

Fiscal Year 2026-27 Budget Update

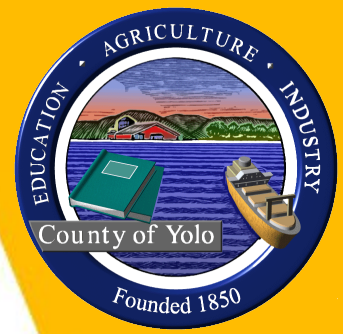
April 28, 2026

Tom Haynes, Chief Financial Officer
Laura Liddicoet, Chief Budget Official



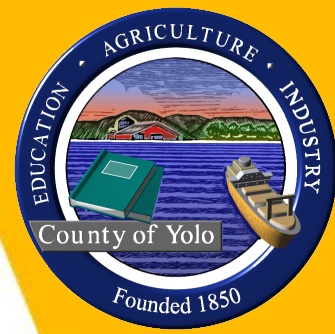
2026-27 Budget Update

- Presentation today is intended to provide detailed information regarding potential General Fund and HHSN Non-General Fund reductions to be included with the 2026-27 Recommended Budget
- Purpose is to highlight the reduction options, address Board questions and requests for information, and receive Board direction
- Conversation is intended to continue into May 5 BOS meeting as needed
- No final decisions will be made until the June 9 Recommended Budget Hearing



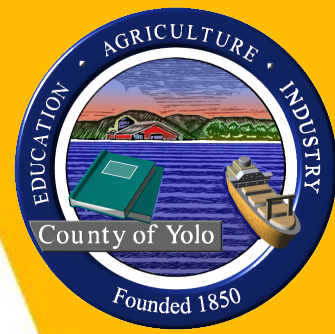
Requested Actions

1. Receive update on 2026-27 Fiscal Year Budget Development Process
2. Provide direction to staff on 2026-27 budget reduction options and Board directed augmentations
3. Provide direction to staff on potential pathways to balance the 2026-27 Recommended Budget



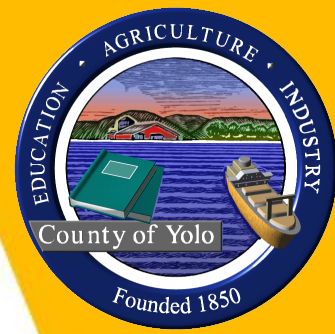
2026-27 General Fund Budget Outlook

- Yolo County continues to face a structural budget deficit
 - Ongoing expenditures exceed and are outpacing ongoing revenues
- Solving the structural deficit will require structural solutions
 - Some combination of revenue increases and expenditure reductions
- Will not be solved in a single year
 - Deficit is the result of long-term trends that have compounded over many years
 - Will likely take several years to correct



Fiscal Year 2026-27 Budget Update

- On January 27 the Board approved the following plan to address the County's structural budget deficit:
 - Implementation of 3 years of reduction to address the County's structural deficit, including initial reduction target of \$15 million in 2026-27
 - Setting initial reduction targets with the assumption of new revenues, but to continue to develop strategies and timelines for revenue enhancement
 - Adjust reduction targets in future years should new revenues materialize
- Subsequently, the Revenue Generation Ad Hoc Subcommittee was formed and began reviewing and analyzing revenue generation options
 - Update will be provided to the Board in May



