

Fiscal Year 2026-27 Budget Update

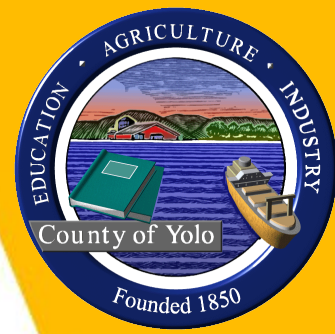
May 5, 2026

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



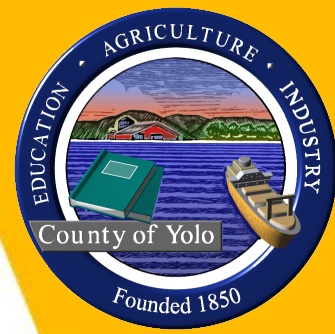
2026-27 Budget Update

- 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
- Discussion today is intended to continue highlighting reduction options, address Board questions and requests for information, and receive Board direction
- No final decisions will be made until the June 9 Recommended Budget Hearing



Board Feedback from April 28

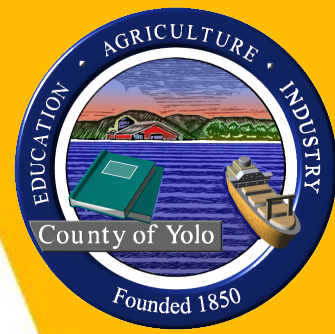
- Include \$250k - \$350k placeholder for Oakdale response
- Consider partial reductions for VITA, Eat Well and Yolo Crisis Nursery contracts to provide longer runway
- Remove of the Library Assistant II workforce reduction option
- Consider options to reduce security contract for the Admin Building
- Remove elimination of Board-approved Environmental Health fee waiver for non-profit temporary food facilities
- Provide additional information on service impacts from proposed reductions to Child Welfare Services and Public Guardian
- Consider impacts to Support System departments
- Analyze sustainability of overtime use by County departments



FY 2026-27 Base Budget Deficit

As Presented on April 28

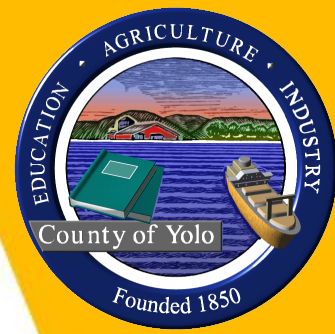
Preliminary General Fund Base Budget Gap	
General Purpose Revenues	\$117,517,243
Estimated General Fund Balance	\$7,000,000
Initial Base Budget Requests	(\$147,524,055)
Additional HHS General Fund Backfill	(\$11,726,686)
Oakdale Defense Expenditures	(\$1,000,000)
General Fund Base Budget Gap	(\$35,733,498)



FY 2026-27 Balancing Scenario

As presented on April 28

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)



FY 2026-27 Remaining Budget Gap

With Board-Directed Adjustments

FY 2026-27 Remaining Budget Gap	
Remaining Budget (Gap)/Surplus	(\$1,003,716)
General Fund Augmentations	
Oakdale Response	(\$350,000)
General Fund Department Reductions	
Remove Non-Profit Fee Waiver	(\$15,000)
Reduce Eat Well Reduction	(\$42,500)
Remove Library Assistant Reduction	(\$49,294)
Reduce VITA Contract Reduction	(\$50,000)
Reduce Crisis Nursery Contract Reduction	(\$50,000)
Remove Security Contract Reduction*	(\$324,000)
Revised Budget (Gap)/Surplus	(\$1,884,510)

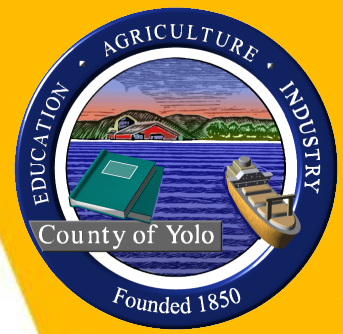
**Security Contract will be reviewed for possible cost reduction, not elimination of service*



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 County Counsel	1.0



General Fund

Workforce Reduction of Vacant Positions (cont.)

Classification	FTE Count
Deputy District Attorney V	1.0
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	52.0



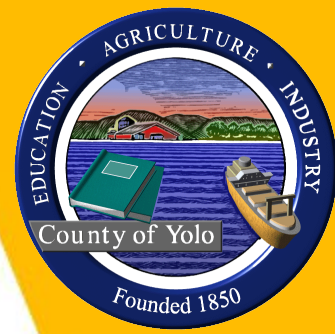
General Fund

Workforce Reduction of Filled Positions

Classification	FTE Count
Administrative Services Analyst	1.0
Assessor Clerk Recorder Assistant	2.0
Office Support Specialist	2.0
Senior Administrative Services Analyst	1.0
Vital Stats Technician	1.0
Permit Technicians	2.0
Total	8.0

