Transportation Fund	\$23,566,724	\$49,389,029	\$49,256,226
Public Safety Fund	\$80,396,888	\$93,649,139	\$93,348,644
Health & Human Services	\$290,161,261	\$267,137,756	\$272,112,162

# 2025-26 REVENUE PICTURE



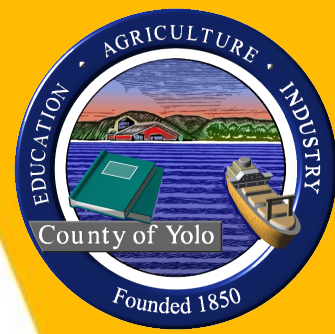
Revenue Source	2024-25 Adopted	2025-26 Recommend.	Change (%) from Prior Year
Property Taxes	\$78.6M	\$82.2M	4.5%
General Sales Taxes	\$5.6M	\$5.6M	0%
Other General Purpose Revenues	\$20.8M	\$22.1M	6.2%
<b>Total General Purpose Revenues</b>	<b>\$105.0M</b>	<b>\$109.9M</b>	<b>4.6%</b>
Proposition 172 – Public Safety Sales Tax	\$28.2M	\$29.0M	2.8%
Public Safety Realignment	\$20.9M	\$22.4M	7.1%
Health & Human Services Realignment	\$62.8M	\$62.2M	(1.0)%
<b>Total Semi-Discretionary</b>	<b>\$111.9M</b>	<b>\$113.6M</b>	<b>1.5%</b>
<b>Total Revenues</b>	<b>\$216.9M</b>	<b>\$223.5M</b>	<b>3.0%</b>