Board Directed Approach to Addressing Structural Budget Deficit

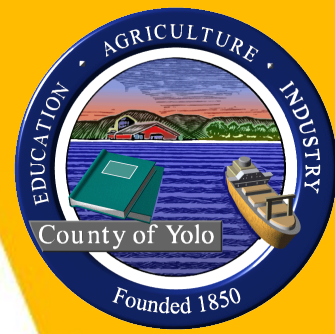
<i>In \$ Millions</i>	2026-27	2027-28	2028-29	2029-30	2030-31	Reserve Balances
Adjusted Deficit	(26,932)	(20,213)	(6,597)	(3,768)	(4,168)	
New Revenue	0	3,000	3,500	3,500	0	
Reductions	15,000	15,000	3,097	0	0	
One-Time Funding Sources	11,932	2,213	0	268	4,168	
Total Solutions	26,932	20,213	6,597	3,768	4,168	
<i>Suplus/(Deficit)</i>	<i>0</i>	<i>0</i>	<i>(0)</i>	<i>0</i>	<i>0</i>	
One-Time Funding Detail						
General Reserve	0	0	0	0	0	23,951
Pension Trust Reserve	4,420	213	0	0	2,168	2,543
Chula Vista Fund Reserve	3,376	2,000	0	268	2,000	3,732*
Other One-Time Funding	4,136	0	0	0	0	
Total One-Time Funding	11,932	2,213	0	268	4,168	

* The Chula Vista Fund earns approx. \$2 million per year. Reflects projected balance at 6/30/2031.



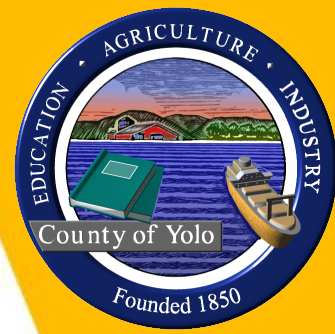
HHSA Structural Deficit

- Funding to backfill HHSA at status quo service levels due to declining revenues was not included in the Five-Year Forecast and reflects a new budgetary challenge
- \$11.7 million in additional General Fund would be needed to maintain status quo service levels
- Funding challenge is a result of declining state and federal revenues including:
 - Title IV-E
 - CalWORKS Single Allocation
 - Medi-Cal
 - CalWORKs Housing Support Program
- In addition to expenditures outpacing limited growth in various Realignment funding streams



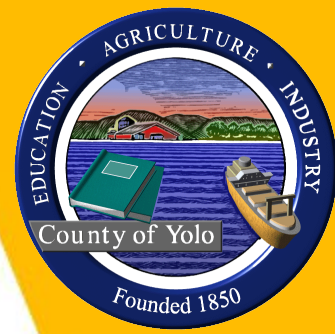
Current FY 2026-27 Base Budget Deficit

Preliminary General Fund Base Budget Gap	
General Purpose Revenues	\$117,517,243
Estimated General Fund Balance	\$7,000,000
Initial Base Budget Requests	(\$147,524,055)
Additional HHSA General Fund Backfill	(\$11,726,686)
Oakdale Defense Expenditures	(\$1,000,000)
General Fund Base Budget Gap	(\$35,733,498)



