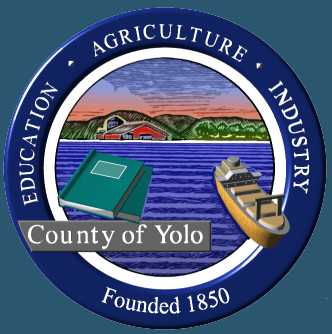




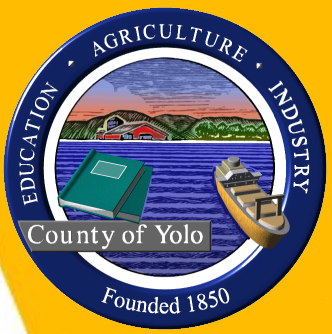
FY 2026-27 Adopted Budget

September 22, 2026

**Michael Webb
County Administrative Officer**

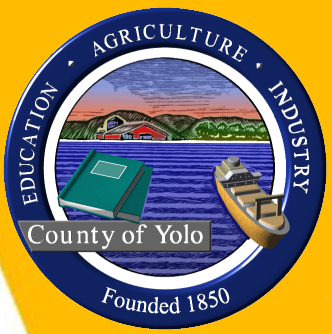
**Tom Haynes
Chief Financial Officer**

**Laura Liddicoet
Chief Budget Official**



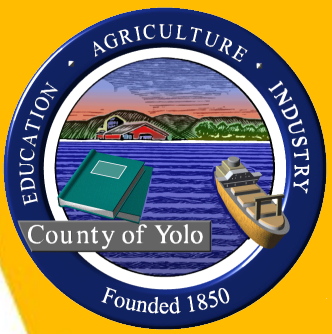
COUNTY BUDGET ACT

- ▶ Requires the Board to approve a Recommended Budget before June 30
 - ▶ 6/9 Recommended Hearing
- ▶ Requires a noticed public hearing on or before 10/2
 - ▶ 9/22 Budget Hearing
- ▶ After the Adopted Budget is approved most budget changes require 4/5 approval
- ▶ A 4/5 vote of the BOS is required for:
 - ▶ Use of contingency appropriations
 - ▶ Designations and Reserves
 - ▶ Unanticipated Revenues



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

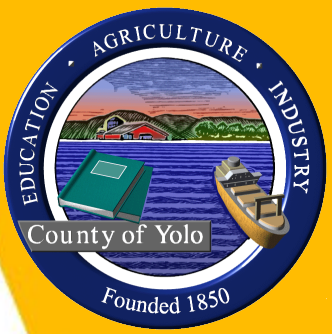


GENERAL FUND FIVE YEAR FORECAST*

In Millions

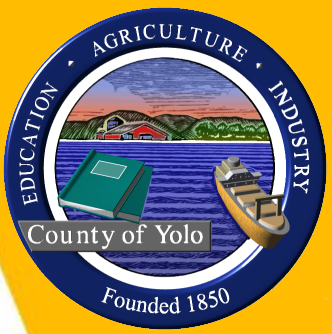
	2026-27	2027-28	2028-29	2029-30	2030-31
	Projected	Projected	Projected	Projected	Projected
Beginning Fund Balance	7,000	5,000	5,000	5,000	5,000
Total Revenue	171,375	176,767	182,413	188,395	194,730
Total Expenditures	205,307	216,979	227,010	236,759	246,995
Ending Fund Balance	(26,932)	(35,213)	(39,597)	(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)

**Five Year Forecast as of January 13, 2026*



THREE YEAR PLAN TO ADDRESS STRUCTURAL DEFICIT

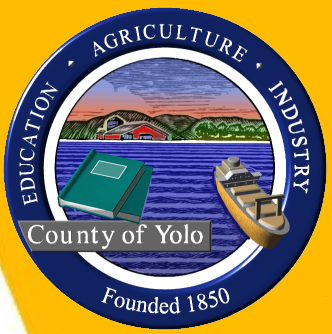
- On January 27 the Board approved the following plan to address the County's structural budget deficit:
 - Implementation of 3 years of reduction to address the County's structural deficit, including initial reduction target of \$15 million in 2026-27
 - Setting initial reduction targets without the 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
 - TOT increase (Measure X) is on the November 2026 ballot



