

County Executive Office



2025-26 Proposed Budget Budget Hearing #2

June 3, 2025

Presented by:

Carlos Palacios, County Executive Officer

Nicole Coburn, Assistant County Executive Officer

Marcus Pimentel, County Budget Manager

Items #5 and #6

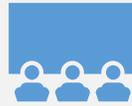


Budget Hearing # 2 Overview

- Consent Agenda
 - General Government
 - County Financing
- Health & Human Services*
- Capital Projects

Continue to June 4, 2025

* Child Support Services and CORE Investments are on Consent



2025-26 Budget Overview



Federal/State Funding Risks



Consent Agenda



Health Services Agency (presentation)
Human Services Department



Capital Projects



Requests & Questions

County Achievements

277 achievements & 70 completed Operational Plan objectives

Highlights include:

- Launched 24/7 mobile crisis response team
- Completed Measure S Library Construction
- Secured \$14M grant for regional electrification
- Staffed recently completed DNA Laboratory
- Rezoned for 2023 Housing Element Implementation
- Completed intersection improvements at Hwy 152 & Holohan Rd
- Expanded county clerk-elections, records, and tax collection services at South County Government Center
- Expanded 211 services

Consent

Health &
Human
Services

Capital
Projects

Continue to
June 4



Ongoing Budget Season

We expect more reductions in the fall

2025-26
Review

Consent

Health &
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June 4

Federal

State

County

President's
Proposed
Budget (Feb)

Governor's
Proposed
Budget (Jan)

CEO Presents
Proposed
Budget (Apr)

Governor's
Revision to
Budget (May)

State Budget
Act (Jun 15)

Board Approves
Proposed
Budget (Jun)

State/County
Fiscal Year
(July 1)

Congressional Negotiations
2025 Reconciliation and 2026 Budget

Budget Bill(s) Jr
(Jul+)

Board Adopts
Final Budget
(by Oct 2)

Federal Fiscal
Year
(Oct 1)



Federal & State Funding Risks

Consent

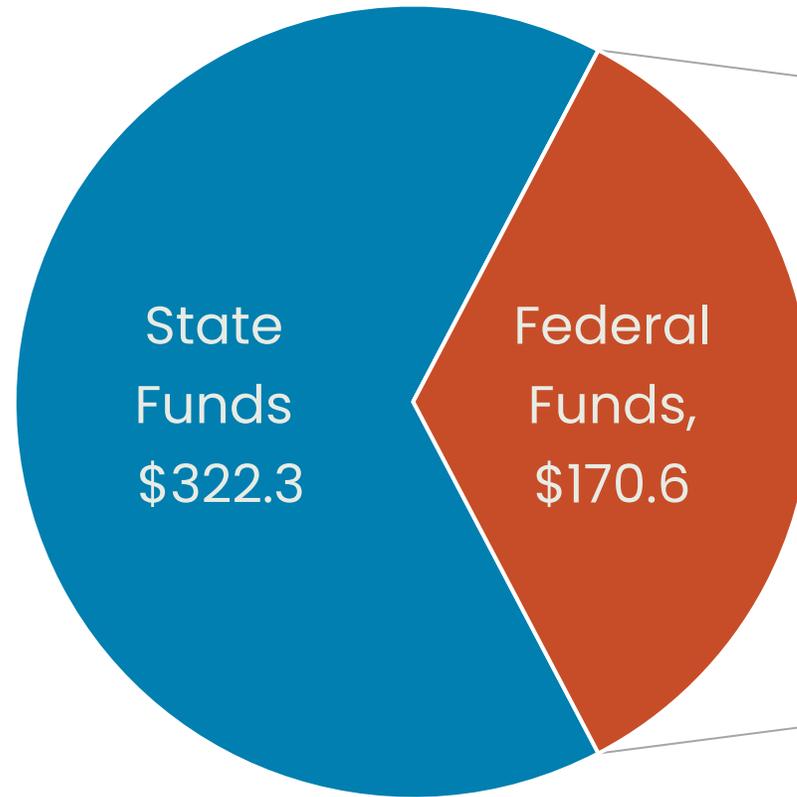
Health &
Human
Services

Capital
Projects

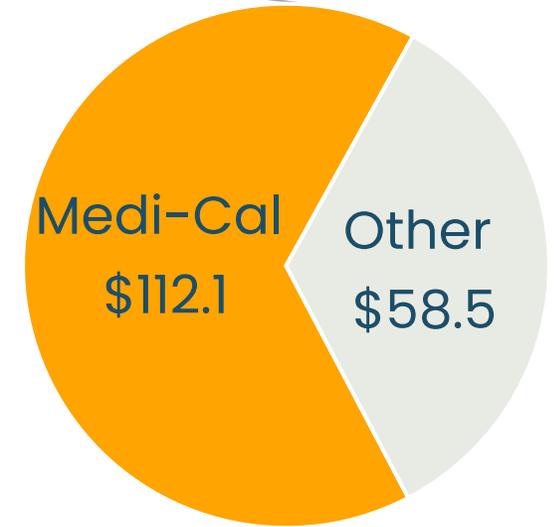
Continue to
June 4

State Budget

- Federal funds make up over one-third of the State Budget
- 112.1 Billion in Medi-Cal is from Federal Sources



State Use of Federal Funds



County Reliance on State & Federal Funding

Consent

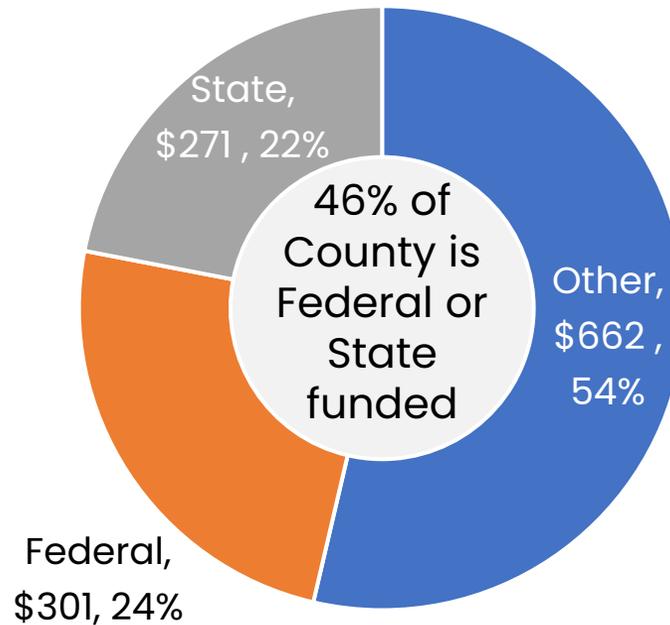
Health &
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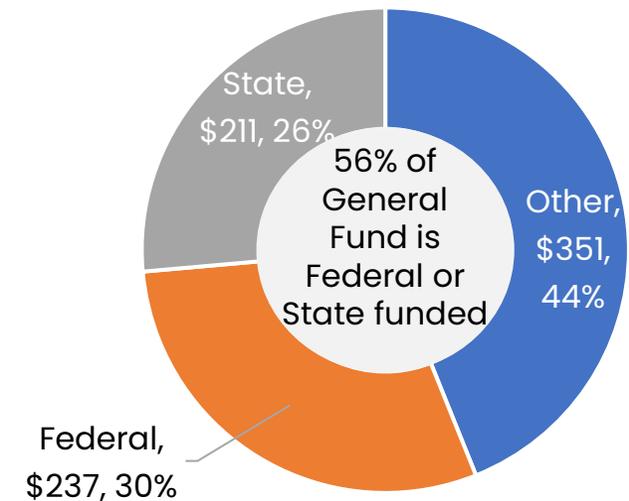
Continue to
June 4