# SOURCES OF GENERAL PURPOSE REVENUES

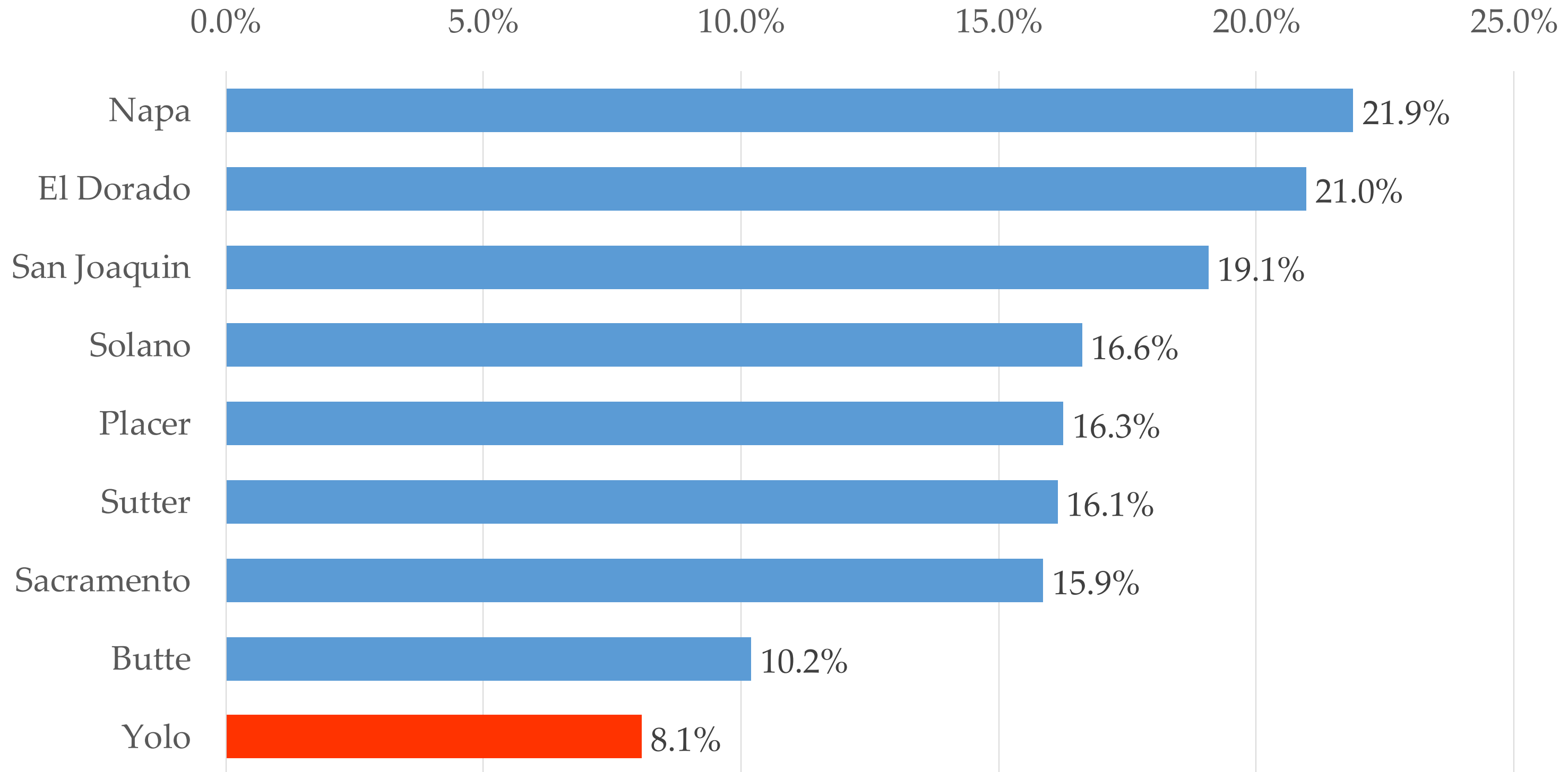


\*Redevelopment pass-through revenue will no longer be received after dissolution of redevelopment (expected 2037 and 2046).  
BOS received information regarding dissolution of redevelopment on 6/29/21 and 7/27/21.

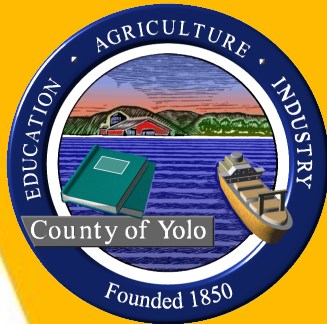
# YOLO PROPERTY TAX SHARE



Share of Total Property Taxes, 2024

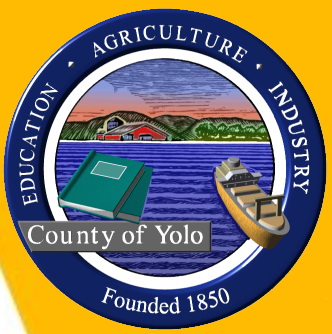


# STAFFING SUMMARY



Additional funding for 2 non-General Fund new positions
Eliminates 10 positions
Unfunds 47 positions
Total 1,785.0 FTEs in 2025-26 Recommended Budget

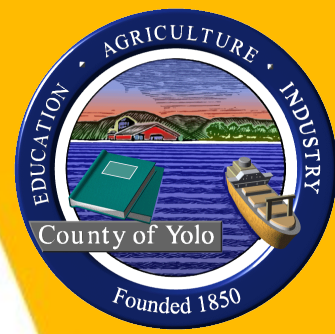
# RECOMMENDED BUDGET BALANCING STRATEGIES



## 2025-26 Budget Ledger

<b>2025-26 Base Budget Gap</b>	<b>\$ (39,665,426)</b>
Base Adjustment	5,673,167
<i>Recommended Augmentations</i>	(60,000)
<i>Departmental Reductions</i>	13,199,712
<i>Estimated Use of Fund Balance</i>	9,000,000
<i>One Time Funding Solutions</i>	7,676,287
<i>Use of Reserves</i>	4,176,260
<b>Revised Base Budget Gap</b>	<b>\$ 0</b>