2026-27 ADOPTED BUDGET SUMMARY

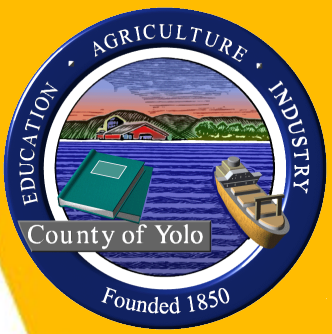
- ▶ Budget remains balanced
- ▶ General Purpose Revenue Increase – \$174,215
- ▶ General Fund Unassigned Fund Balance estimated at \$17.1 million
 - ▶ Approx. \$10 million more than the \$7 million included in the Recommended Budget
- ▶ Unassigned General Fund balance included in Adopted Budget:

FY21-22 Actual	FY22-23 Actual	FY23-24 Actual	FY24-25 Actual	FY25-26 Preliminary
\$20,185,352	\$17,878,772	\$14,755,188	\$10,637,194	\$17,055,825



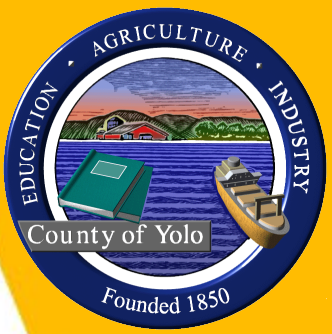
2025-26 FUND BALANCE EXPLAINED

- ▶ Preliminary Fund Balance - \$17,055,825 (\$10,055,825 more than anticipated)
 - ▶ Salary Savings - \$6.0 million
 - ▶ Excess Teeter Transfer - \$4.0 million
- ▶ FY2025-26 Budget Used \$11 Million in One-Time Balancing Solutions
 - ▶ Included \$4 million in Policy Reserves
 - ▶ If not for these one-time solutions, we would not have met fund balance target
- ▶ While fund balance estimates are higher than anticipated, ongoing expenditures continue to exceed ongoing revenues
- ▶ Anticipated to be a one-time increase in fund balance



STATE FUNDING IMPACTS

- ▶ **1991 and 2011 Health and Human Services Realignment**
 - ▶ \$4,422,075 reduction since the Recommended Budget
- ▶ **2011 Public Safety Realignment**
 - ▶ \$108,534 reduction since the Recommended Budget
 - ▶ Majority of the reduction in Community Corrections Partnership
- ▶ **Prop 172 Half Cent Public Safety Sales Tax**
 - ▶ \$430,445 reduction since the Recommended Budget
 - ▶ Reductions absorbed by PS departments through Salary Savings and Services and Supply reductions

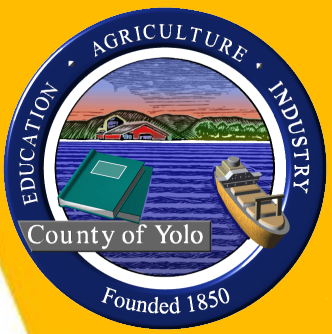


GENERAL FUND RECOMMENDATIONS

➤ Total Additional Funding Available - \$10,230,040

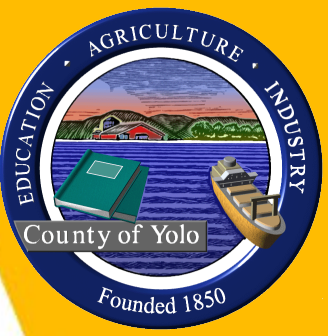
Additional Funding Uses	Amount
Fund Departmental Base Budget Deficits	\$3,102,807
Restore General Reserve* (Used to balance Rec'd Budget)	\$3,131,672
Fund HHSA Reserve	\$2,015,276
Fund General Fund Contingency (0.35%)	\$1,000,000
Fund 5 Sheriff Patrol Vehicles	\$625,000
Fund DA Additional Oakdale Prosecution Expenses	\$326,491
Fund HR Position Adjustments	\$28,794
Total	\$10,230,040