- The County's exposure to federal funding and policy risk is significant
- Federal funds make up nearly a quarter of the county wide budget and 30% of the General Fund

Proposed 2025-26 Budget
All Funds (in millions)



Proposed 2025-26 Budget
General Fund (in millions)



Federal Policy Potential Impacts

Consent

- Reduced eligibility for public assistance within Medi-Cal, CalFresh and CalWORKS
- At risk funding for housing voucher and like funding that supports 4,000 people
- Reductions within FEMA for individual and agency disaster support

Health &
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June 4

Community Impact*:

- 30,000 (1 in 3) county Medi-Cal enrollees at risk
- Current recipients:
 - 86,541 in Medi-Cal
 - 43,488 in CalFresh food assistance
 - 4,336 in CalWORKS cash aid

Federal delays risk adding \$4.2 million annually

2025-26
Review

Consent

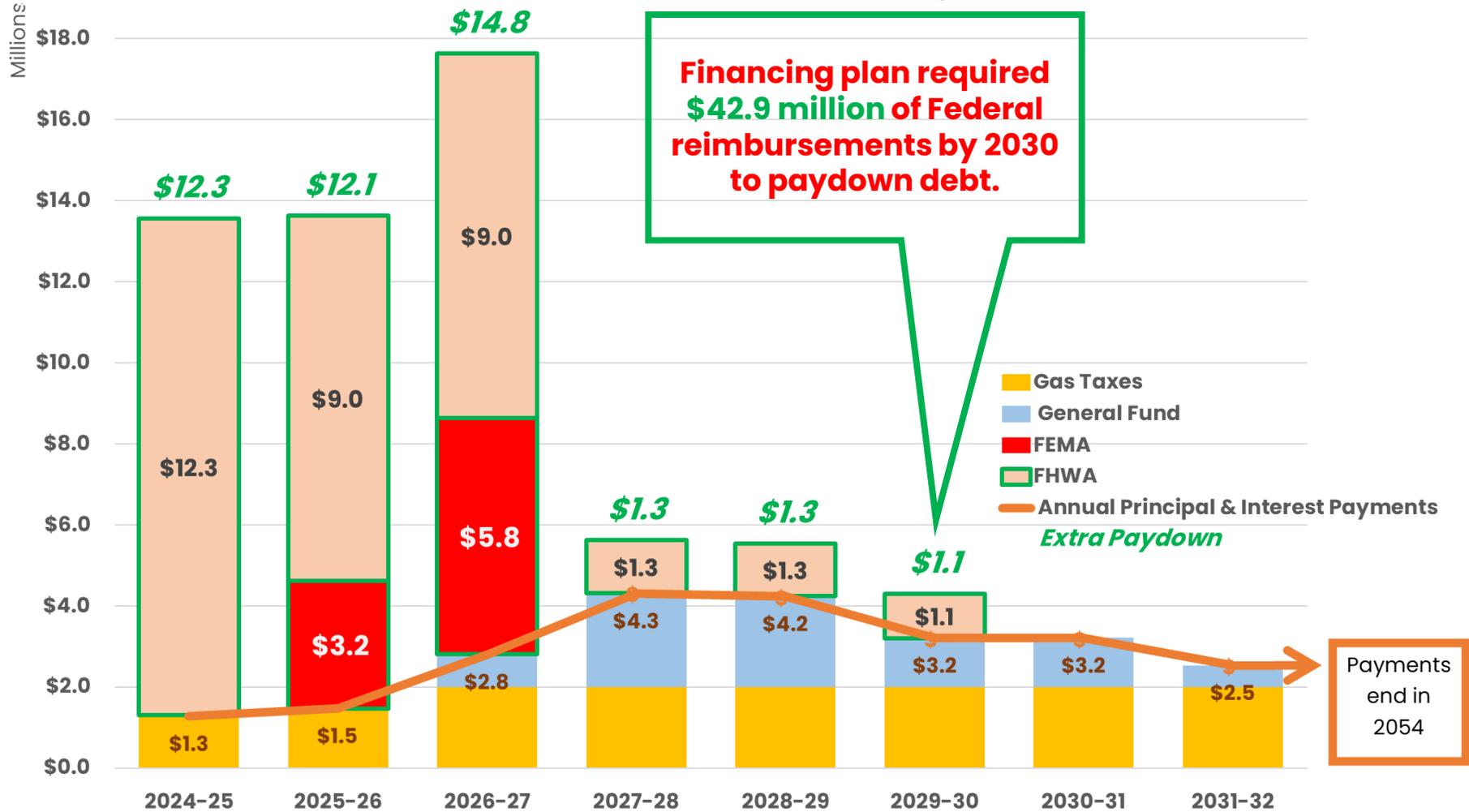
Health &
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2023 Storms Debt Service and Funding Sources

Federal delays will increase costs and alter the 2024 financing plan





2025-26
Review

Consent

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State Budget Potential Local Impacts

- Proposed reductions to Medi-Cal, In Home Supportive Services (IHSS), long-term care, healthcare, and child welfare/childcare
- No funding for Proposition 36 implementation or next round of Homeless Housing, Assistance and Prevention (HHAP)





2025-26 Proposed with Supplemental Budget



2025-26
Review

Proposed 2025-26 Budget

By Expense and Fund Type

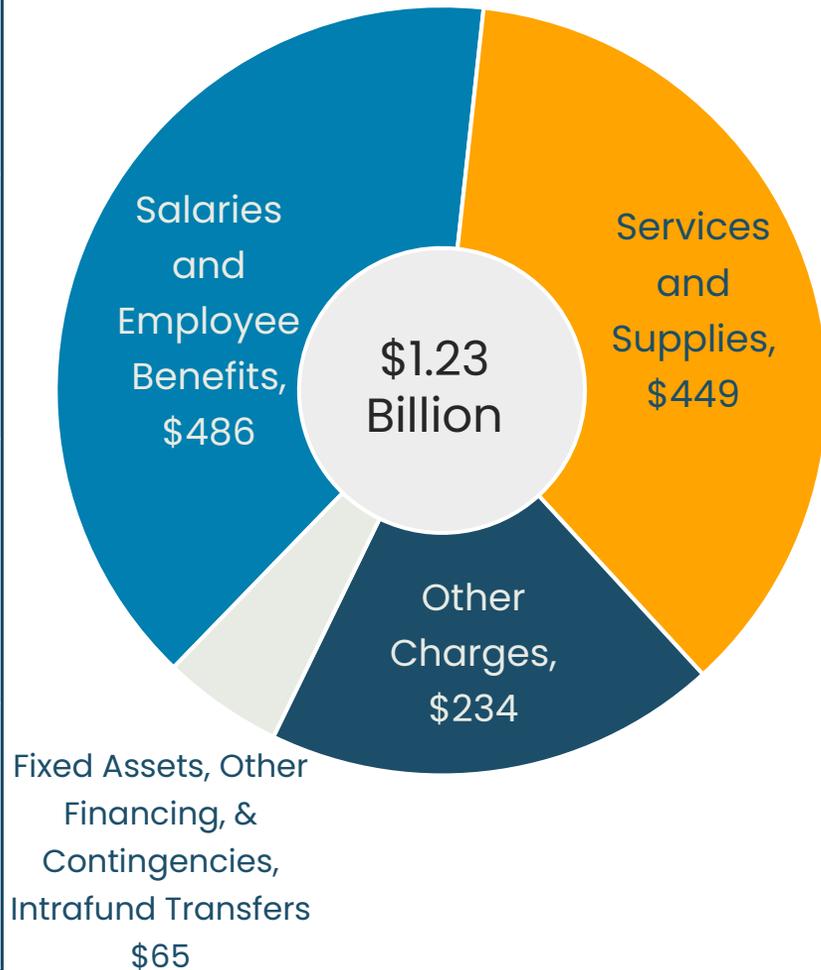
**FY 2025-26 Budget:
\$1,234,449,452**

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Health &
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June 4