Removed per Board direction on April 28

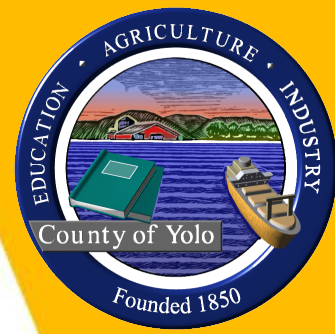
Classification	FTE Count
Library Assistant	0.5
Total	0.5



HHSA Non-General Fund Reduction

Workforce Reduction of Vacant Positions

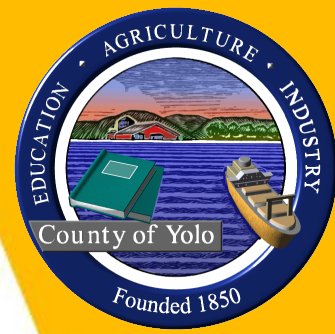
Classification	Branch	FTE Count
HHSA Admin Deputy Director	Admin	1.0
Accountant II	Admin	1.0
Fiscal Administrative Officer	Admin	1.0
Senior Administrative Services Analyst	Admin	1.0
Office Support Specialist	Adult and Aging	1.0
Administrative Services Analyst	Adult and Aging	1.0
Social Services Assistant	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.)

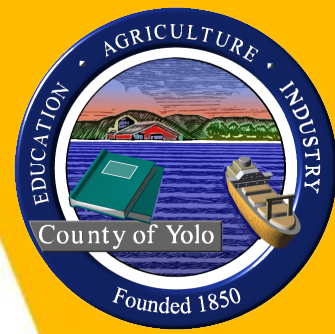
Classification	Branch	FTE Count
Service Centers Administrative Specialist	Service Centers	2.0
Welfare Fraud Investigator II	Service Centers	1.0
Health and Human Services Manager II	Service Centers	1.0
Public Assistance Specialist III	Service Centers	3.0
Employment Services Specialist III	Service Centers	3.0
Employment Services Specialist III	Service Centers	1.0
Total		33.0



HHSA Non-General Fund Reduction

Workforce Reduction of Filled Positions

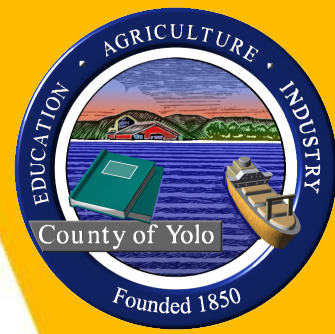
Classification	Branch	FTE Count
HHSA Fleet Attendant II	Admin	1.0
HHSA Support Services Supervisor	Admin	2.0
Departmental Communications Coordinator	Admin	1.0
Social Work Practitioner	Adult and Aging	1.0
Conservatorship Officer	Adult and Aging	1.0
Child Welfare Worker II	Adult and Aging	1.0
Office Support 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 & Social Services Program Mgr.	Service Centers	2.0



HHSA Non-General Fund Reduction

Workforce Reduction of Filled Positions (cont.)

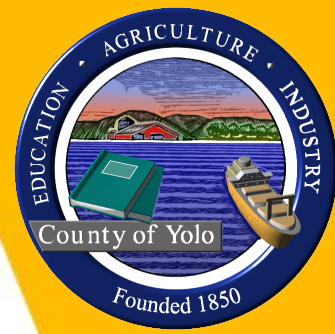
Classification	Branch	FTE Count
Office Support Specialist	Service Centers	1.0
Administrative Services Analyst	Service Centers	3.0
Associate Administrative Services Analyst	Service Centers	1.0
Senior Administrative Services Analyst	Service Centers	1.0
Intensive Case Manager I	Service Centers	1.0
Employment Services Specialist II	Service Centers	4.0
Total		30.0



Workforce Reduction Summary

General Fund and Non-General Fund Vacant and Filled Positions

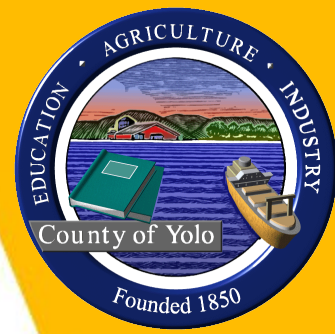
	FY2026-27 Requested Budget	Recommended for Consideration	Percentage Reduction
Total Positions	1,792.8	124.00	6.92%



Additional Reduction of Vacant Positions Submitted in Department Base Budget Requests

Department	Classification	FTE	Funding Source
Community Services	Permit Counter Technician	1.0	Building Fees
Community Services	Solid Waste Attendant	1.0	Landfill Fees
District Attorney	Paralegal	1.0	Prop 47 Grant
Probation	Deputy Probation Officer	8.0	2011 Realignment
HHSA	DEI Coordinator	1.0	MHSA
HHSA	Health & Human Services Program Coordinator	2.0	MHSA
HHSA	Outreach Specialist II	5.0	MHSA, Others
ITS	Supervising Telecommunications Specialist	1.0	Telecom Fees
ITS	Technical Support Specialist III	1.0	ITSD Fees
Child Support	Administrative Clerk II	1.0	State/Federal
Child Support	Child Support Assistant	2.0	State/Federal
Child Support	Child Support Specialist II	4.0	State/Federal
Child Support	Office Support Specialist	1.0	State/Federal
Total		30.0	