** Restores the General Reserve balance to \$23.9 million or 8% of the Board's 10% goal*



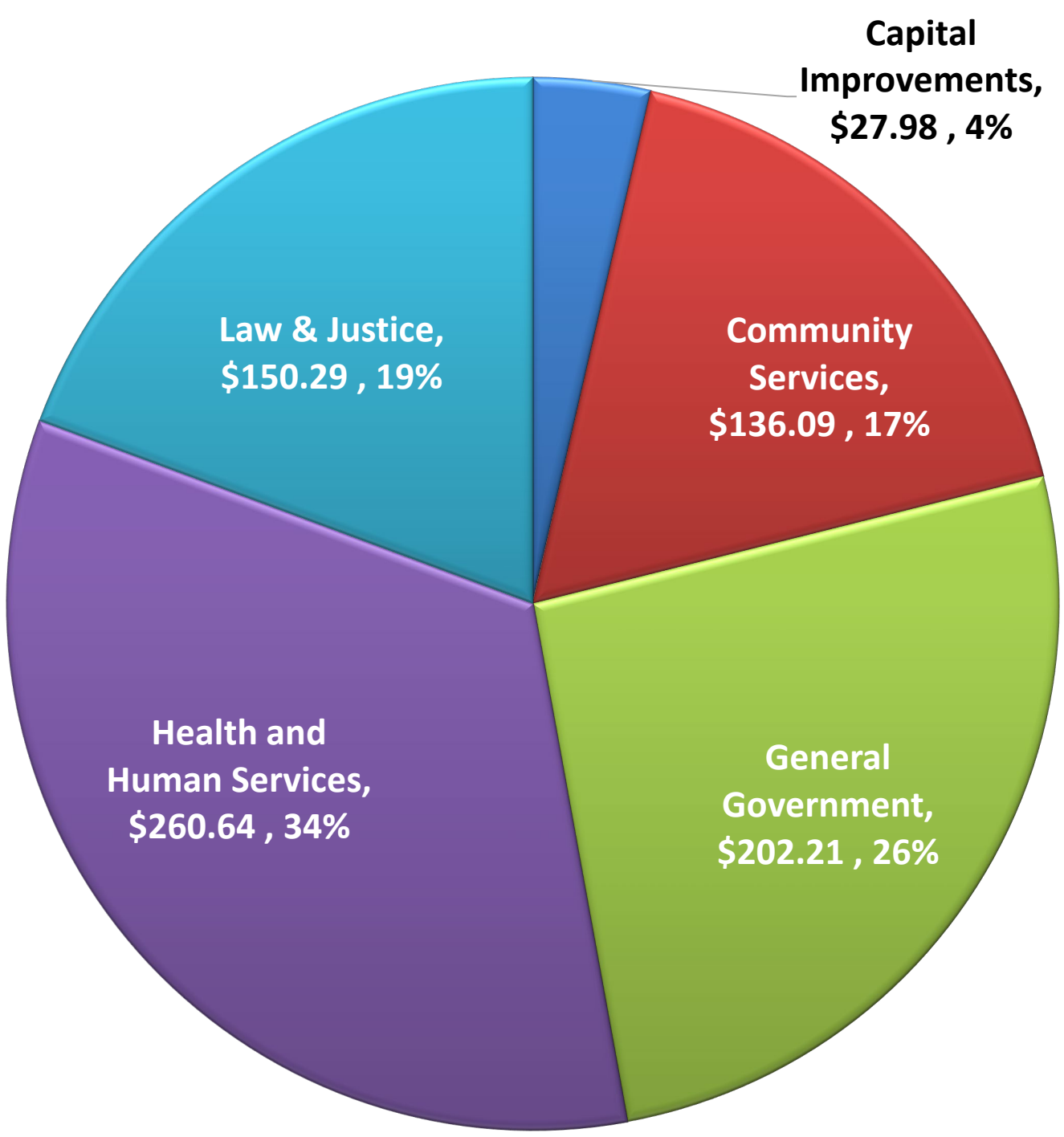
2026-27 ADOPTED BUDGET SUMMARY

- ▶ While substantial progress has been made, Yolo County continues to face a structural budget deficit
- ▶ The Adopted Budget avoids further budget reductions by funding the base budget deficit resulting from state revenue reductions and insurance increases
- ▶ Leverages one-time increase in fund balance to bolster the County's safety net by funding reserves and contingencies to safeguard against unanticipated needs and prepare for budgetary shortfalls in coming years
- ▶ Addresses immediate high-priority needs in Public Safety departments while maintaining operations in all departments



