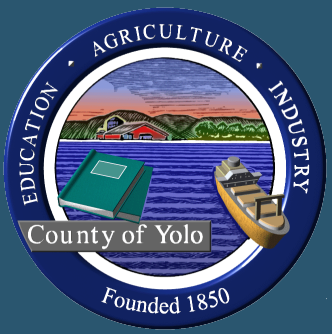
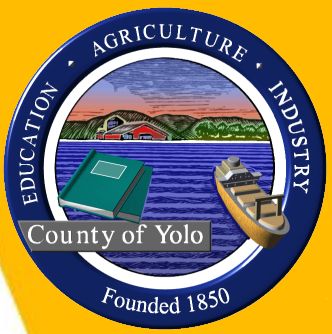




FY 2026-27 Recommended Budget

June 9, 2026

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

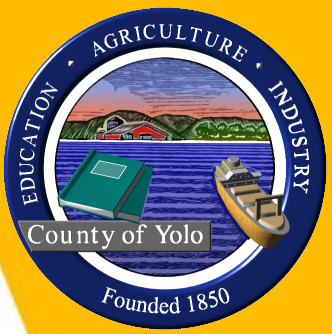


OVERVIEW OF BUDGET PRESENTATION

- ▶ Opening Remarks – Michael Webb, Chief Administrative Officer
- ▶ Budget Development Process – Tom Haynes, Chief Financial Officer
- ▶ Recommended Budget Specifics – Tom Haynes, Chief Financial Officer
- ▶ HHSA Update – Monica Morales, HHSA Director
- ▶ Looking Ahead – Tom Haynes, Chief Financial Officer
- ▶ Recommended Actions and Closing Remarks –Michael Webb, CAO



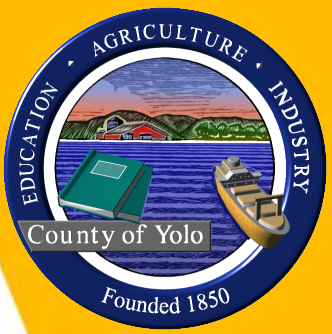
BUDGET DEVELOPMENT PROCESS



BUDGET PROCESS

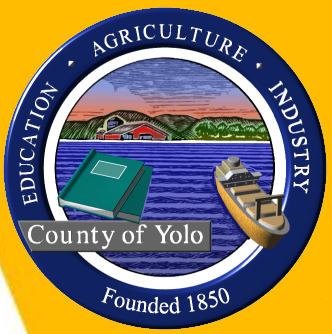
- ▶ January 13 – Preliminary budget outlook
- ▶ January 27 – Board adopted Budget Principles
- ▶ February 21 – Departments submitted requests
- ▶ March 16 to April 3 – CAO/DFS meeting with Departments
- ▶ March 24 – Budget Development Update to the Board
- ▶ April 28 – Budget Development Update to the Board
- ▶ May 5 – Budget Development Update to Board cont.
- ▶ June 3– Published Budget Book
- ▶ June 9 – Budget Hearing

- ▶ DFS and CAO staff met with the Budget Ad-Hoc Committee (Chair and Vice Chair) regularly on budget development.



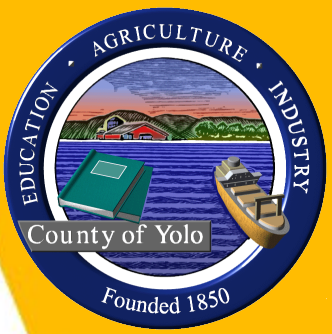
2026-27 GENERAL FUND BUDGET OUTLOOK

- 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



GENERAL FUND FIVE YEAR FORECAST

	2026-27	2027-28	2028-29	2029-30	2030-31
	Projected	Projected	Projected	Projected	Projected
Beginning Fund Balance	7,000	5,000	5,000	5,000	5,000
Total Revenue	171,375	176,767	182,413	188,395	194,730
Total Expenditures	205,307	216,979	227,010	236,759	246,995
Ending Fund Balance	(26,932)	(35,213)	(39,597)	(43,365)	(47,265)
Potential Additional Expenditures	3,105	3,194	3,286	3,377	3,473
Pension Supplemental	2,105	2,194	2,286	2,377	2,473
Contingency	1,000	1,000	1,000	1,000	1,000
Adjusted Ending Fund Balance	(30,037)	(38,407)	(42,883)	(46,742)	(50,738)

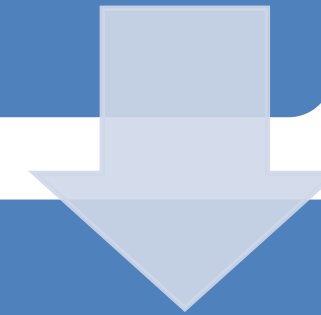


THREE YEAR PLAN TO ADDRESS STRUCTURAL DEFICIT

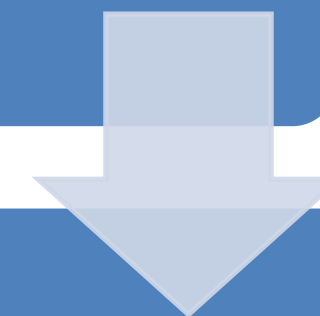
- On January 27 the Board approved the following plan to address the County's structural budget deficit:
 - Implementation of 3 years of reduction to address the County's structural deficit, including initial reduction target of \$15 million in 2026-27
 - Setting initial reduction targets with the assumption 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
 - Increase to TOT continues to move forward for voter consideration

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.

BUDGET REDUCTION PRINCIPLES

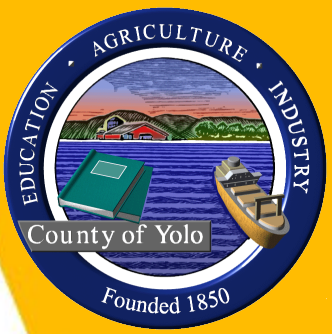
The County is committed to achieving and maintaining a structurally balanced and sustainable budget



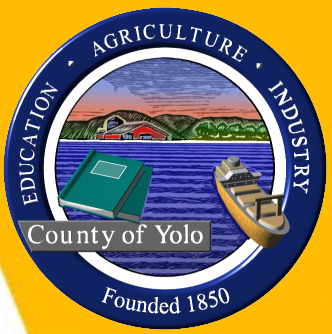
Budget considerations for new revenue should be explored immediately, with acknowledgment that revenue generation initiatives can, and do, take time



Maintenance of appropriate levels of administration and support to ensure that County programs and services be effectively carried out