# DEPARTMENTAL BUDGET REDUCTIONS



Extra Help Reductions - \$150K

Other Departmental Reductions -  
\$465K

OPEB Adjustment - \$1.22 million

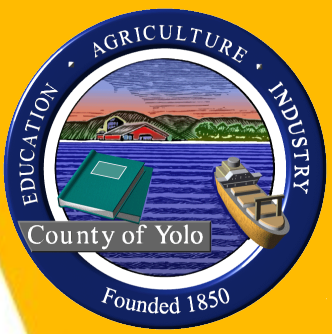
Supplemental Pension Pause - \$1.7  
million

Unfunded Positions - \$1.95 million

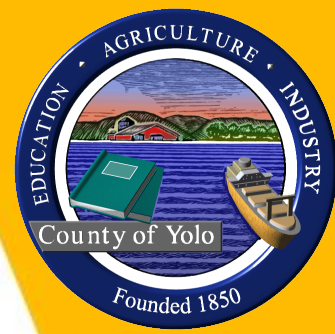
Departmental Revenue Enhancements  
-\$2.5 million

Salary Savings - \$5.2 million

# NOTABLE DEPARTMENT BUDGET REDUCTIONS



- Eliminate the Agriculture Organics Certification Program
- Eliminate USDA Trapper Contract
- Eliminate Federal Advocacy Contract
- Reduction of On-Call Audit Contracts
- Reduction in Fire Sustainability Funding (Zamora & Dunnigan)
- Transfer Climate Sustainability to CAO & Eliminate Extra Help
- Increase Animal Services Cost Recovery



# VACANT GENERAL FUND POSITIONS IDENTIFIED FOR UNFUNDING

## Agriculture

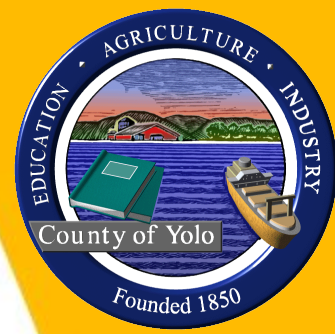
- Admin Clerk - \$109,409
- Agricultural and Standards Technician - \$126,013

## District Attorney

- Senior Deputy Probation Officer - \$181,457

## General Services

- Project Manager - \$270,670
- Building Craftsmechanic - \$102,905
- Project Coordinator - \$144,333