Fund	2025-26 Proposed Budget	Change from Adopted
General Fund	\$ 799.1	\$ (65.6)
Internal Service Funds	\$ 187.7	\$ 10.9
Enterprise Funds	\$ 39.5	\$ (2.4)
Special Revenue Funds	\$ 114.4	\$ (42.8)
Capital Project Funds	\$ 5.2	\$ (77.1)
Special Districts and Other Agencies	\$ 68.6	\$ 6.7
Less Than Countywide Funds	\$ 20.0	\$ 0.2
Total County Budget	\$1,234.5	\$(170.0)

Amounts include Supplemental Changes.
Amounts are in Millions

Staffing Changes by Department

Consent

Health &
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Continue to
June 4



Add 10.0 FTE

- Board of Supervisors – 1.0 FTE
- Sheriff Coroner – 1.0 FTE
- CDI – 8.0 FTE [Supplemental]



Reduce 76.4 FTE

- Child Support Services (2.0 FTE)
- Health Services Agency (74.4 FTE)

Total Proposed
Staffing:
2,732.16 FTEs

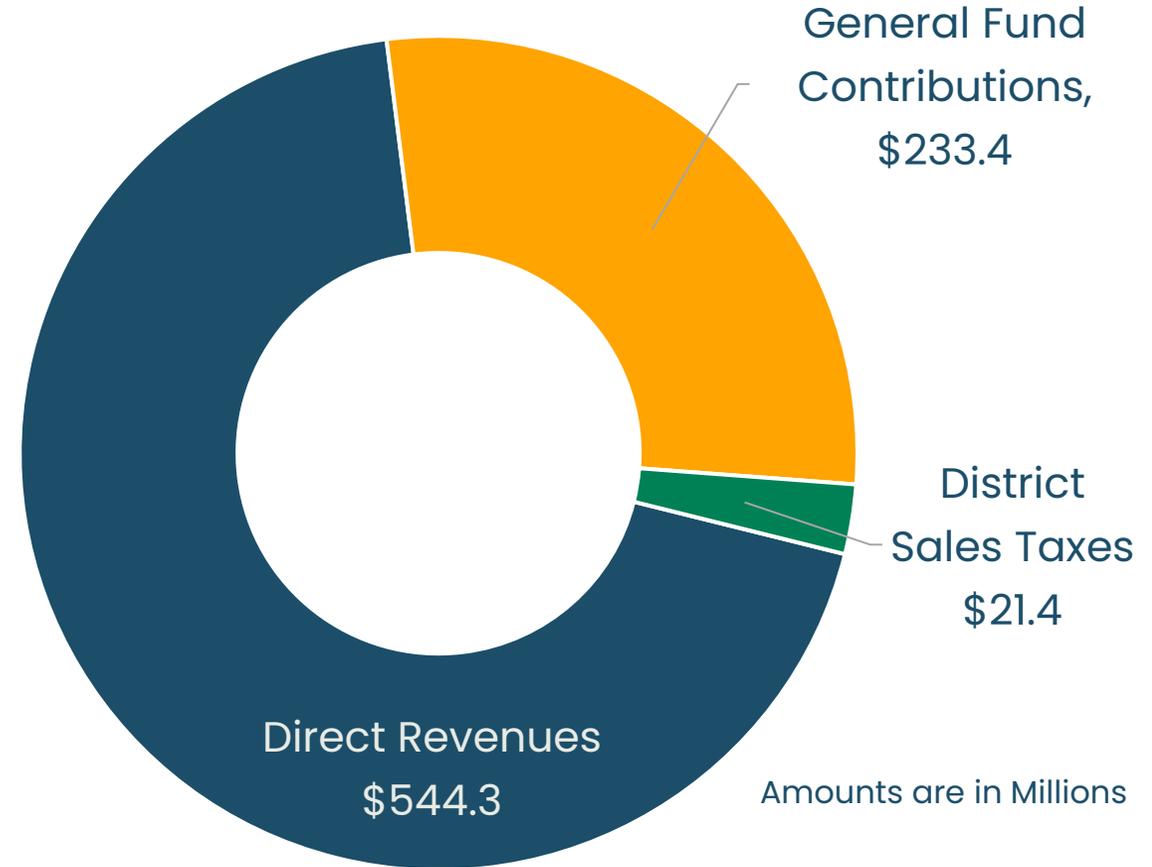
* The budget includes the transfer 3.0 FTE personnel positions from Human Services to Personnel

2025-26
Review

Financing of General Fund Expenditures

	General Fund Government Area Contribution (GFC)	GFC from District Sales Taxes
General Government	\$23,033	\$ -
Health and Human Services	\$52,424	\$2,400
Land Use and Community Services	\$17,393	\$6,100
Public Safety and Justice	\$123,708	\$5,723
Capital, Contingencies, & Debt Service	\$16,812	\$7,202
Total	\$233,370	\$21,425

Amounts are in Thousands



Consent

Health &
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2025-26
Review

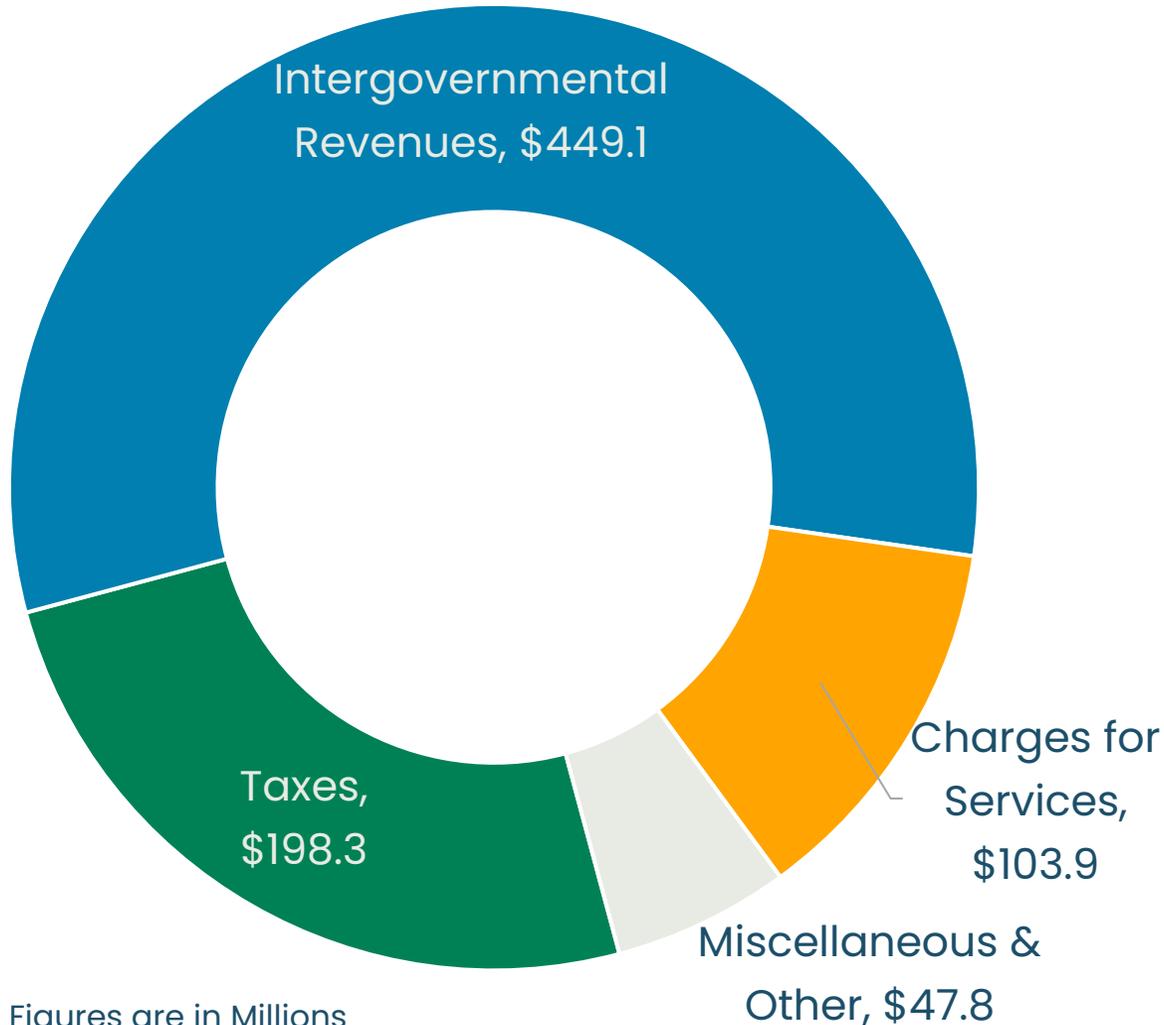
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June 4