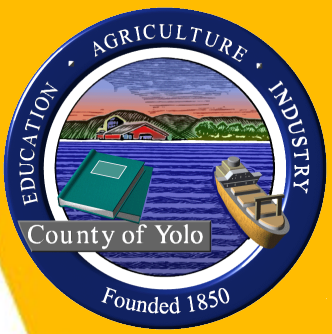
RECOMMENDED BUDGET



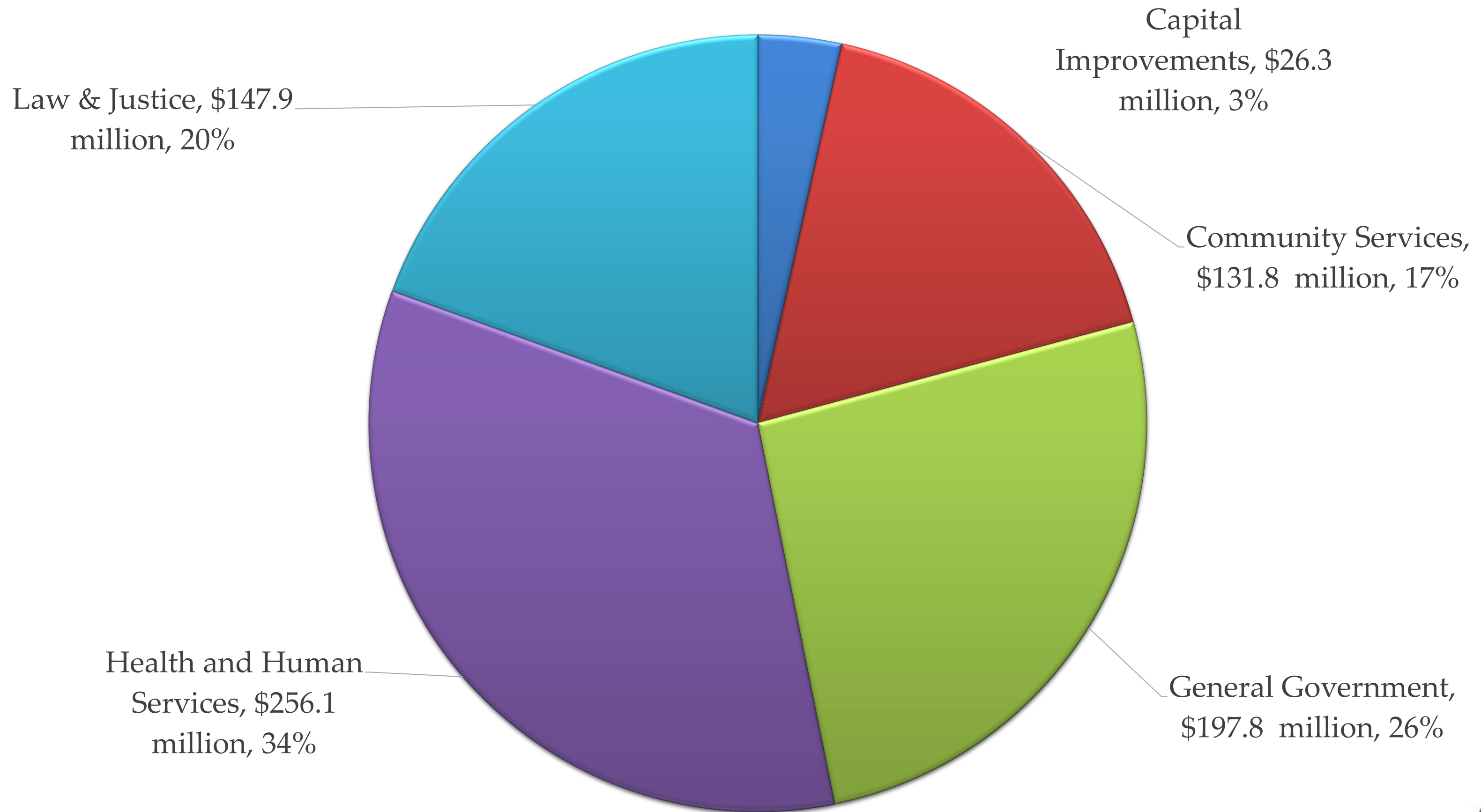
BUDGET SUMMARY

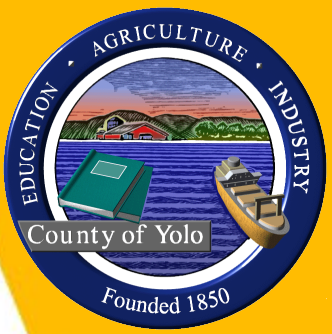
	2024-25 Actuals	2025-26 Adopted	2026-27 Recommended
Net Operating Budget	\$619,539,776	\$738,418,763	\$732,952,676
Capital Improvement Budget	\$10,085,399	\$36,924,049	\$26,909,184
Total County Budget	\$629,625,175	\$775,342,812	\$759,861,860
<u>Fund Highlights</u>			
General Fund*	\$91,407,201	\$123,657,213	\$112,685,489
Road/Transportation Fund	\$25,959,035	\$49,389,029	\$59,822,558
Public Safety Fund	\$87,049,281	\$93,649,139	\$102,171,425
Health & Human Services	\$245,276,952	\$267,137,756	\$250,821,527