# VACANT GENERAL FUND POSITIONS IDENTIFIED FOR UNFUNDING

## Financial Services

- Property Tax Supervisor - \$179,321

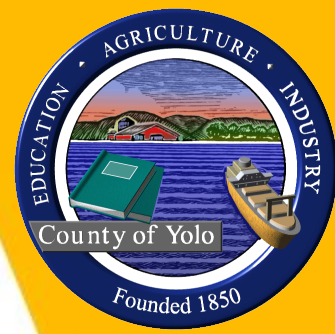
## Probation

- Legal Secretary - \$131,860
- Admin Clerk - \$86,503

## Public Defender

- Paralegal - \$127,729

# RECOMMENDED ONE-TIME SOLUTIONS



Fund Balance - \$9,000,000

Chula Vista Earnings - \$2,012,000

Crisis Now - \$2,000,000

Tribal Mitigation Fund Balance - \$1,663,000

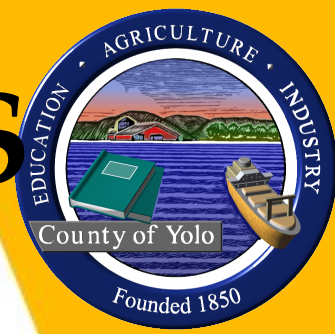
Local Innovation Subaccount - \$599,600

ARPA Contingency - \$501,687

Cannabis Tax - \$450,000

Pomona Fund Contingency - \$450,000

# RECOMMENDED BUDGET BALANCING STRATEGIES

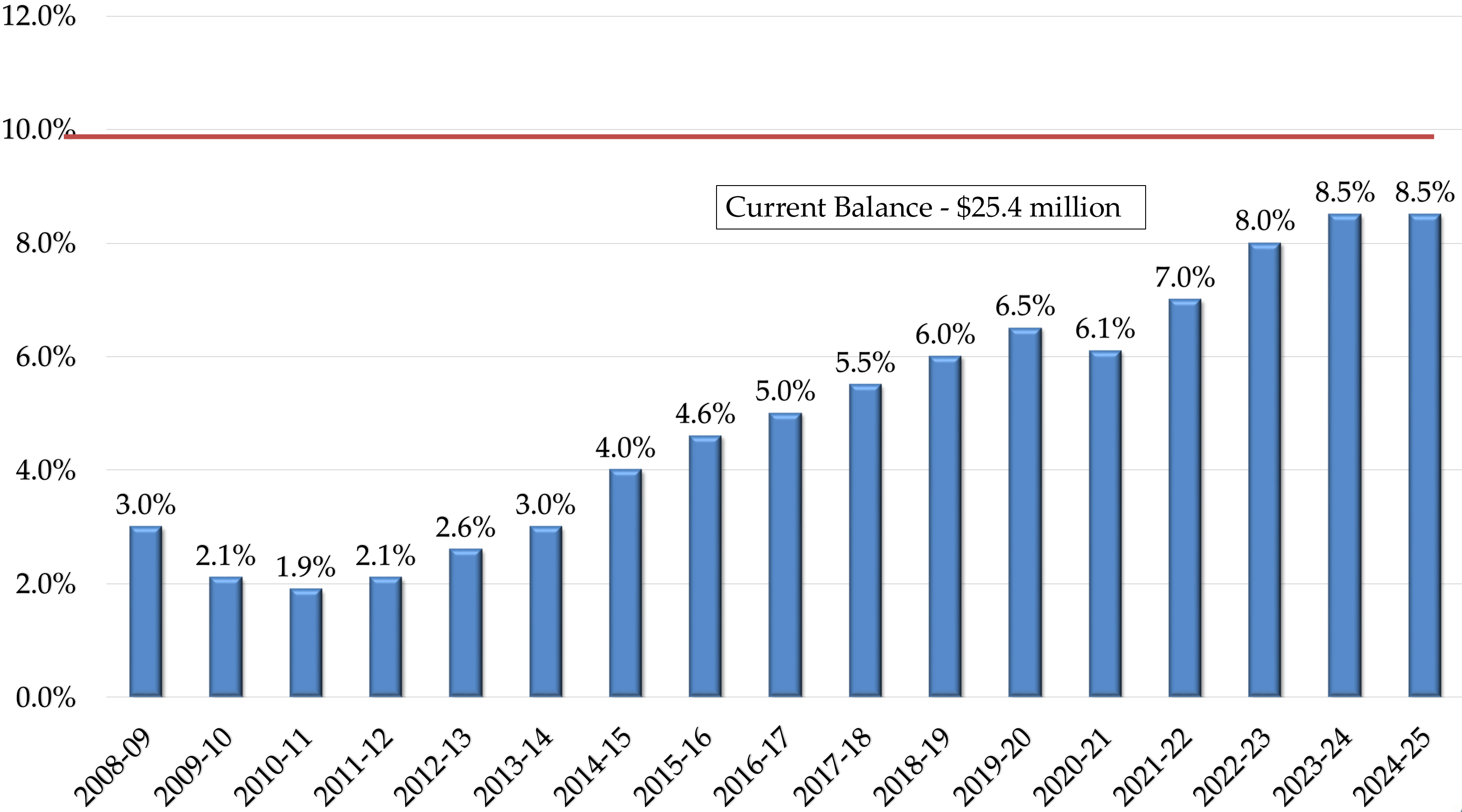
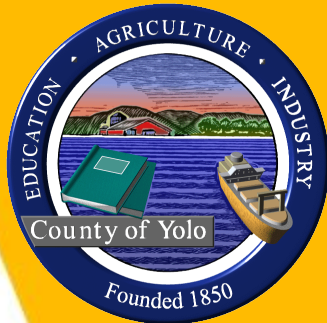