General Fund Revenues



Revenues	Change from Adopted
Taxes	\$7.4
Licenses, Permits and Franchise Fees	\$(0.5)
Fines, Forfeitures & Assessments	\$2.1
Use Of Money and Property	\$0.7
Intergovernmental Revenues	\$(29.5)
Charges for Services	\$(2.3)
Miscellaneous Revenues	\$(1.0)
Other Financing Sources	\$0.9
Total	\$(22.2)

Figures are in Millions

General Fund Forecast and Reserves

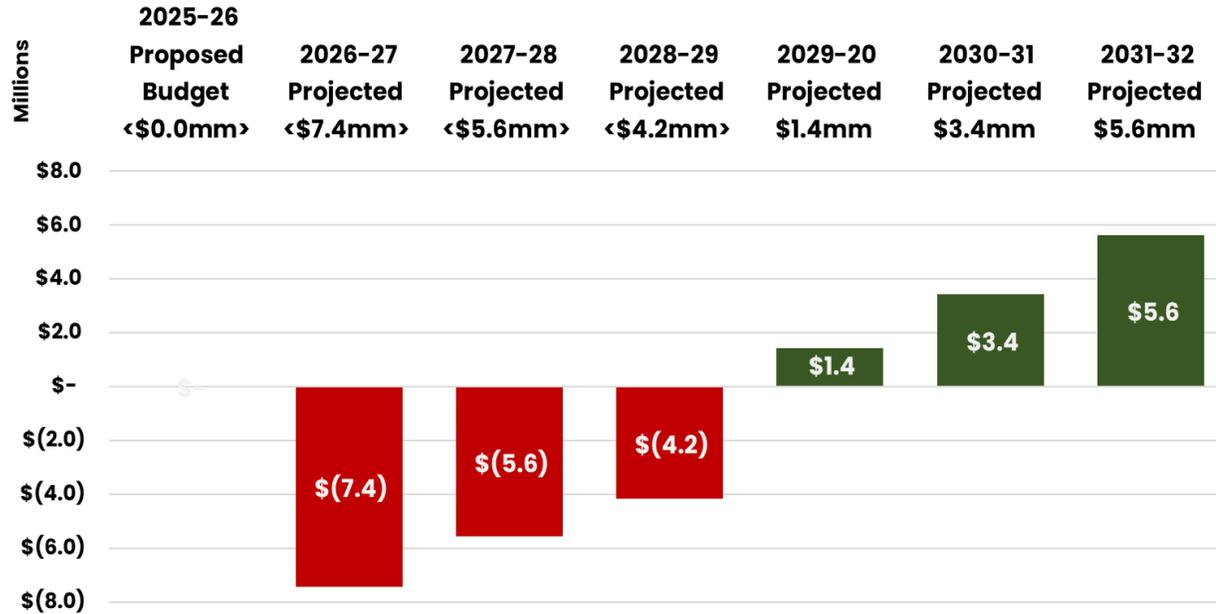
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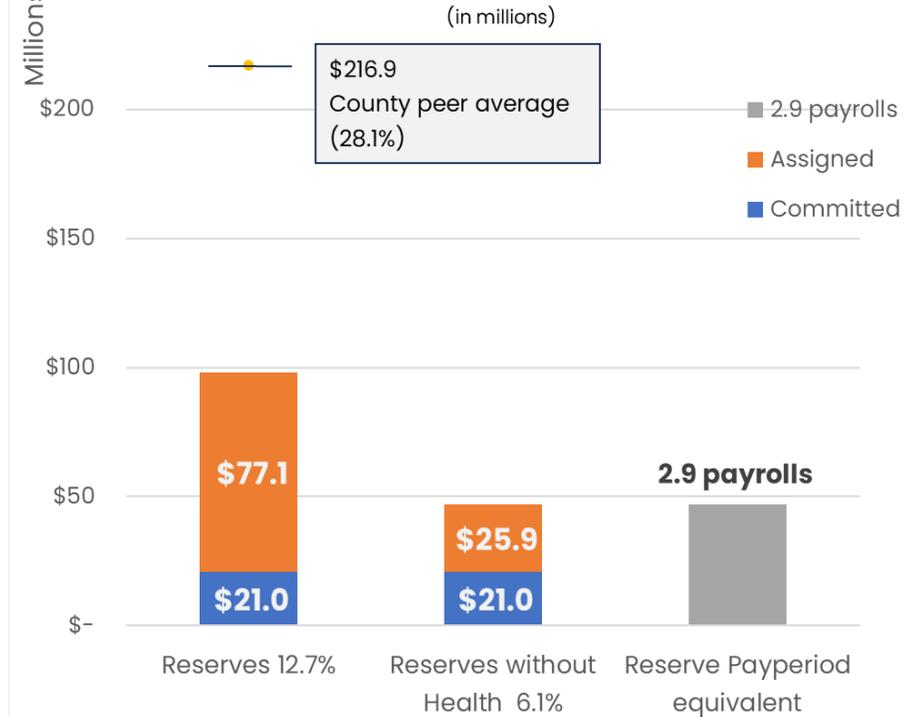
Capital
Projects

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June 4

General Fund Forecast
Deficits persist through 2028-29



**FY 2025-26 Projected General Fund Reserves
& Payroll equivalency for reserves without health**



General Government Overview

- ❖ Assessor-Recorder
- ❖ Assoc. of Monterey Bay Area Governments
- ❖ Auditor-Controller-Treasurer-Tax Collector
- ❖ Board of Supervisors
- ❖ County Executive Office
- ❖ County Clerk-Elections
- ❖ County Counsel
- ❖ General Services Department
- ❖ Information Services Department
- ❖ Personnel and Risk Management