**General Fund includes Fund 1001, minus interfund transfers and ARPA Board Directed Projects*



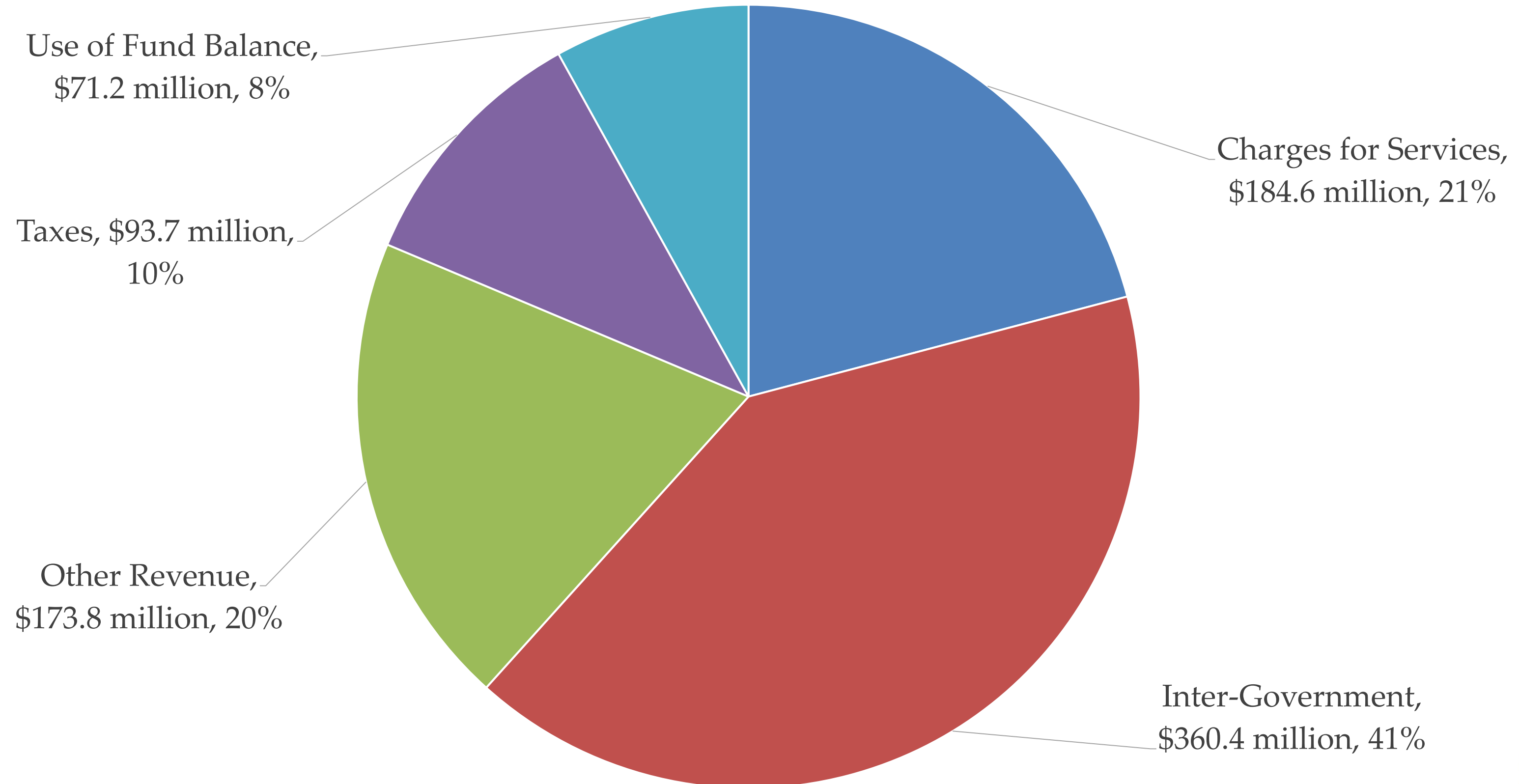
TOTAL SPEND BY PROGRAM AREA





SOURCES OF TOTAL COUNTY FUNDS

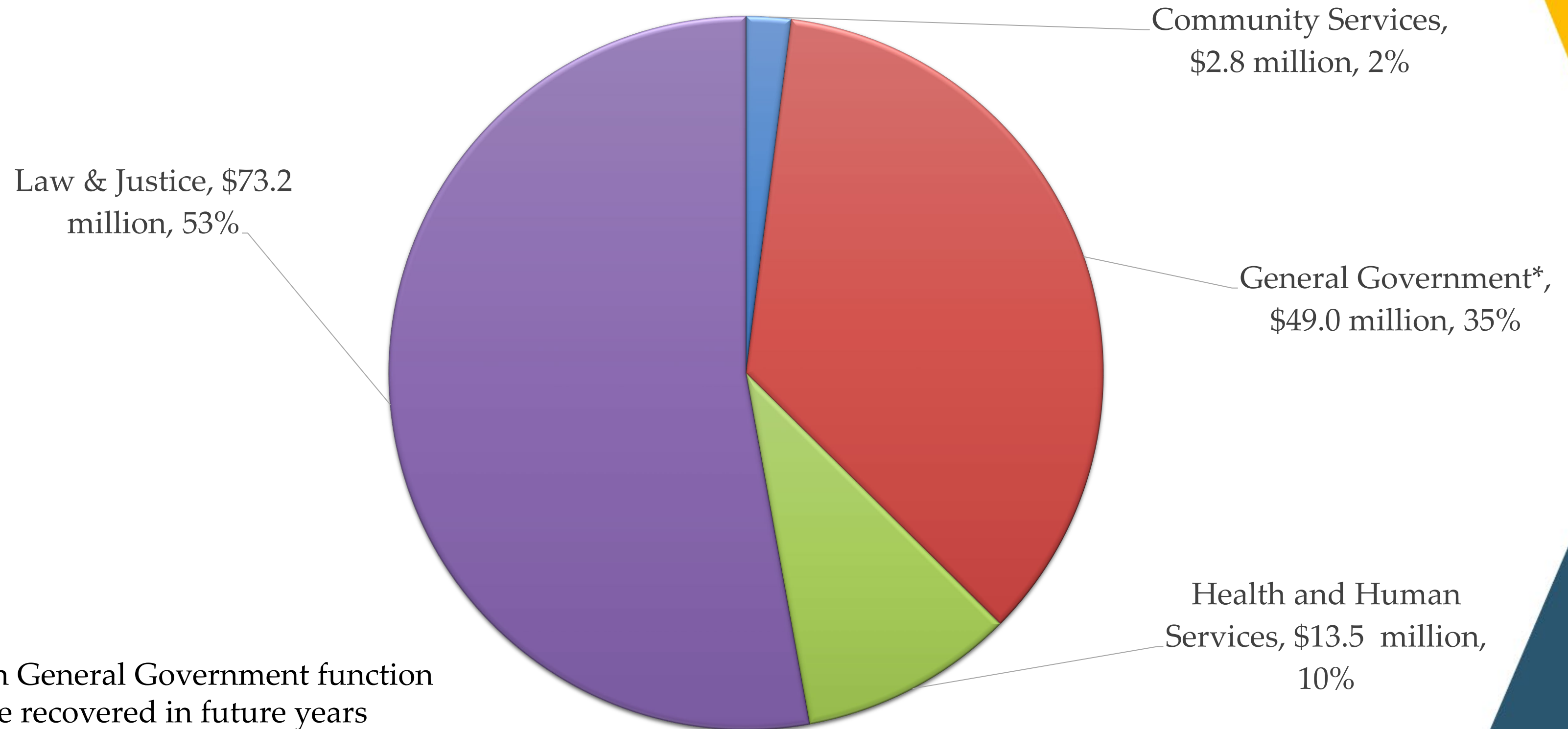
Total County Funds - \$883.7 million



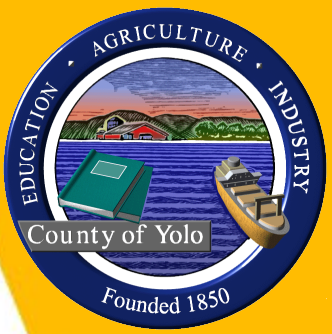
GENERAL FUND SUPPORT BY PROGRAM AREA



Total General Fund Allocations - \$138.6 million



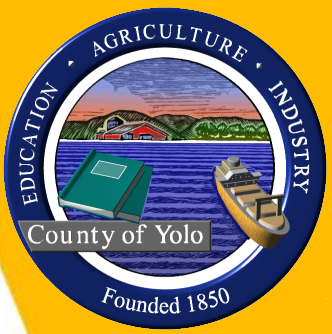
*Certain General Government function costs are recovered in future years through the Cost Allocation Plan.