TOTAL BUDGET BY PROGRAM AREA*

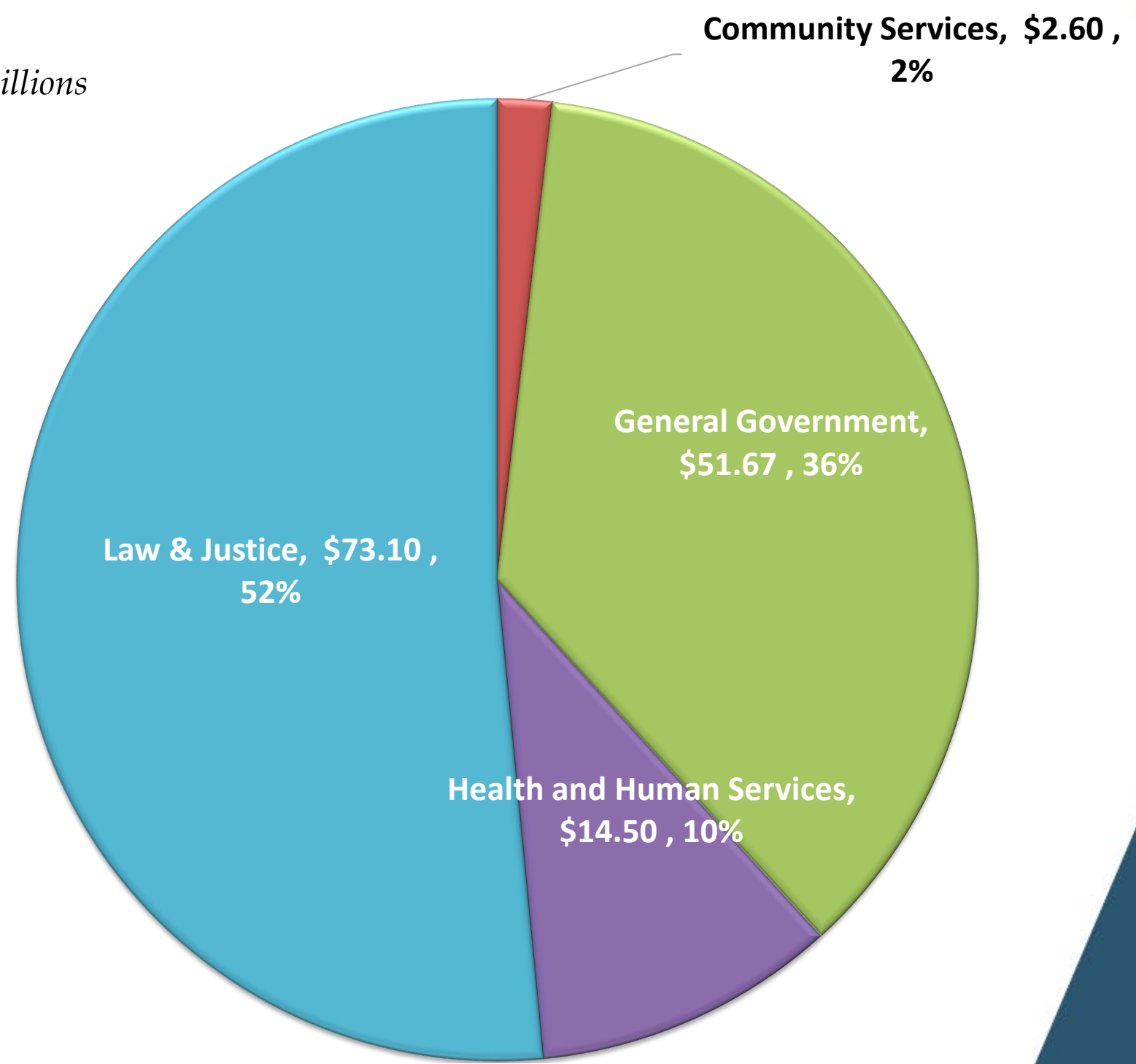
In Millions

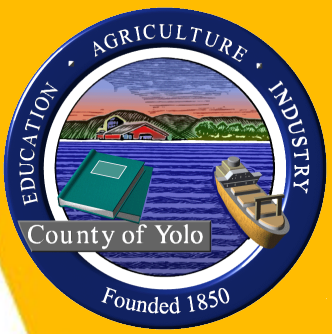


*Less Intrafund Transfers

GENERAL FUND COST BY PROGRAM AREA

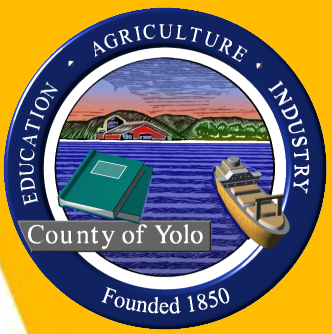
In Millions





MOST NOTABLE NON-GENERAL FUND AUGMENTATION RECOMMENDATIONS

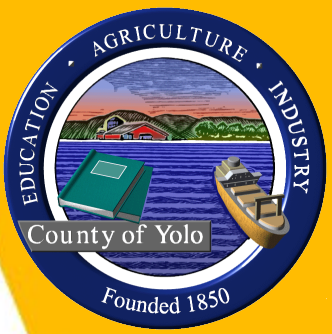
Non-General Fund Augmentations	Value (\$)	Funding Source
Animal Services – Clinic in a Can (Project Total \$1,000,000)	\$800,000	Accumulated Capital Outlay
GSD– Macho Monster (Project Total \$850,000)	\$450,000	Accumulated Capital Outlay
ITS – Countywide Fiber Pull Box Maintenance/Replacement	\$200,000	Telecom Fund Balance
Probation – Limited Term Social Worker	\$130,456	Secure Youth Treatment Facility Funding
GSD – Admin Building Courtyard Repair	\$105,000	Accumulated Capital Outlay
Library – New Van for Library Courier	\$60,000	Yolo Solano Air Quality Management District Grant



HHSA ADOPTED BUDGET DEFICITS

Background: State realignment revenues came in lower than anticipated resulting in a combined \$3.39 million deficit in HHSA's Social Services and Behavioral Health Branches.

Social Services FY2026-27 Base Adopted Budget Deficit	(\$1,488,847)
Additional General Fund Allocation	\$1,488,847
Revised Deficit Amount:	\$0
Behavioral Health FY2026-27 Base Adopted Budget Deficit	(\$ 1,903,998)
Board Directed Project Funding - Crisis Now Receiving Center Allocation	\$800,000