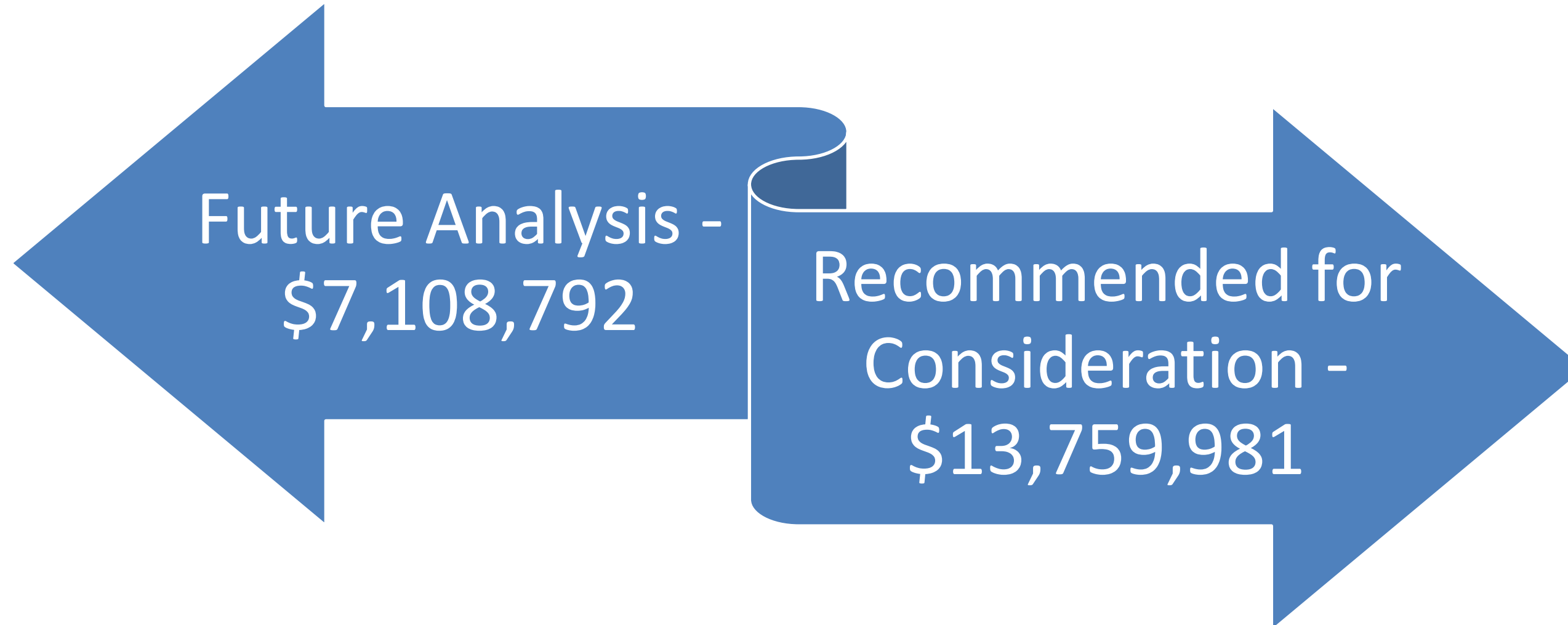
FY 2026-27 Proposed Balancing Solution

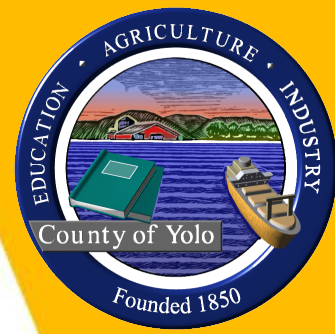
FY 2026-27 Conceptual Balancing Solution	
General Fund Base Budget Gap	(\$35,733,498)
Proposed Solutions	
Departmental Reduction Assumptions	
General Fund Departmental Reductions	\$13,759,982
HHSA Non-General Fund Reductions	\$9,037,800
One-Time Solutions	
Chula Vista Earnings	\$3,376,000
Use of Reserves	
Misc. Reserves/Other Funding Sources	\$4,136,000
Pension Trust/General Reserve	\$4,420,000
Remaining Budget (Gap)/Surplus	(\$1,003,716)



Departmental 2026-27 General Fund Reductions

Total Submitted Reduction Options - \$20,868,773

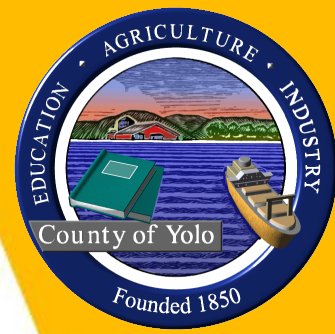




Departmental 2026-27 General Fund Reductions

Considered for Reduction Category	Considered for Reduction \$ Savings	Considered for Reduction Percentage
Workforce Reduction of Vacant Positions	\$9,023,743	65.6%
Workforce Reduction of Filled Positions	\$1,058,979	7.70%
Reduction/Elimination of Contracts	\$945,368	6.9%
Reduction of Extra Help Budgets	\$854,470	6.2%
Salary Allocation (to Non-General Fund Sources)	\$662,146	4.8%
Revenue Enhancement	\$636,850	4.6%
Reduction in Service and Supply Expenditures	\$578,425	4.2%
Total	\$13,759,981	100%

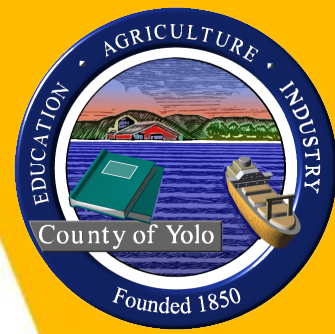
“Considered for Reduction” defined – technically and legally viable for Board consideration.