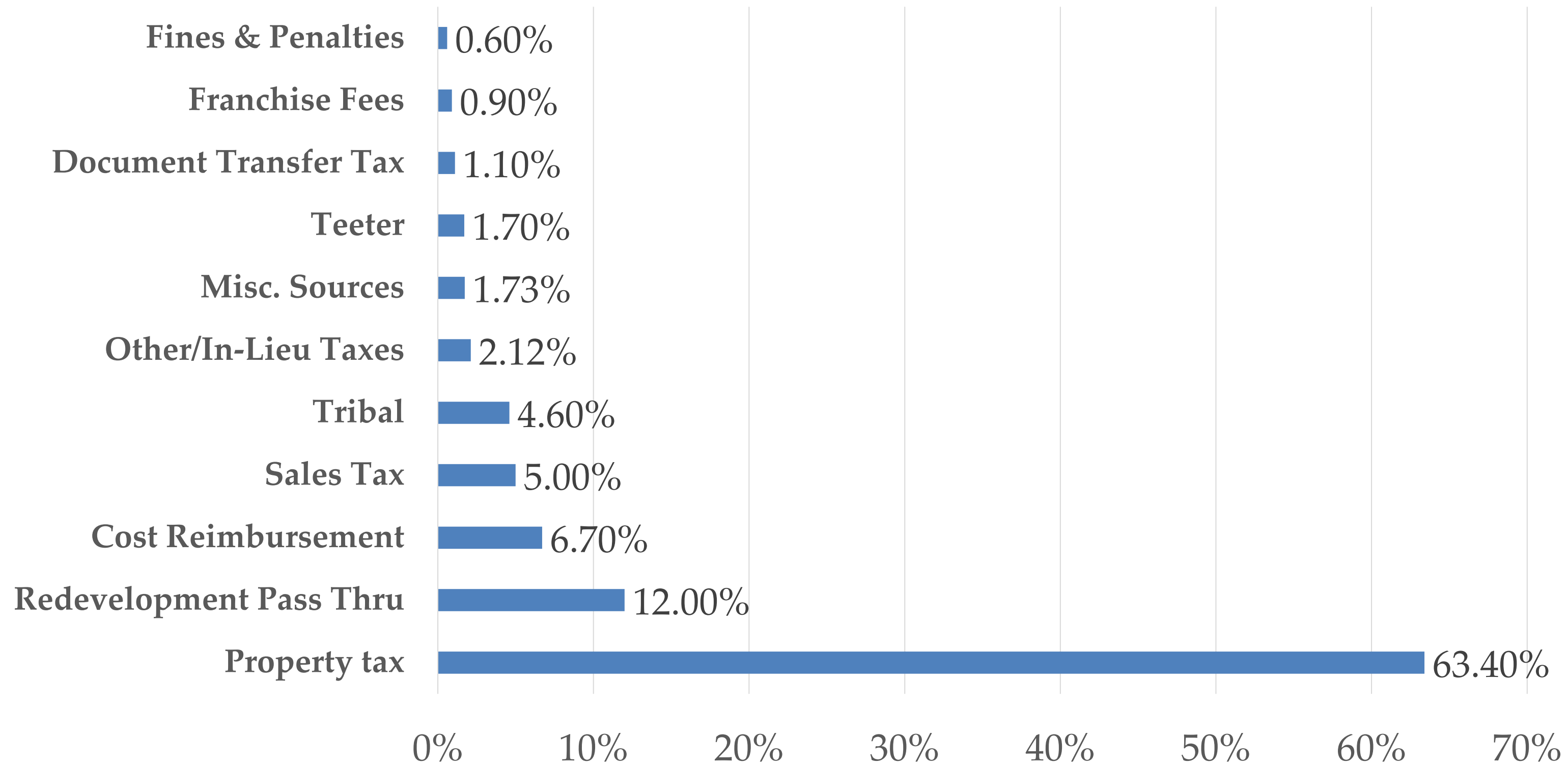
2026-27 REVENUE PICTURE

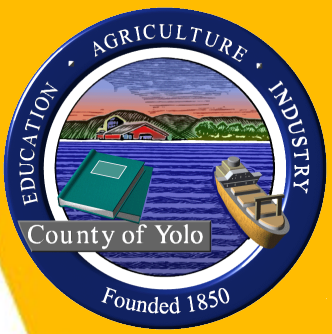
Revenue Source	2025-26 Adopted	2026-27 Recommend.	Change (%) from Prior Year
Property Taxes*	\$82.5M	\$87.0M	5.0%
General Sales Taxes	\$5.7M	\$5.9M	4.0%
Other General Purpose Revenues	\$22.1M	\$24.7M	12.0%
Total General Purpose Revenues	\$110.3M	\$117.6M	7.0%
Proposition 172 – Public Safety Sales Tax	\$28.5M	\$29.0M	1.8%
Public Safety Realignment	\$21.1M	\$22.4M	6.2%
Health & Human Services Realignment	\$62.8M	\$69.2M	10.2%
Total Semi-Discretionary	\$112.4M	\$120.6M	7.3%
Total Revenues	\$222.7M	\$238.2M	7.0%