Proposed Budget- All Funds General Government- \$162.7 Million

2025-26
Review

Consent

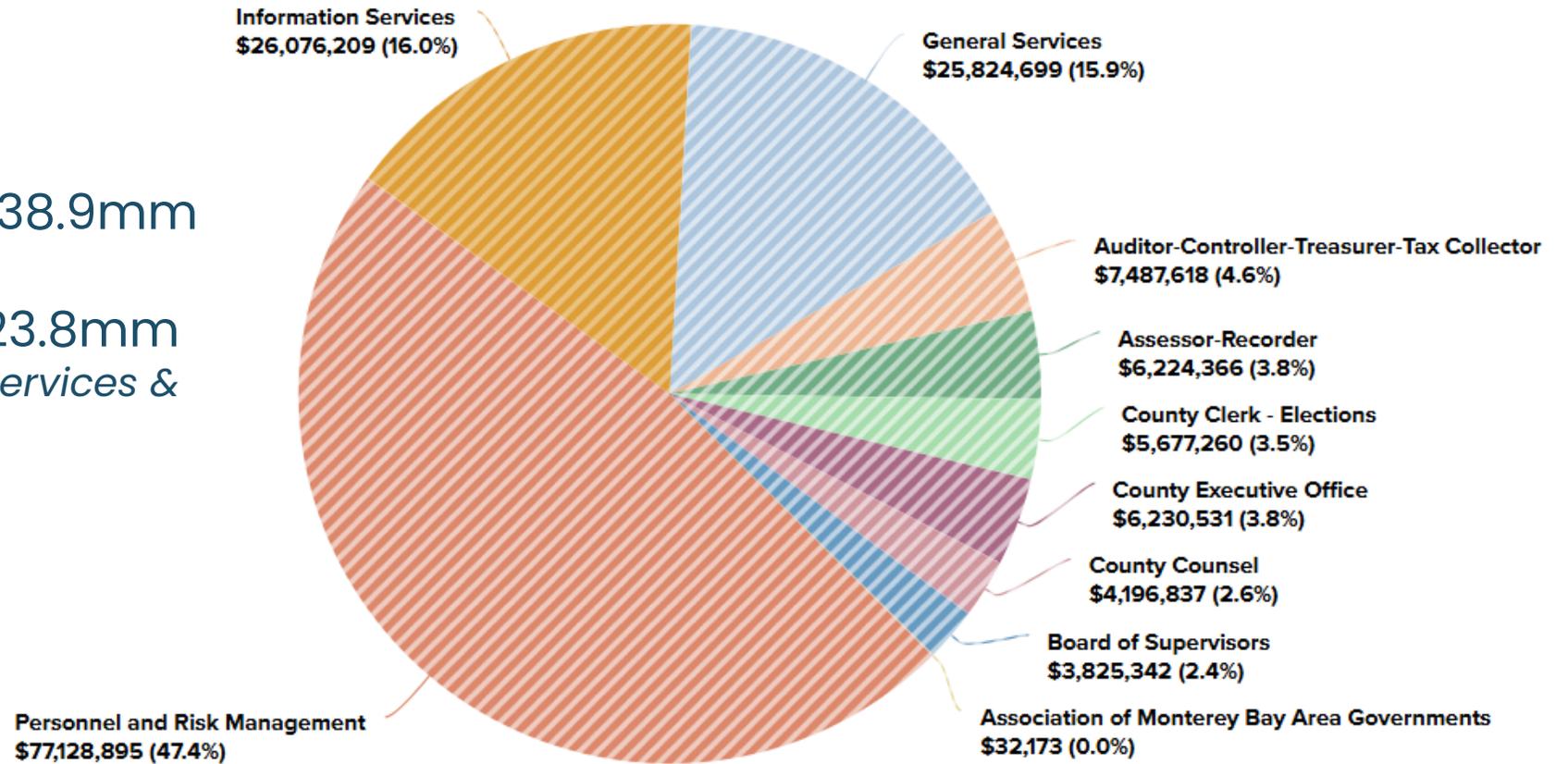
General Fund \$38.9mm

Other Funds \$123.8mm
(*Risk, Information Services &
General Services*)

Health &
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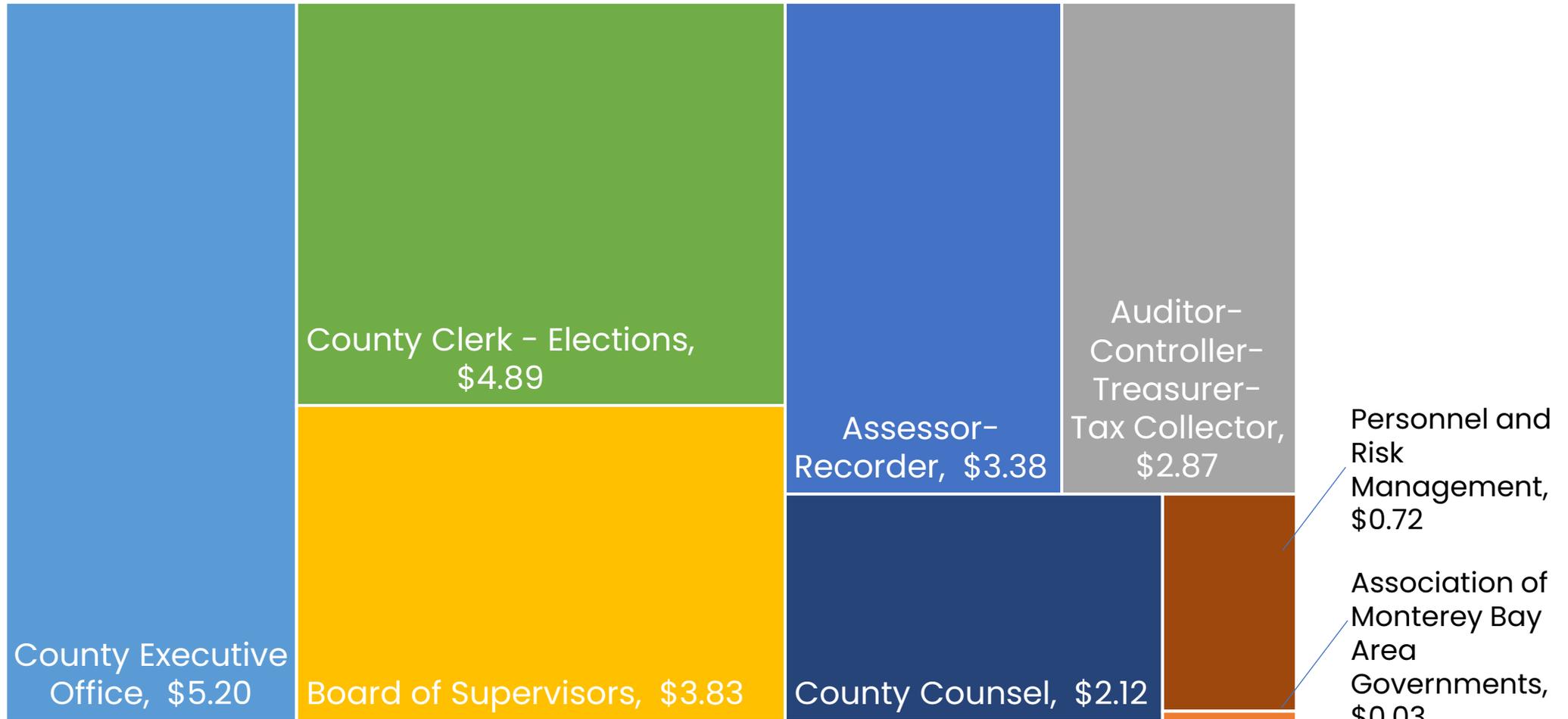
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General Fund Contribution*

General Government- \$23.03 Million

All figures in Millions



* Included within the General Fund Contribution are district sales tax contributions