General Fund

Workforce Reduction of Vacant Positions

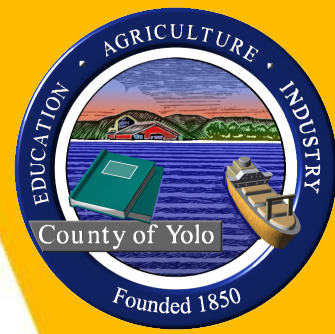
Classification	FTE Count
Accountant III	1.0
Accounting Technician	1.0
Administrative Services Analyst	1.0
Assessor Clerk Recorder Specialist	1.0
Assistant County Administrator	1.0
Associate Management Analyst	1.0
Associate Procurement Contract Specialist	1.0
Auditor III	1.0
Behavioral Health Case Manager II LT	1.0
Building Craftsmechanic	1.0
Case Preparation Specialist	1.0
Chief Assistant Director of Community Services	1.0
Clerk Recorder Program Manager	1.0
Clinician I	1.0
Correctional Officer	15.0
Deputy Branch Director HHS	1.0
Deputy District Attorney V	1.0



General Fund

Workforce Reduction of Vacant Positions (cont.)

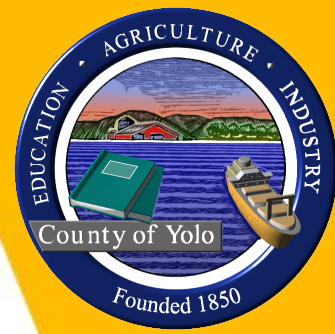
Classification	FTE Count
Deputy Probation Officer	2.0
Deputy Sheriff	3.0
District Attorney Enforcement Officer	1.0
District Attorney Investigator II	2.0
Innovation Technician	1.0
Legal Process Clerk – LT	1.0
Lieutenant	1.0
Office Support Specialist	2.0
Personnel Assistant	1.0
Personnel Specialist	1.0
Principal Appraiser	1.0
Psychiatric Health Specialist II	1.0
Senior Administrative Services Analyst	1.0
Senior Appraiser	1.0
Sergeant	1.0
Total	51.0



General Fund

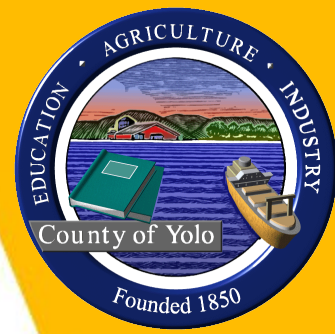
Workforce Reduction of Filled Positions

Classification	FTE Count
Administrative Services Analyst	1.0
Assessor Clerk Recorder Assistant	2.0
Library Assistant	0.5
Office Support Specialist	2.0
Senior Administrative Services Analyst	1.0
Vital Stats Technician	1.0
Permit Technicians	2.0
Total	9.5