**Includes RDA Pass Thru amount*

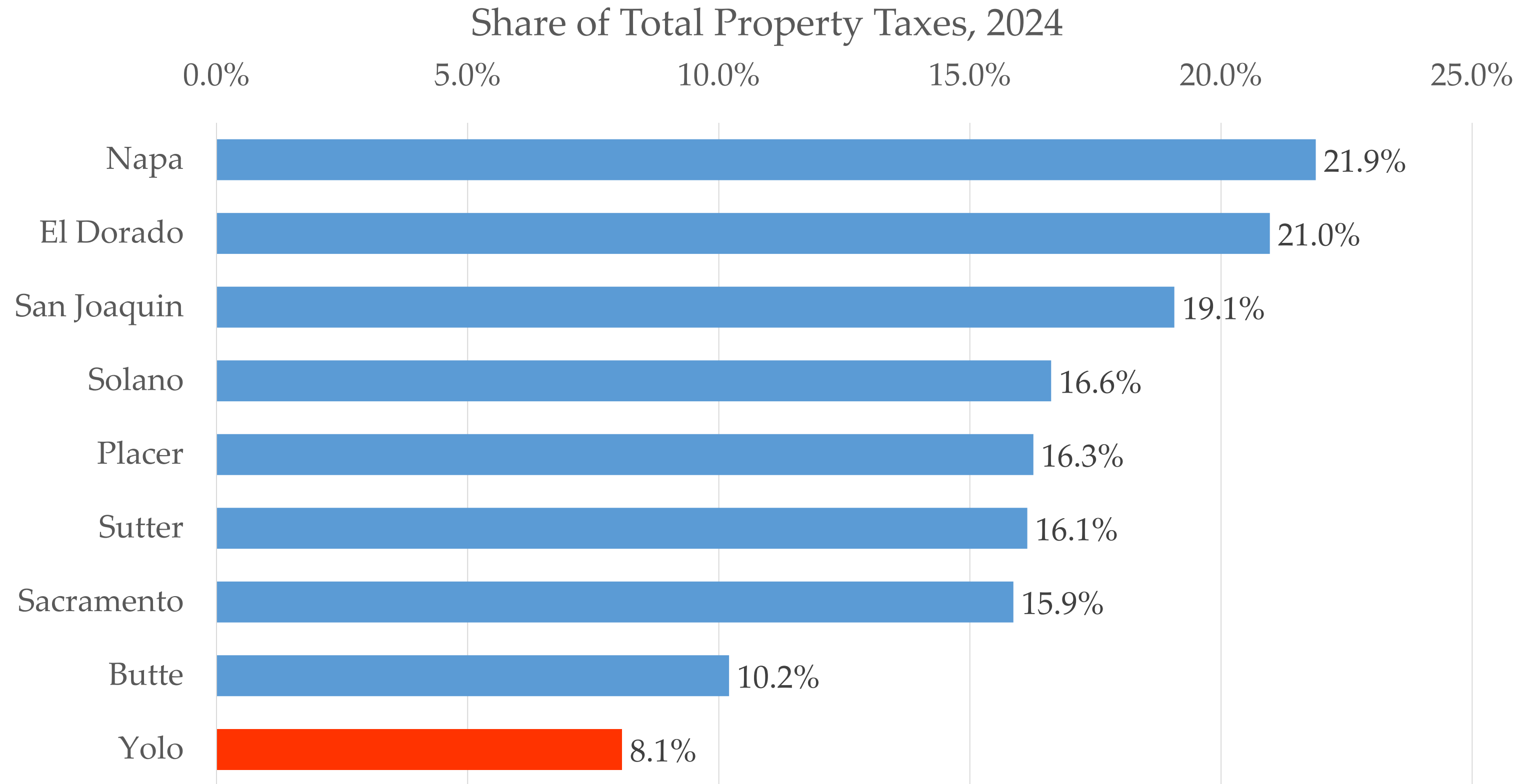


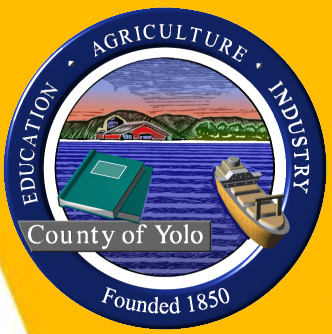
SOURCES OF GENERAL PURPOSE REVENUES





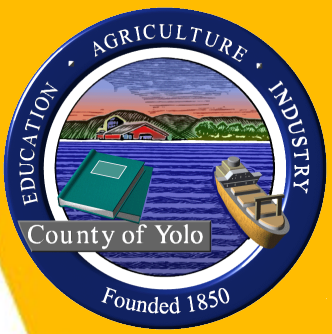
YOLO COUNTY PROPERTY TAX SHARE





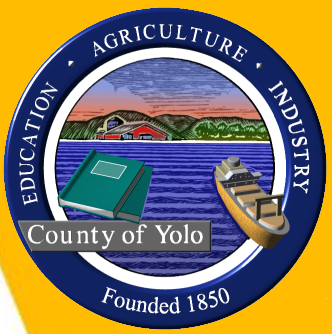
STAFFING SUMMARY

	Reduces 26 filled positions
	Reduces 124 vacant positions
	Unfunds 1 position
	Workforce Reduction of 8.38%
	Total 1,650.825 FTE in 2026-27 Recommended Budget



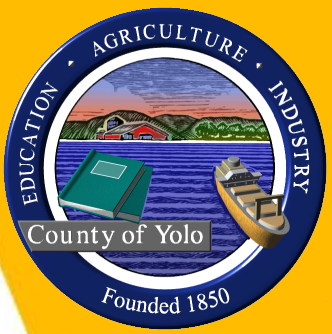
GENERAL FUND BASE BUDGET GAP

General Fund Base Budget Gap	
General Purpose Revenues	\$117,640,243
Estimates General Fund Balance	\$7,000,000
Final Base Budget Requests	(\$146,989,645)
Additional HHSA General Fund Backfill	(\$11,726,686)
Oakdale Defense Expenditures	(\$1,000,000)
Oakdale Response Funding	(\$350,000)
General Fund Base Budget Gap	(\$35,426,088)



BUDGET BALANCING STRATEGIES

FY2026-27 Balancing Solutions	
General Fund Budget Gap	(\$35,426,088)
Proposed Solutions:	
Departmental Reductions	
General Fund Departmental Reductions	\$12,540,325
HHSA Non-General Fund Reductions	\$8,908,019
One-Time Solutions	
Chula Vista Earnings	\$3,376,000
Use of Reserves	
Misc. Reserves/Other Funding Sources	\$3,470,070
Pension Trust	\$4,000,000
General Reserve	\$3,131,674
Remaining Budget (Gap)/Surplus	\$0



DEPARTMENTAL BUDGET REDUCTIONS

Use of Fund Balance- \$85,327

Other Reductions - \$ 221,106

Salary Savings - \$239,816

Reduction in Overtime - \$247,720

Revenue Enhancement - \$621,850

Reduction/Elimination of Extra Help - \$862,433

Adjustments in Salary Allocation - \$880,708

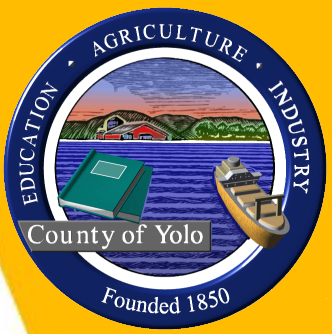
Reduction of Services and Supplies - \$967,788