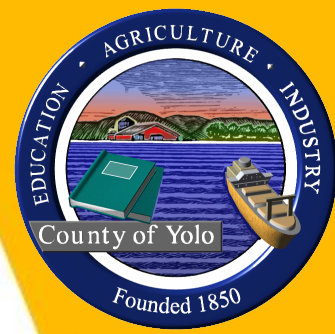
HHSA Reserve -  
\$1,497,460

CIP Reserve - \$1,442,115

Audit Disallowance -  
\$1,236,685

# GENERAL RESERVE





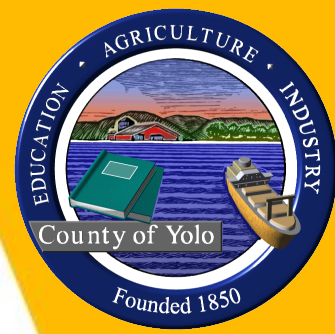
# HHSA UPDATE

Similar to the County's General Fund, HHSA is projecting that expenditures will exceed revenues on an ongoing basis beginning in FY2025-26 with some of its major revenue sources.

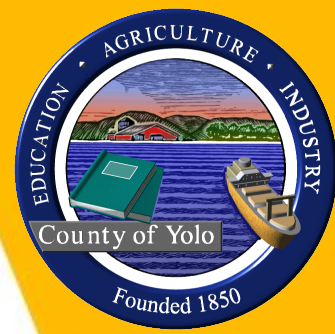
To submit a balanced FY2025-26 Recommended Budget:

- HHSA had to increase vacancy savings in some program areas beyond reasonable amounts that count on a hiring freeze.
- HHSA moved program expenses between the various buckets of Realignment that had more capacity/fund balance (within legal limits/applicability).
- Staff also used more of IGT funding than originally planned.
- In summary, staff employed a combination of strategies to submit a balanced budget that are not sustainable and rely on a prolonged hiring freeze.

# HHSA UPDATE



- The FY2025-26 Recommended Budget includes:
  - ✓ Eliminated/unfunded positions from HHSA Administration/Branches
  - ✓ Reduced in contracts/supplies
- For Adopted Budget:
  - ✓ HHSA will analyze the impact of these cost savings and the Governor's May revise revenue projections; determine revised structural deficit by funding source.
  - ✓ HHSA will determine service impacts and focus on Mandatory vs Discretionary services.
  - ✓ HHSA will continue to work on the MHSA to BHSA transition.



# CAPITAL IMPROVEMENT AND MAINTENANCE PROJECTS

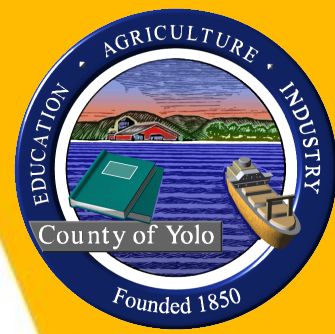
## Capital Improvement Projects

Tuli Mem - \$373,978
Agriculture Shop \$4,509,674
Walnut Park Library - \$18,325,000
Knights Landing Levee \$11,713,279

## Major Maintenance Projects

Roof Consultant - \$200,000
Sewage Pre-Treatment Grinder - \$400,000
Courthouse Windows - \$440,000
Roof Replacements \$2,750,000
Agriculture Offices/120 W. Main - \$1,760,000

# CONTINGENCIES AND RESERVES



Contingency Type		Amount
General Fund Contingency	\$	2,350,000
Reserve Type		Amount*
General Reserve (8.5%)	\$	25,434,115
Audit Disallowance Reserve	\$	1,363,313
Liability Reserve	\$	600,000
CIP Reserve	\$	0
HHSA Reserve	\$	0
OPEB Trust	\$	56,376,190
Pension Reserve/Trust	\$	15,618,393