2025-26
Review

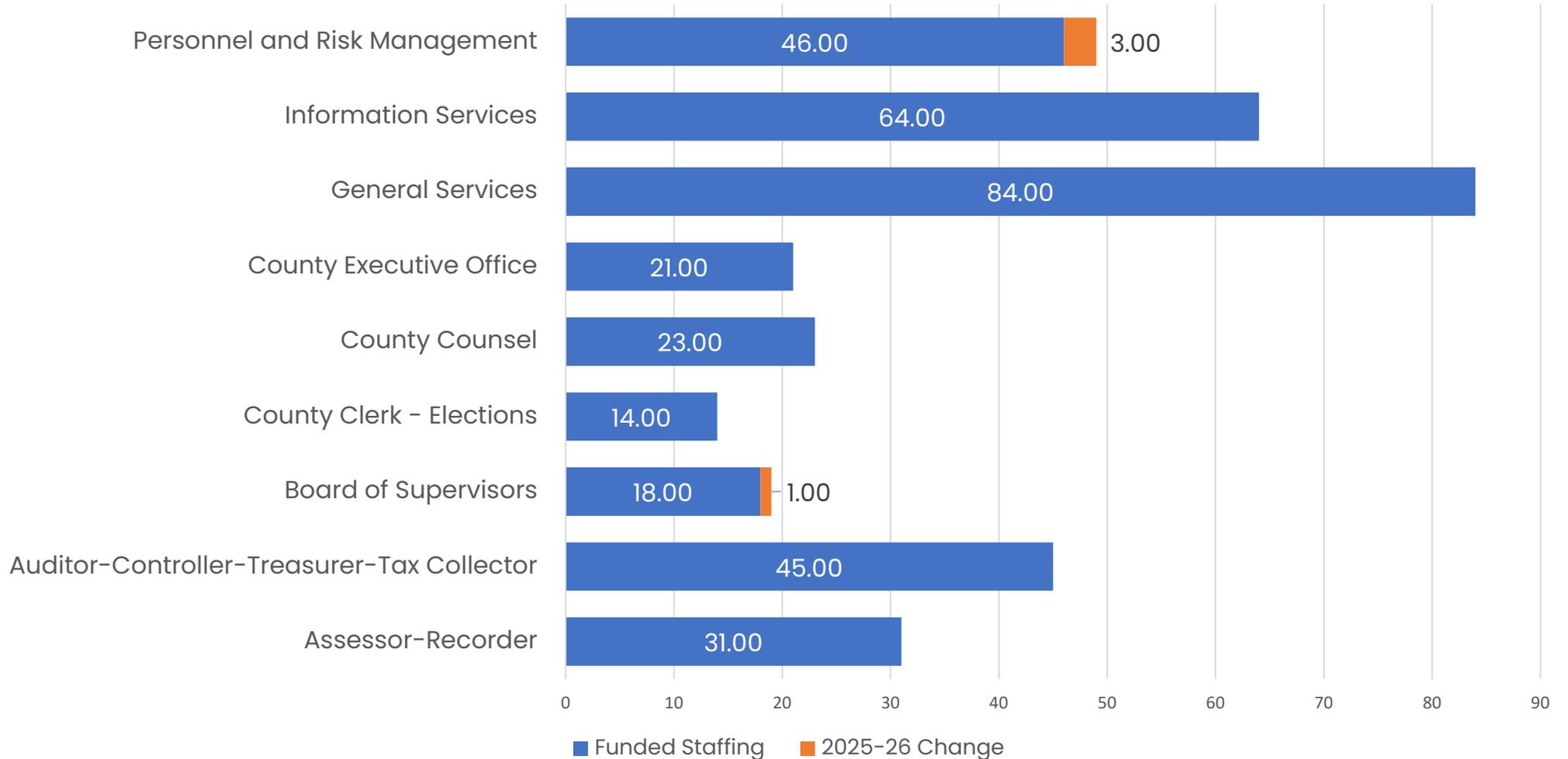
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Health &
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Funded Staffing with Change General Government- 346.00 FTE



* 3.00 FTE added to Personnel and Risk Management are a transfer from the Human Services Department.



County Financing Overview

- ❖ General Fund Contingency
- ❖ General Fund Debt Service
- ❖ General County Revenue



2025-26
Review

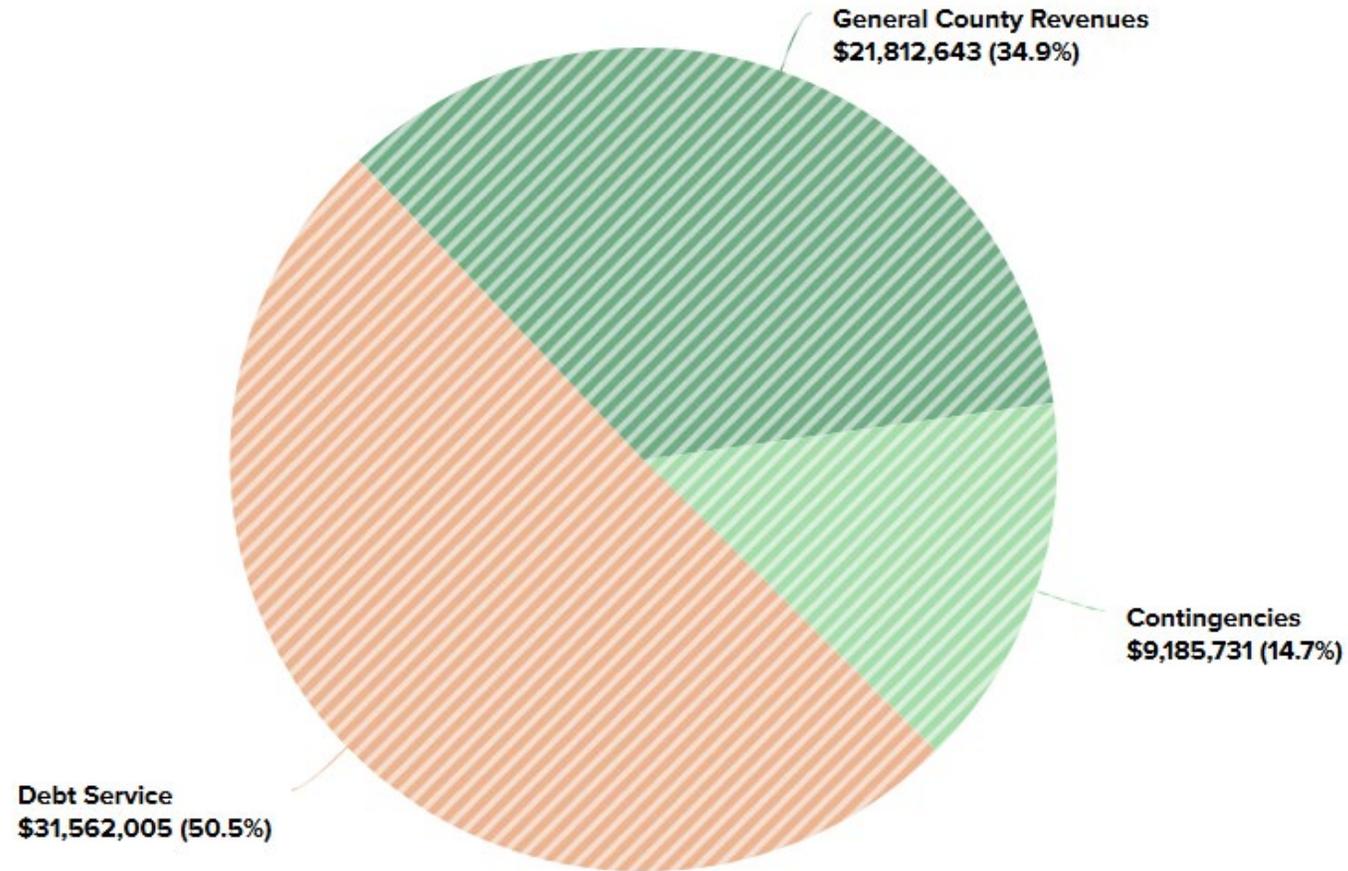
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Proposed Budget County Financing-\$18.9 million