Reduction/Elimination of Contract - \$2,005,547

Reduction of Filled Positions - \$4,152,618

Reduction of Vacant Positions - \$12,903,997

Summarizes both General Fund and HHSA Non-General Fund reductions



RECOMMENDED ONE-TIME SOLUTIONS

Fund Balance - \$7,000,000

Chula Vista Earnings - \$3,376,000

Audit Disallowance - \$1,363,313

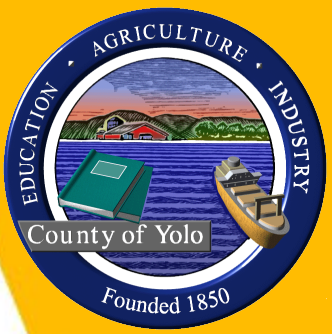
Liability Reserve - \$600,000

Unemployment Internal Service Fund - \$610,903

Cannabis Tax - \$460,000

Pomona Fund - \$225,000

Local Innovation Subaccount - \$210,854

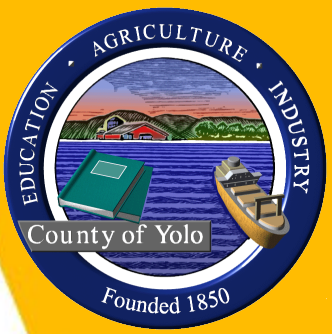


RECOMMENDED USE OF PRIMARY RESERVES

Pension Trust -
\$4,000,000*

General Reserve -
\$3,131,674

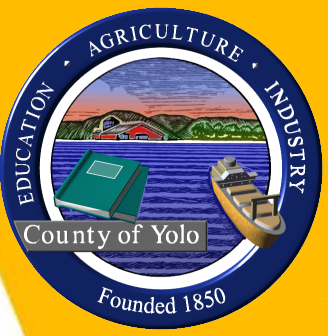
** Total use of Pension Trust is approx. \$8.5 million in order to generate \$4 million in GF savings.*



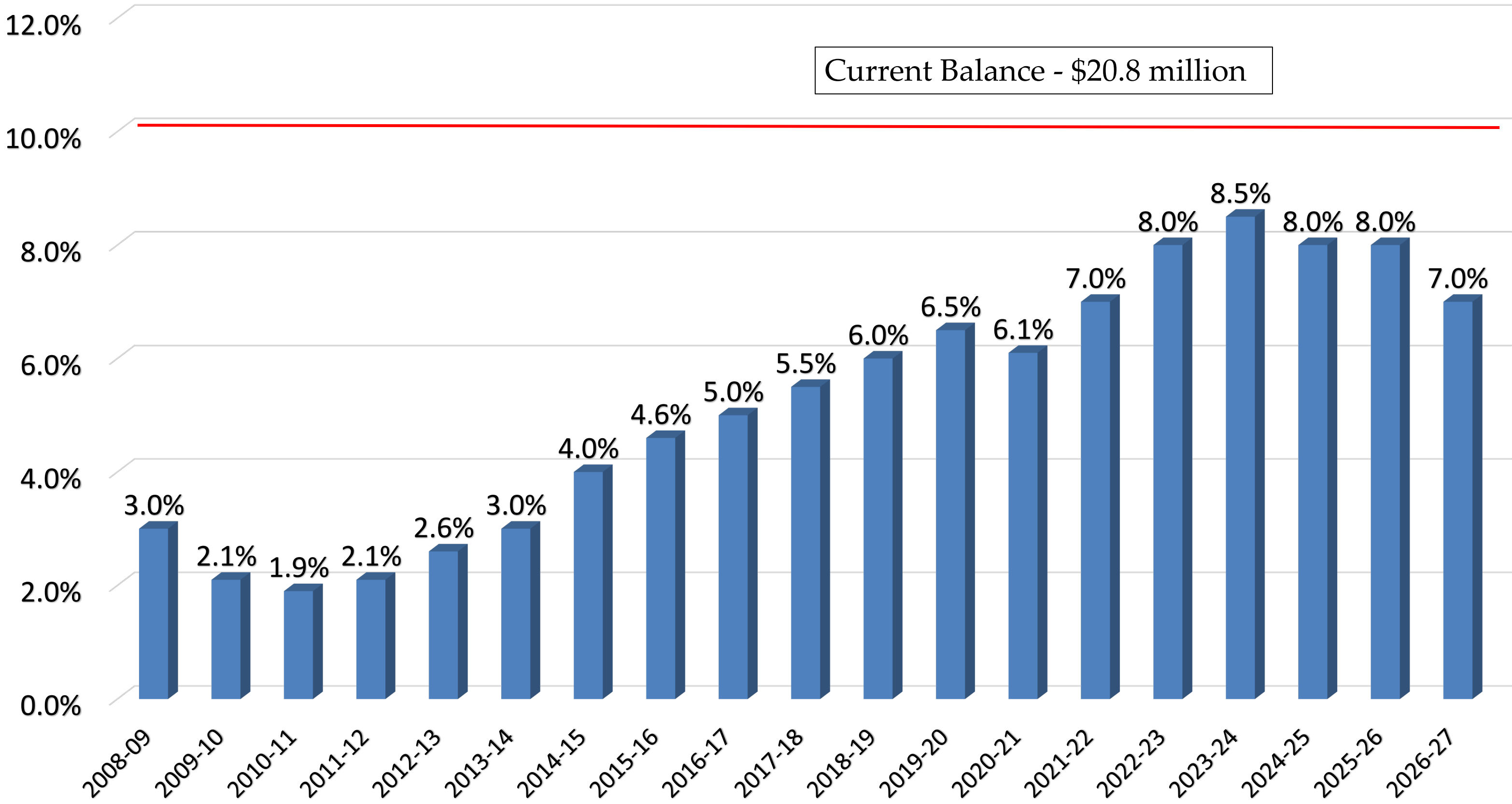
RESERVE AND CONTINGENCY BALANCES

Reserve/Trust Designation	Balance as of June 30, 2026	Recommended for Use	Balance as of June 30, 2027
General Reserve	\$23,950,954	(\$3,131,674)	\$20,819,810
Liability Reserve	\$1,363,313	(\$1,363,313)	\$0
Audit Disallowance	\$600,000	(\$600,000)	\$0
Pension Trust	\$26,050,664	(\$8,492,569)	\$17,558,095

Contingency Type	FY26/27 Appropriation
General Fund	\$0
Public Safety	\$0
Health and Human Services	\$0