\* Reflects balances after recommended use of reserves



# LOOKING AHEAD

# NEXT STEPS



Budget  
Reduction  
Principles

June 24



Strategic  
Budget Process  
(Including  
Revenue  
Generation)  
Summer/Fall



Department  
Head Working  
Group  
Summer



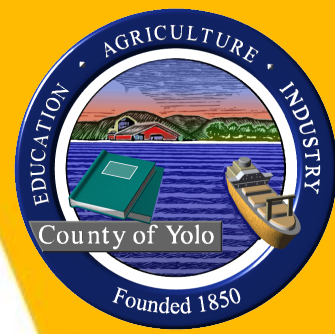
Adopted  
Budget Hearing  
September 23



FY26-27 Budget  
Process  
December



# ISSUES FOR CONSIDERATION AT ADOPTED BUDGET



**Revised State/Federal  
Revenue Projections**

**Potential Add'l  
Department Reductions**

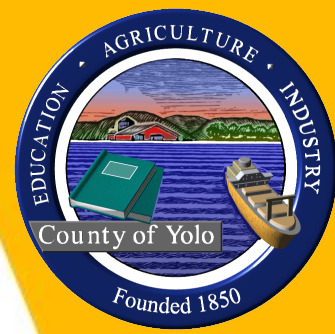
**State Mandates**

**Additional Reserve/  
Contingency Contribution**

**Department Funding  
Requests**

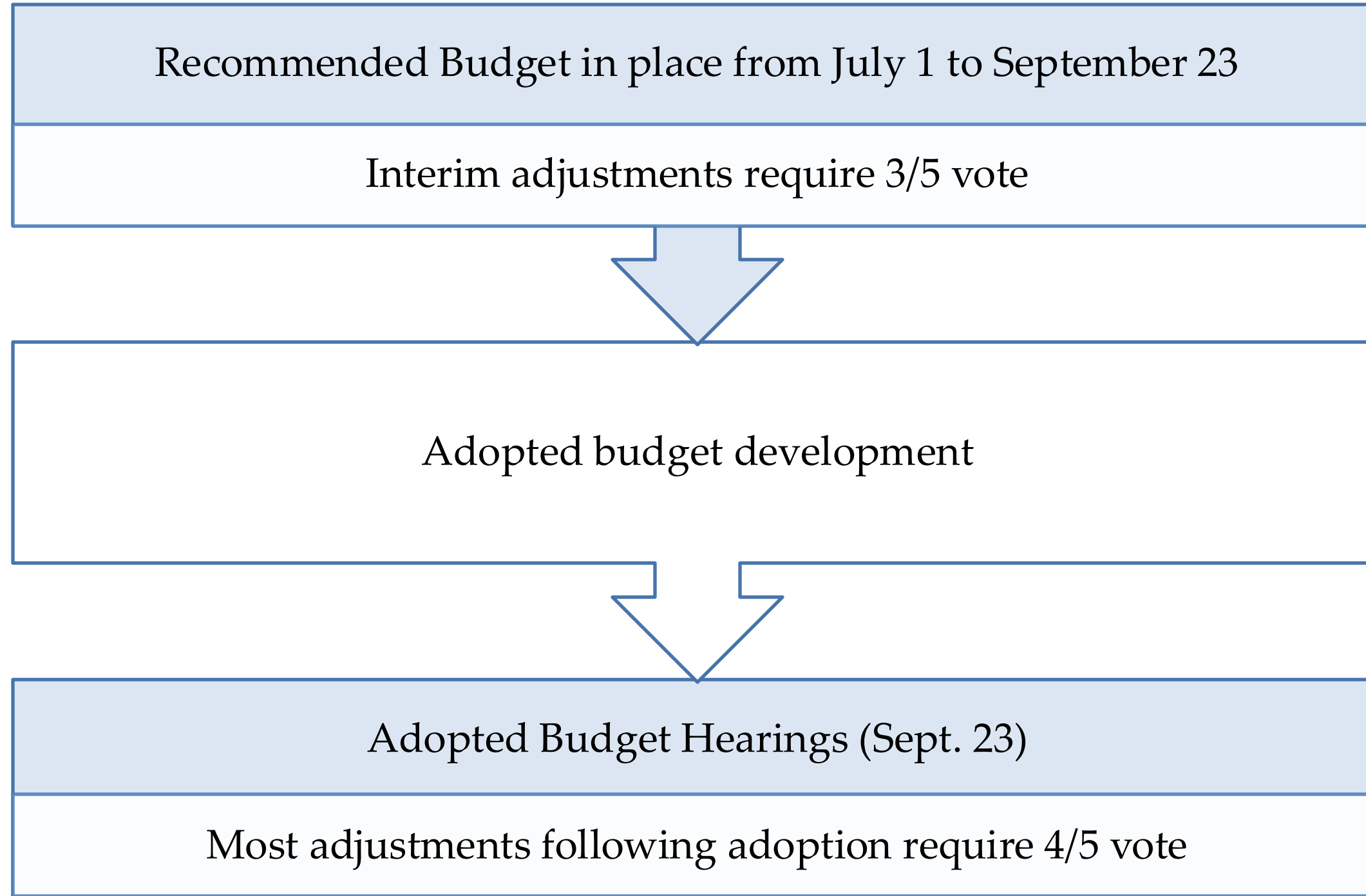
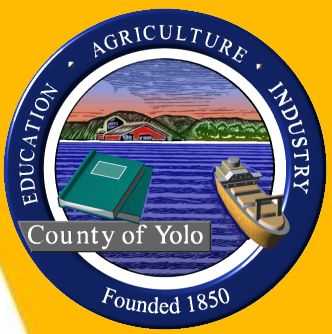
**HHSA Structural Deficit**