Medi-Cal Revenue- Additional Revenue Growth	\$778,998
Revised Deficit Amount:	(\$325,000)

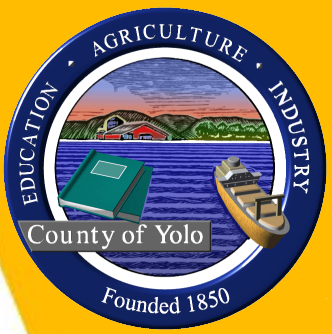


BOARD DIRECTED PROJECT FUNDING

Due to state realignment revenue shortfalls, staff are outlining the following options for the Board to prevent additional program cuts. Option 1 is the primary staff recommendation.

1. Redirect \$325,000 of the Road Map allocation to support Behavioral Health Children's Residential Services (Recommended)*
2. Continue with funding of the Road Map or other programs
3. Keep the \$325,000 in Board Directed Projects fund balance

**Option 1 has been incorporated into the Adopted Budget*

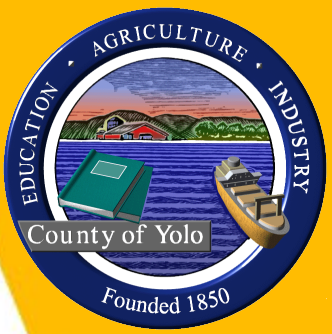


POSITION ADDITIONS

Department	Position	FTE	Funding Source
District Attorney	Victim Services Supervisor*	1.0	State/Federal/GF
District Attorney	Case Prep Specialist (LT)	1.0	General Fund
HHSA	Public Assistance Specialist II**	3.0	State/Federal/Realignment
HHSA	Behavioral Case Manager	2.0	BHSA
HHSA	HHSA Program Coordinator	1.0	BHSA
Probation	Social Worker (LT)	1.0	SYTF
Public Defender	Mental Health Peer Support Worker	.75	Holistic Defense Grant
Total		9.75	

* Position will be recruited internally, with subsequent vacancy being deleted following placement

** Three vacant Public Assistance Specialist II positions were reduced in error during the 2026-27 Recommended Budget process. The PAS III positions are now being deleted, while the PAS II positions are being added back.