* General County Revenues are a negative expense

County Financing Uses

General County Revenue

- Includes the full year of Measure K (+\$3.2 million)
- Provides for \$4.0 million in road/draining projects and \$1.0 million in county aging facilities
- Includes \$15.1 million in revenue reductions (Federal disaster, sales tax and cannabis tax)
- Adds \$4.7 million in costs for liability and property charges

Contingency & Debt Service

- General Fund 1% contingency cut by <\$1.3mm> to 0.8%
 - Would be further decreased by county's share of member costs
 - Includes another \$2.5 million restricted for
 - \$1.0 million for disaster costs or federal disaster denials
 - \$900,000 remaining for district parks/environmental uses
 - \$600,000 for housing-related uses
- Debt provides for \$1.5 million in 2024 disaster debt with an expected debt paydown from receipt of \$12.1 million of federal disaster reimbursements

Consent

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Health & Human Services Overview

REGULAR AGENDA

- ❖ Health Services Agency
(presentation only)
- ❖ Human Services Department

CONSENT AGENDA

- ❖ Child Support Services
- ❖ CORE Investments



2025-26
Review

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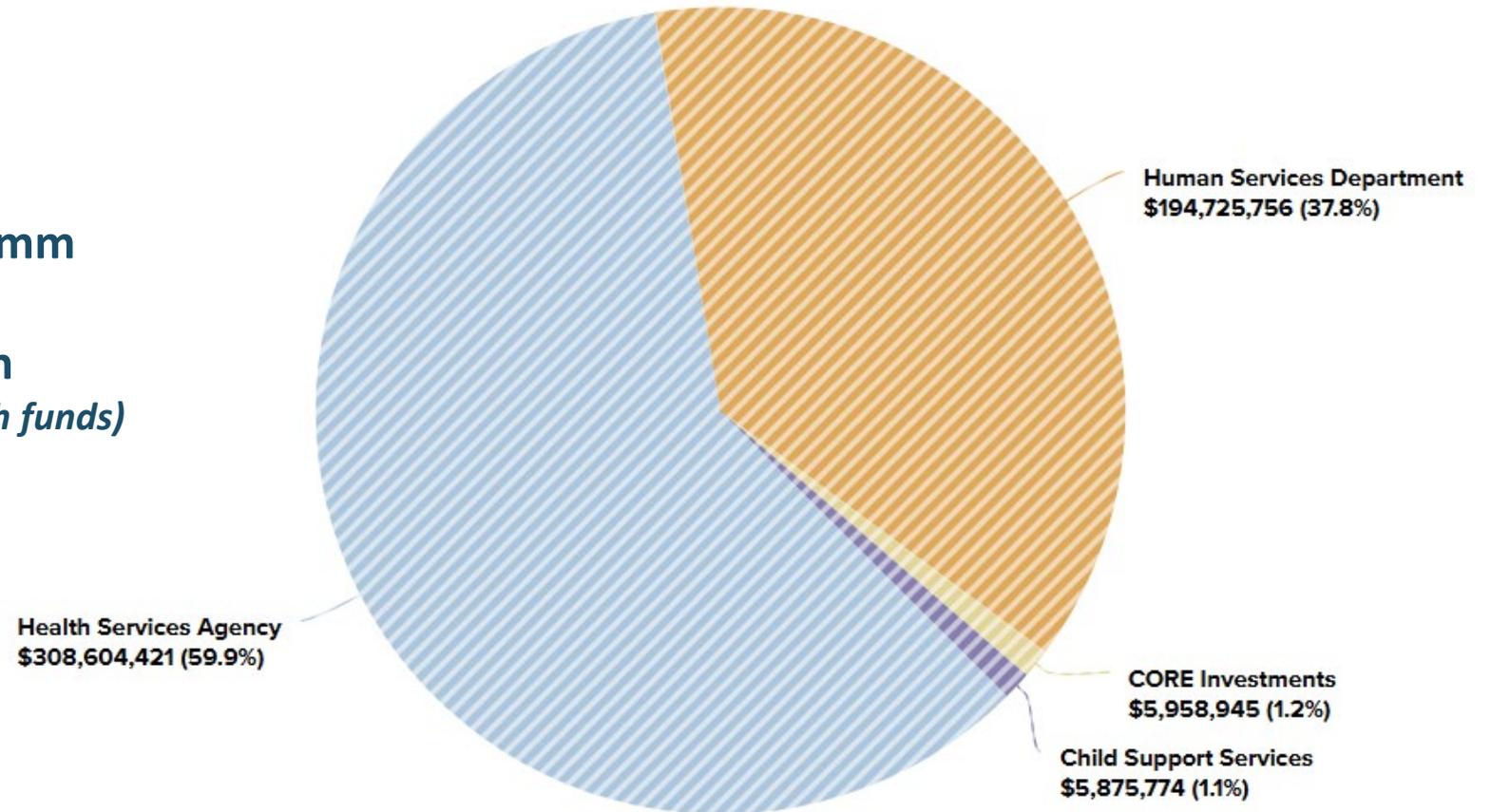
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Proposed Budget- All Funds

Health & Human Services- \$515.2 Million

General Fund-\$510.8mm

Other Funds- \$4.4mm
(HSA Environmental Health funds)





2025-26
Review

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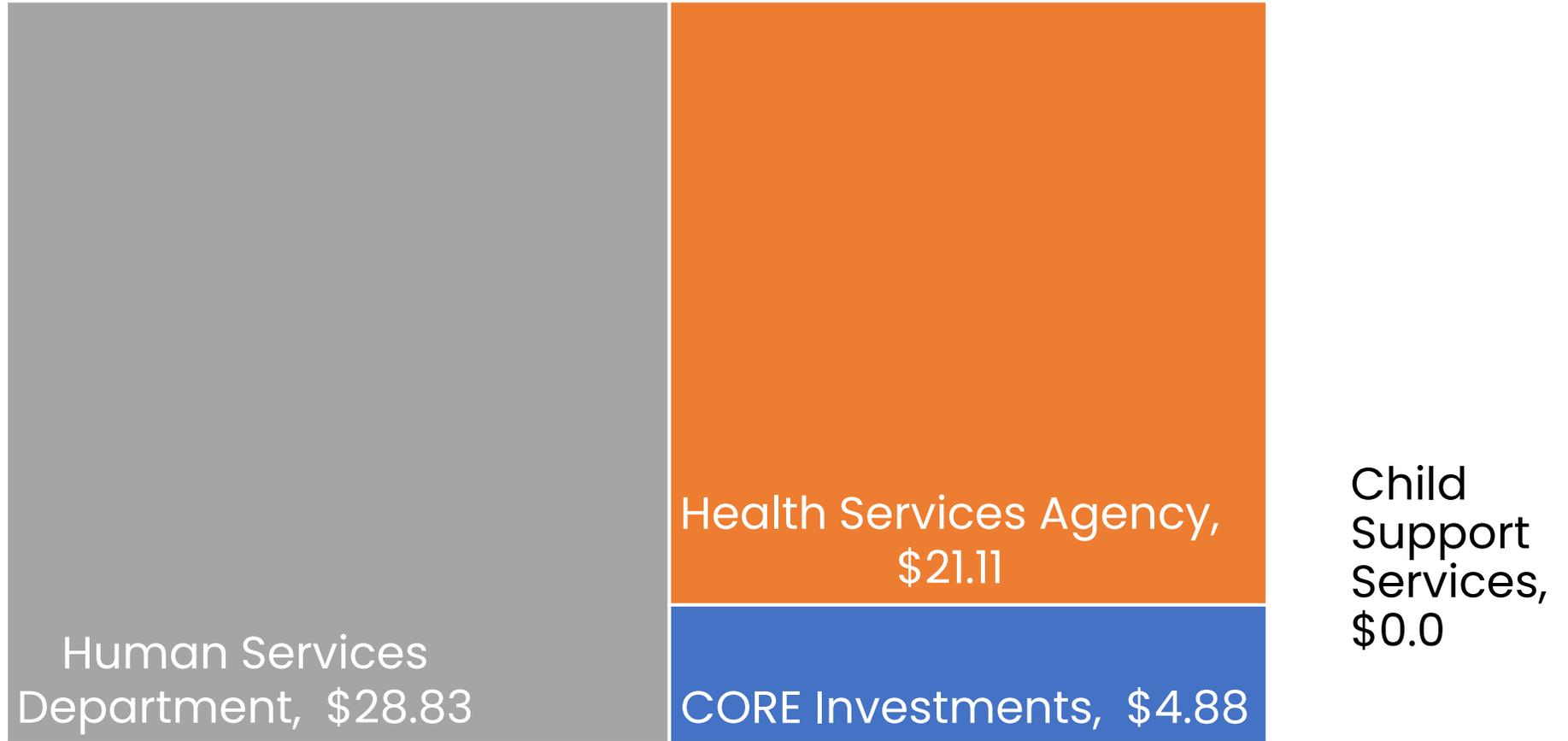
Health &
Human
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June 4