# OUTSTANDING AUGMENTATION REQUESTS

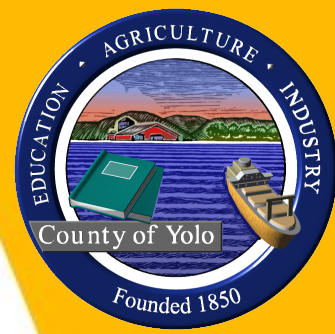


Potential Items for Consideration	Estimated Amounts
General Fund Contingency (increase to 3%)	\$ 3,079,910
Public Safety Contingency (3%)	\$ 2,800,459
Health & Human Services Contingency (3%)	\$ 10,290,264
Agriculture Promotions	\$ 22,144
Countywide - Youth Commission Funding	\$ 100,000
County Counsel Promotions	\$ 31,528
DCS Staff and Services	\$ 681,396
DA Staff and Services	\$ 1,377,039
DFS Staffing and Supplies	\$ 42,948
GSD Staffing and Equipment	\$ 2,335,634
HHSA Services and Equipment	\$ 550,432
HR Staffing and Services	\$ 555,194
Probation Staffing	\$ 80,281
Public Defender Staffing and Equipment	\$ 1,311,733
Sheriff Services and Equipment	\$ 1,755,009
<b>Total</b>	<b>\$ 25,013,971</b>

# BUDGET ADOPTION PROCESS



# RECOMMENDED ACTIONS



1. Receive Public Comment
2. Accept 3<sup>rd</sup> Quarter monitoring report, approve amendments to 2024-25 Equipment List, and adopt a budget resolution amending 2024-25 revenues & appropriations
3. Approve the 2025-26 Recommended Budget for the Health and Human Services Agency
4. Approve the balance of the 2025-26 Recommended Budget and adopt the 2025-26 Recommended Budget resolution, and 2025-26 Equipment List