HHSA 2026-27 Non-General Fund Reductions

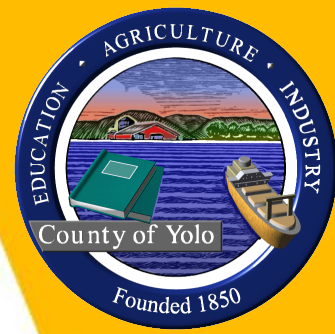
Considered for Reduction Category	Considered for Reduction Savings	Considered for Reduction Percentage
Elimination of Vacant Positions	\$4,344,303	40.3%
Elimination of Filled Positions	\$3,027,633	28.1%
Reduction/Elimination of Contracts	\$1,526,679	14.1%
Salary Allocation (to Non-General Fund Sources)	\$1,080,375	10.0%
Reduction in Overtime Budget	\$426,400	4.0%
Other Reductions	\$221,112	2.0%
Reduction of Service and Supply Budgets	\$130,981	1.2%
Reduction of Extra Help Budgets	\$25,000	0.23%
Total	\$10,788,364	
<i>Less HHSA Admin Allocation</i>	<i>(\$1,750,564)</i>	
Revised Total	\$9,037,800	100%



HHSA Non-General Fund Reduction

Workforce Reduction of Vacant Positions

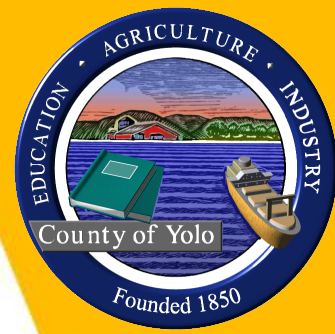
Classification	Branch	FTE Count
HHSA Admin Deputy Director	Admin	1.0
Accountant II	Admin	1.0
Fiscal Administrative Officer	Admin	1.0
Senior Administrative Services Analyst	Admin	1.0
Office Support Specialist	Adult and Aging	1.0
Administrative Services Analyst	Adult and Aging	1.0
Social Services Assistant	Adult and Aging	1.0
Social Worker Supervisor I	Adult and Aging	1.0
Administrative Services Analyst	Child, Youth and Family	1.0
Social Services Assistant	Child, Youth and Family	3.0
Social Work Practitioner	Child, Youth and Family	8.0
Senior Administrative Services Analyst	Public Health	1.0
Office Support Specialist	Service Centers	1.0
Service Centers Administrative Specialist	Service Centers	2.0



HHSA Non-General Fund Reduction

Workforce Reduction of Vacant Positions (cont.)

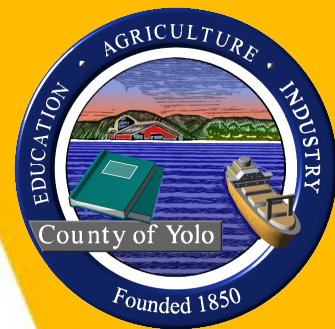
Classification	Branch	FTE Count
Service Centers Administrative Specialist	Service Centers	2.0
Welfare Fraud Investigator II	Service Centers	1.0
Health and Human Services Manager II	Service Centers	1.0
Public Assistance Specialist III	Service Centers	3.0
Employment Services Specialist III	Service Centers	3.0
Total		32.0



HHSA Non-General Fund Reduction

Workforce Reduction of Filled Positions

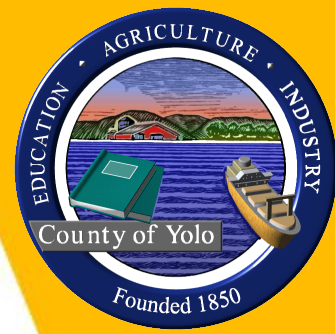
Classification	Branch	FTE Count
HHSA Fleet Attendant II	Admin	1.0
HHSA Support Services Supervisor	Admin	2.0
Departmental Communications Coordinator	Admin	1.0
Social Work Practitioner	Adult and Aging	1.0
Conservatorship Officer	Adult and Aging	1.0
Child Welfare Worker II	Adult and Aging	1.0
Office Support Specialist	Adult and Aging	4.0
Social Service Assistant – CWS	Child, Youth and Family	5.0
Admin Clerk II – LT	Service Centers	1.0
Employment and Social Services Program Manager	Service Centers	2.0
Office Support Specialist	Service Centers	1.0
Administrative Services Analyst	Service Centers	3.0
Associate Administrative Services Analyst	Service Centers	1.0
Senior Administrative Services Analyst	Service Centers	1.0
Intensive Case Manager I	Services Centers	1.0
Total		26.0