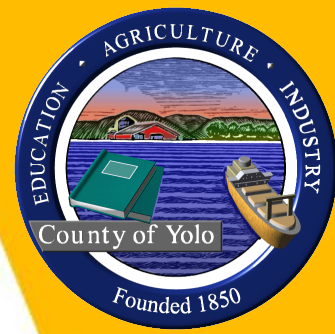
* 13.0 vacant positions unfunded in 2025-26 also slated for formal reduction



General Fund and Non-General Fund

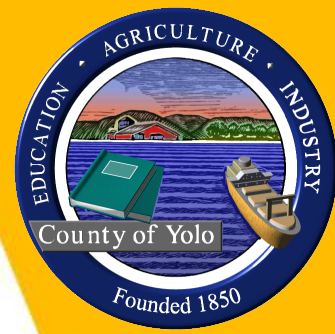
Impact of Reductions for Consideration

- 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)



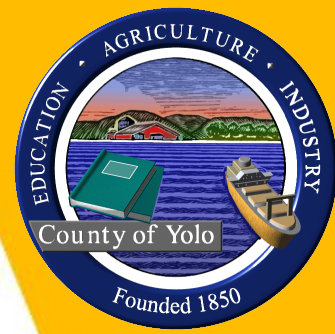
Misc. Reserves/Other Funding Sources

Funding Source	Amount
Audit Disallowance Reserve	\$1,363,313
Community Corrections Partnership Fund Balance	\$781,285
Liability Reserve	\$600,000
Unemployment Internal Service Fund Balance	\$535,678
Cannabis Tax Funds	\$450,000
Local Innovation Subaccount	\$181,854
Pomona Fund	\$225,000
Total	\$4,137,130



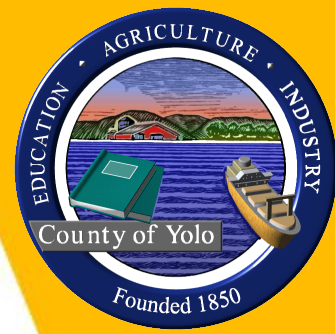
Pension Trust

- Current available balance of \$20.8 million
- Purpose is to ensure County's ability to make required contributions and to pay down unfunded liability more quickly
- Funded initially by supplemental payroll charges to all departments & funds
 - Use of Pension Trust to balance budget would provide savings to all departments
 - For every \$100 used, General Fund would save approximately \$47
- Opportunity cost of using to balance budget – loss of ability to contribute to CalPERS and reduce the County's pension rates



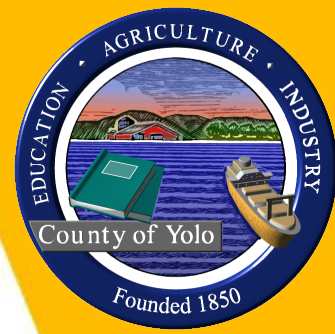
Pension Trust

- Current available balance of \$20.8 million
- Purpose is to ensure County's ability to make required contributions and to pay down unfunded liability more quickly
 - Best practice but not legally mandated
- Funded initially by supplemental payroll charges to all departments & funds
 - Supplemental pension charge discontinued starting in 2024-25 due to budgetary challenges



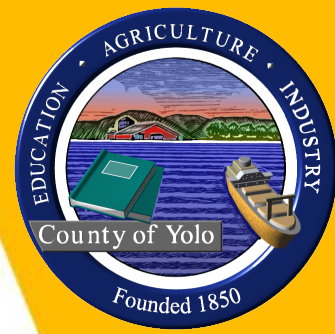
Pension Trust (cont.)

- Use of Pension Trust to balance budget would provide savings to all departments
 - General Fund departments account for approximately 47%
 - To generate \$4M in GF savings would require using approx. \$8.5M of the Trust
- Opportunity cost of using to balance budget – loss of ability to contribute to CalPERS and reduce the County's pension rates
- Pension Trust does not automatically replenish, but does receive interest earnings



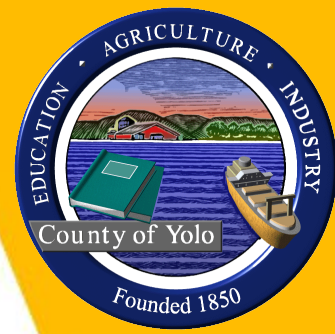
General Reserve

- Current available balance of \$23.9 million (8%)
- Purpose is to protect essential services from unanticipated events such as:
 - Severe economic downturn
 - Severe funding reductions from federal agencies
 - Severe state budget impacts
 - Disasters resulting in a declared state of emergency
- After budget is adopted, requires 4/5 vote and legally declared emergency (GC 29086)
- Available for one-time use – does not automatically replenish



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

- June 2 – FY 2026-27 Recommended Budget Book and Staff Report Released
- June 9 – FY 2026-27 Recommended Budget Hearing
- September 22 – FY 2026-27 Adopted Budget Hearing
- Items for Future Board Consideration:
 - Analysis of Support System Department Reductions
 - Overtime Analysis
 - Medi-Cal Reimbursement