GENERAL RESERVE



CAPITAL IMPROVEMENT AND MAJOR MAINTENANCE PROJECTS

Capital Improvement Projects

Agriculture Shop \$2,559,682

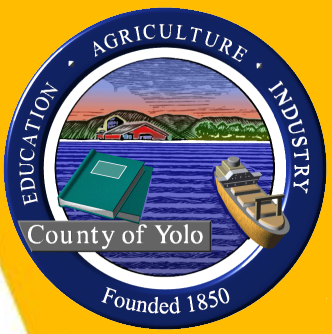
Walnut Park Library - \$10,100,000

Knights Landing Levee \$10,492,511

Major Maintenance Projects

Roof Replacements \$1,000,000

Grasslands Solar Repair- \$1,200,000

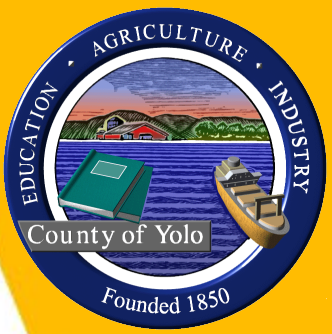


MAY REVISE MEDI-CAL ADMINISTRATION

- One-time FY2026-27 augmentation of \$228.8 million to counties for HR 1 implementation (statewide total \$262 million total funds)
- Projected Yolo County one-time augmentation \$1,285,933
- Trailer Bill Language which will increase and accelerate financial penalties for non-compliance with county performance standards (penalties have been paused due to CPI freeze however the administration is proposing restarting it with the augmentation).

Staff recommendation: Fund and restore six (6) FTEs that have been proposed for reduction in FY2026-27 within the HHSA Eligibility and Employment Branch at an approximate cost of \$927,939. This action will provide a longer off ramp for reductions and assist with workload implications due to HR 1. Additional future actions are needed to address the structural deficit.

Reserve remaining balance of \$357,994 to increase Medi-Cal Administration fund balance to offset FY2027-28 increases in labor costs and assist with projected structural deficits.



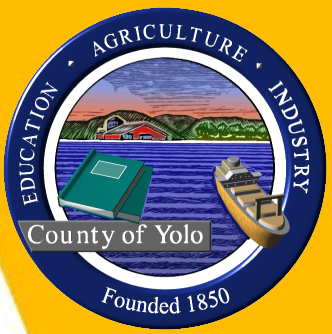
MAY REVISE MEDI-CAL ADMINISTRATION

Reduction Description	Cost
Restore One (1) Employment & Social Services Supervisor Position	\$193,174
Restore One (1) Employment & Social Services Supervisor Position	\$174,501
Restore One (1) Senior Administrative Services Analyst Position	\$201,034
Restore One (1) Associate Administrative Services Analyst Position	\$158,892
Restore One (1) Administrative Services Analyst Position	\$131,954
Restore One (1) Administrative Services Analyst Position	\$ 68,384
Total	\$927,939

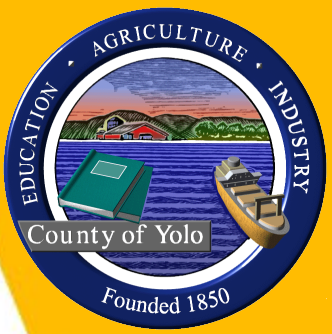
Positions support HR 1 implementation efforts through:

- Enhanced policy and systems analysis
- More robust staff training and preparation
- Increased client support

All of this can make meaningful contributions to HR 1 harm mitigation efforts for the community and can lower the county's risk for financial penalties and other downstream costs.



LOOKING AHEAD



ISSUES FOR CONSIDERATION AT ADOPTED BUDGET

Insurance Increases

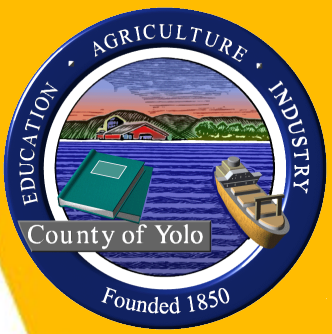
**Reserve
Contribution or
Reduction in Use**

**Contingency
Contribution**

**Conflict Defense
Panel**

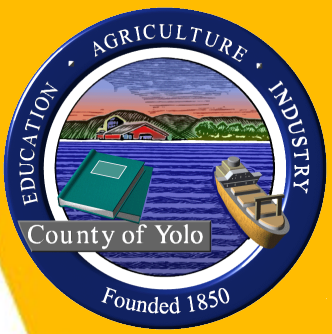
**State/Federal
Mandates**

**Additional
Departmental
Reductions**



DEFERRED AUGMENTATION REQUESTS

Potential Items for Consideration	Estimated Amounts
General Fund Contingency (1%)	\$2,400,000
Public Safety Contingency (1%)	\$1,000,000
Health & Human Services Contingency (1%)	\$2,400,000
Agriculture Promotions	\$16,618
ACE Extra Help and Overtime	\$59,250
DCS Promotions and Extra Help Increase	\$74,952
CAO Leave Buyout	\$10,000
Countywide Employee Recognition	\$8,000
District Attorney Oakdale Prosecution	\$600,012
District Attorney Promotions, Extra Help and Leave Buyout	\$373,124
District Attorney Food	\$13,500
District Attorney Expert Witness Costs	\$105,000



DEFERRED AUGMENTATION REQUESTS (cont.)

Potential Items for Consideration	Estimated Amounts
DFS Revenue Supervisor Double Fill	\$50,039
GSD Equipment	\$315,000
GSD Airport Grant	\$78,579
Public Defender Staffing	\$1,788,906
Public Defender Support and Care	\$25,000
Sheriff Vehicles	\$1,330,000
Sheriff Leave Buyout	\$45,000
Sheriff VR Use of Force Training Equipment	\$180,000
Total	\$10,872,980

LOOKING FORWARD



Evaluating State
Budget Impacts
Summer



Adopted Budget
Hearing
September 22



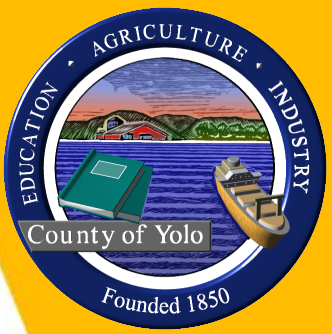
FY27-28 Budget
Process
December



Strategic Budget
Process
Ongoing

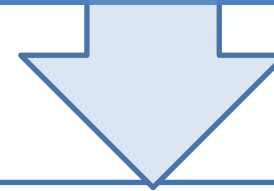


BUDGET ADOPTION PROCESS

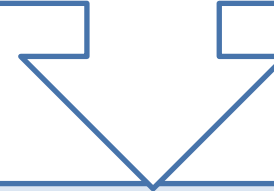


Recommended Budget in place from July 1 to September 22

Interim adjustments require 3/5 vote



Adopted budget development



Adopted Budget Hearings (Sept. 22)