Workforce Reduction Summary

Summary of General Fund and Non-General Fund Vacant and Filled Positions

	FY2026-27 Requested Budget	Recommended for Consideration	Percentage Reduction
Total Positions	1,792.8	118.5	6.61%

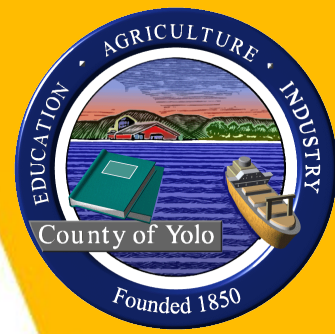


General Fund and Non-General Fund

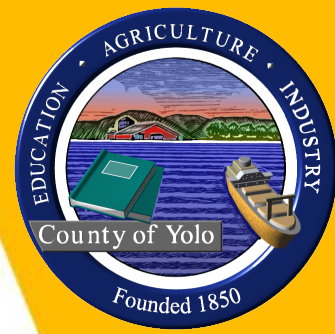
Impact of Reductions for Consideration

- Delays/Reduction/Longer wait times for customer/client service (ACE, AG, HR, HHSA, LIB, PROB)
- Closure of satellite offices (HHSA, PROB)
- Reduction in financial support to CBOs (CC, DCS, DFS, GSD, HHSA)
- Delays in reporting, grant work, legal advisory services (CAO, CC, DFS)
- Increased caseloads, increased overtime (DA, HHSA, PROB, SHER)

FY 2026-27 Proposed Balancing Solution

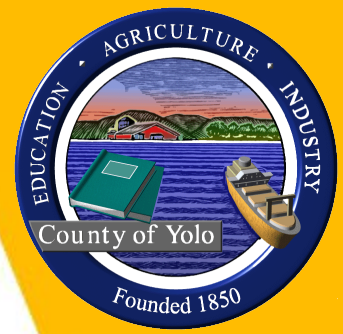


FY 2026-27 Conceptual Balancing Solution	
General Fund Base Budget Gap	(\$35,733,498)
Proposed Solutions	
Departmental Reduction Assumptions	
General Fund Departmental Reductions	\$13,759,982
HHSA Non-General Fund Reductions	\$9,037,800
One-Time Solutions	
Chula Vista Earnings	\$3,376,000
Use of Reserves	
Misc. Reserves/Other Funding Sources	\$4,136,000
Pension Trust/General Reserve	\$4,420,000
Remaining Budget (Gap)/Surplus	(\$1,003,716)



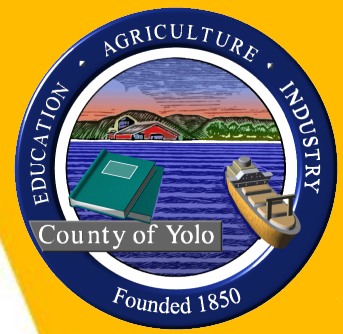
Potential Pathways for Board Consideration

1. Consider a slight downward adjusted target for reductions in 2026-27 from \$15m to \$13.7m and start working on strategic options to continue addressing the remaining structural deficit in future fiscal years; or
2. Direct staff to identify further reductions to meet the \$15 million target for the Recommended Budget; or
3. Direct staff to identify further reductions to meet the \$15 million target for the Adopted Budget in September, which may require a greater use of reserves as a placeholder in the Recommended Budget for June.



Requested Actions

1. Receive update on 2026-27 Fiscal Year Budget Development Process
2. Provide direction to staff on 2026-27 budget reduction options and Board directed augmentations
3. Provide direction to staff on potential pathways to balance the 2026-27 Recommended Budget



Next Steps

- May 5 – Continued General Fund and Non-General Fund Reduction Discussion if needed
- June 2 – FY 2026-27 Recommended Budget Book and Staff Report Released
- June 9 – FY 2026-27 Recommended Budget Hearing