POSITION REDUCTIONS

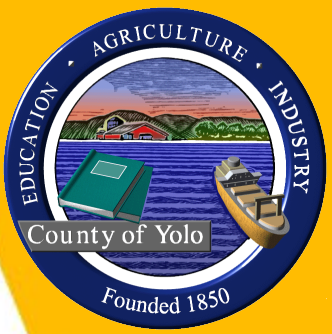
Filled Positions Identified for Reduction

Department	Position	FTE	Funding Source
HHSA	Community Health Assistant II	1.0	Office of Traffic Safety Grant
Total		1.0	

Vacant Positions Identified for Reduction

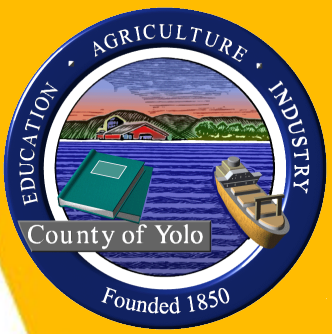
Department	Position	FTE	Funding Source
HHSA	Public Assistance Specialist III*	3.0	State/Federal/Realignment
HHSA	HHSA Program Coordinator	1.0	Federal/Realignment
HHSA	Outreach Specialist II (LT)	1.0	Federal/Realignment
Sheriff	Detention Facility Cook	1.0	GF/Prop 172
Total		6.0	

**Three vacant Public Assistance Specialist II positions were reduced in error during the 2026-27 Recommended Budget process. The PAS III positions are now being deleted, while the PAS II positions are being added back.*



MAINTENANCE PROJECTS – ACO FUND

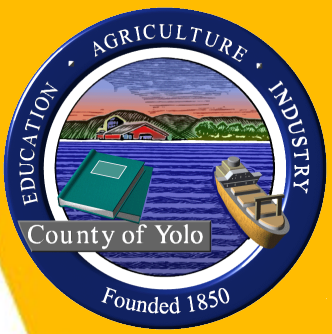
Project	Value (\$)
Agricultural Offices	\$1,865,298
County Building Roof Replacements	\$1,632,373
Grassland Solar Array Repair	\$1,331,680
Clinic in a Can	\$1,000,000
Macho Monster (Add'l \$450,000)	\$850,000
Courthouse Windows	\$437,092
Admin Building Courtyard Repair	\$105,000



CONTINGENCIES AND RESERVES

Reserve/Trust Designation	Balance as of June 30, 2026	2026/27 Recommended Budget	2026/27 Adopted Budget	Balance as of June 30, 2027
General Reserve	\$23,950,954	(\$3,131,674)	\$3,131,674	\$23,950,954
Liability Reserve	\$1,363,313	(\$1,363,313)	\$0	\$0
HHSA Reserve	\$0	\$0	\$2,015,276	\$2,015,276
Audit Disallowance	\$600,000	(\$600,000)	\$0	\$0
Pension Trust	\$26,050,664	(\$8,492,569)	\$0	\$17,558,095

Contingency Type	Recommended	Adopted
General Fund	\$0	\$1,000,000
Public Safety	\$0	\$0
Health and Human Services	\$0	\$0



LOOKING AHEAD: CHALLENGES

County Structural Deficit

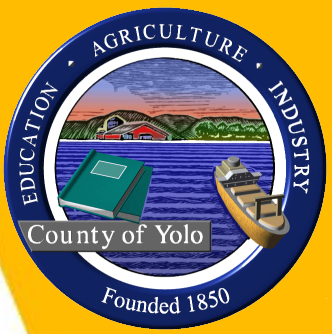
HHSA-Specific Structural Deficit

Ongoing Salary & Benefit Pressure

County Facility Maintenance and Capital Asset Needs

State/Federal Budget Impacts

Rising Insurance Costs



LOOKING AHEAD: OPPORTUNITIES

Revenue Generation Opportunities – Measure X, Ad Hoc

Medi-Cal Billing

Other Funding Sources – Grants, Allocations, etc.

Advocacy at State Level – ERAF, Unfunded Mandates

Efficiency and Partnership Opportunities

Future Pension Rates

RECOMMENDED ACTIONS

A. Hold public hearing on the County of Yolo and IHSS Public Authority budget for fiscal year 2026-27

B. Approve the 2026-27 County of Yolo budgets and Adopt the 2026-27 Budget Resolution

C. Approve the 2026-27 IHSS Public Authority Budget

D. Approve the 2026-27 budgets for Board-controlled Fire Districts

E. Approve changes to the 2026-27 Authorized Equipment List