Most adjustments following adoption require 4/5 vote

RECOMMENDED ACTIONS

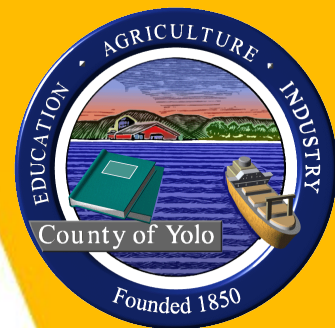
1. Accept 3rd Quarter monitoring report, approve amendments to 2025-26 Equipment List, and adopt a budget resolution amending 2025-26 revenues & appropriations

2. Amend the 2026-27 Recommended Budget revenue and appropriations to include anticipated one-time state funding for HR1 implementation and fund six positions as Recommended by the Health & Human Services Agency

3. Approve the 2026-27 Recommended Budget for the Health & Human Services Agency as amended

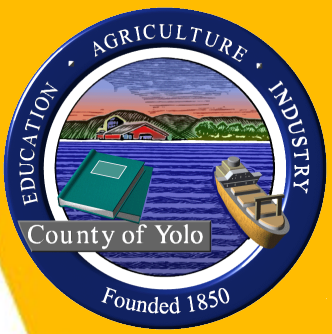
4. Approve the balance of the 2026-27 Recommended Budget, adopt the 2026-27 Position Resolution and 2026-27 Recommended Budget Resolution as amended, and approve the 2026-27 Equipment List

5. Direct the County Administrator and Human Resources Director to initiate the layoff process in accordance with the Yolo County Personnel Rules and Regulations and applicable labor agreements



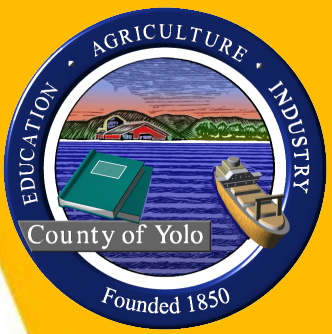
FOR REFERENCE

FILLED POSITIONS IDENTIFIED FOR REDUCTION



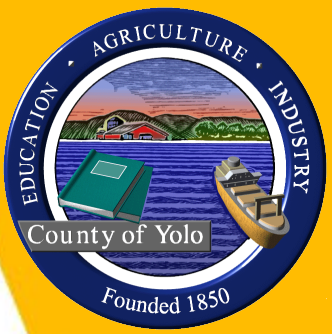
Classification	FTE
Administrative Clerk (Limited Term)	1.0
Administrative Services Analyst	1.0
Child Welfare Worker	1.0
Departmental Communications Coordinator	1.0
Employment Services Specialist I	1.0
Employment Services Specialist II	3.0
HHSA Fleet Attendant II	1.0
HHSA Support Services Supervisor	2.0
Intensive Case Manager I	1.0
Office Support Specialist	6.0
Permit Counter Technician II	1.0
Senior Administrative Services Analyst	1.0
Social Services Assistant CWS	5.0
Social Worker Practitioner (APS)	1.0
Total	26.0

VACANT POSITIONS IDENTIFIED FOR REDUCTION



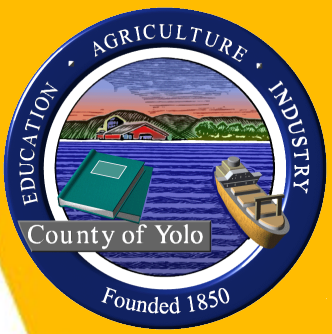
Classification	FTE
Accountant II	1.0
Accountant III	1.0
Administrative Clerk II	2.0
Administrative Services Analyst	4.0
Agricultural and Standards Technician II	1.0
Assessor Clerk Recorder Specialist II	1.0
Auditor II	1.0
Auditor III	1.0
Behavioral Health Case Manager (Limited-term)	1.0
Building Craftsmechanic III	1.0
Case Preparation Specialist	1.0
Chief Assistant Director of Community Services	1.0
Child Support Assistant	2.0
Child Support Specialist II	4.0
Clerk Recorder Assessor Program Manager	1.0
Clinician II	1.0
Correctional Officer II	15.0

VACANT POSITIONS IDENTIFIED FOR REDUCTION CONT.

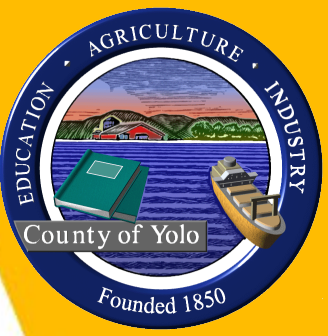


Classification	FTE
Crime and Intelligence Analyst (Limited-term)	1.0
Database Administrator	1.0
Deputy Branch Director Health and Human Services	2.0
Deputy District Attorney V	1.0
Deputy Probation Officer II	10.0
Deputy Sheriff	3.0
District Attorney Enforcement Officer	1.0
District Attorney Investigator II	2.0
Diversity Equity and Inclusion Coordinator	1.0
Employment Services Specialist II	2.0
Employment Services Specialist III	2.0
Enterprise Resource Planning Analyst II	1.0
Fiscal Administrative Officer	1.0
Health & Human Services Manager II	1.0
Innovation Technician	1.0
Lead Building Craftsmechanic	1.0
Legal Process Clerk IV (Limited-term)	1.0
Legal Secretary II	1.0
Lieutenant	1.0

VACANT POSITIONS IDENTIFIED FOR REDUCTION CONT.



Classification	FTE
Manager of Procurement	1.0
Office Support Specialist	6.0
Outreach Specialist II	4.0
Paralegal (Limited-term)	1.0
Permit Counter Technician II	1.0
Principal Management Analyst (Limited-term)	1.0
Procurement and Contract Services Officer (Limited-term)	1.0
Procurement Contract Services Specialist	1.0
Project Coordinator	1.0
Projects Division Manager	1.0
Property Tax Supervisor	1.0
Psychiatric Health Specialist II	1.0
Public Assistant Specialist II	3.0
Senior Accounting Technician	1.0
Senior Administrative Services Analyst	3.0
Senior Deputy Probation Officer	1.0
Sergeant	1.0
Service Centers Administrative Specialist	2.0
Social Services Assistant	4.0



VACANT POSITIONS IDENTIFIED FOR REDUCTION CONT.

Classification	FTE
Social Worker Practitioner	8.0
Social Worker Supervisor II (IHSS)	1.0
Solid Waste Attendant (Limited-term)	1.0
Supervising Legal Secretary	1.0
Supervising Telecommunications Specialist	1.0
Systems Software Specialist III	1.0
Technical Support Specialist III	2.0
Welfare Fraud Investigator II	1.0
Total	124.0

VACANT POSITIONS IDENTIFIED FOR UNFUNDING

Classification	FTE
Director of Public Health Nursing	1.0
Total	1.0