General Fund Contribution* Health & Human Services – \$54.8 Million

All figures in Millions



* Included within the General Fund Contribution are district sales tax contributions

Funded Staffing with Change Health & Human Services- 1,266.85 FTE

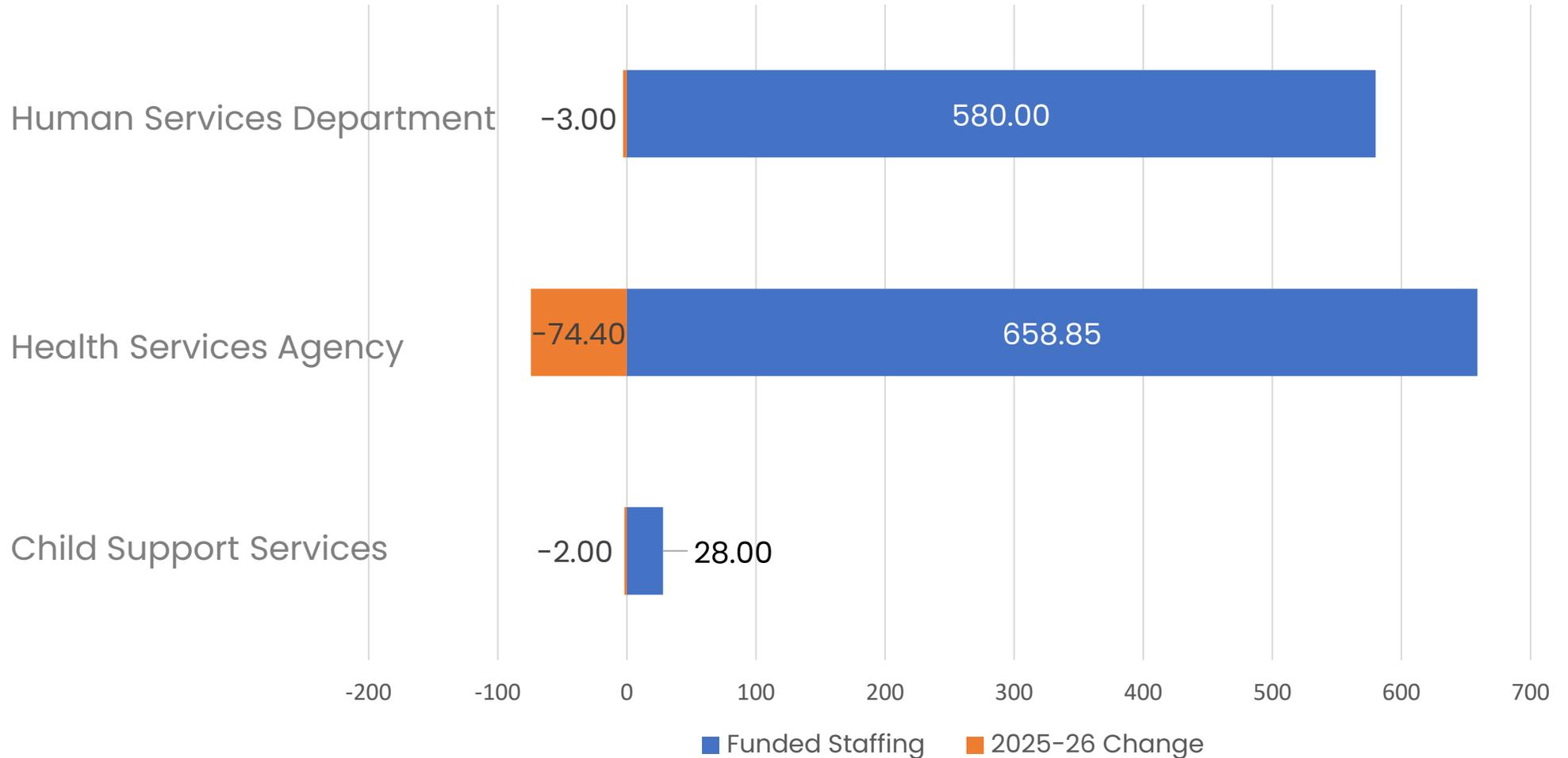
2025-26
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* 3.00 FTE removed from the Human Services Department are a transfer to Personnel and Risk Management.



Capital Projects Overview

REGULAR AGENDA
❖ **Capital Projects**



2025 – 2030 Capital Improvement Plan

2025-26
Review

Consent

Health &
Human
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Projects

Continue to
June 4

- New online publication
- Identifies \$396 Million in active capital projects
- Catalogs 45 distinct funding sources

2025-26 Proposed Capital Projects	Facilities	Parks
Revenues	\$1.38m	\$716K
Expenses	\$2.38m	\$716K
General Fund Contribution	\$1.0m	\$ 0

Continue to June 4th Budget Hearings

PUBLIC SAFETY

REGULAR AGENDA

- ❖ Sheriff-Coroner
- ❖ Probation

CONSENT AGENDA

- ❖ 911 Communications Center
- ❖ Animal Control Services
- ❖ Contribution to Superior Court
- ❖ County Fire Protection
- ❖ District Attorney-Public Administrator
- ❖ Grand Jury
- ❖ Office of Response, Recovery and Resilience
- ❖ Public Defender

LAND USE

REGULAR AGENDA

- ❖ Parks, Open Spaces & Cultural Services
- ❖ Community Development & Infrastructure
- ❖ Measure Q Administration

CONSENT AGENDA

- ❖ Agricultural Commissioner
- ❖ Agricultural Cooperative Extension
- ❖ Cannabis Licensing
- ❖ Library Fund
- ❖ Local Agency Formation Commission
- ❖ Monterey Bay Air Resources District
- ❖ Redevelopment Successor Agency

End of presentation