



County Executive Office

2025-26

Proposed Budget

Carlos J. Palacios
June 3, 2025



Presentation Overview



Our Mission



How We are Organized



Budget Overview



Fiscal & Staffing Details



Federal/State Risks & Emerging Issues



Request & Questions



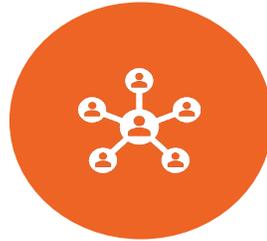
Our Mission

To lead with innovation and collaboration, ensure fiscal responsibility, and promote equitable, results-oriented services under the guidance of the Board of Supervisors and on behalf of Santa Cruz County residents.

Divisions & Services



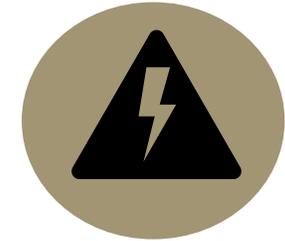
COUNTY
EXECUTIVE
OFFICE



CLERK OF THE
BOARD



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LICENSING
(SEE SEPARATE
BUDGET)



OR3
(SEE SEPARATE
BUDGET)

County Executive Office (All Divisions) Summary of Proposed Budget

	2024-25 Adopted	2025-26 Proposed	Amount of Change	Percent Change
Revenues	\$802,267	\$1,035,117	\$232,850	29.02%
Expenses	\$5,839,648	\$6,230,531	\$390,883	6.69%
General Fund Contribution	\$5,037,381	\$5,195,414	\$158,033	3.13%
Funded Staffing	21.00	21.00	0.00	0.00%

Major Budget Changes from Adopted Revenues

	Amount	Title of change in revenue
↑	\$ 156,850	Cost Allocation Plan revenue recovery in FY 2023-24
↑	\$ 75,000	Carry over of unspent grant funding from FY 2024-25

Major Budget Changes from Adopted Expenses

	Amount	Title of change in expenditure/expense
↓	\$ 730,128	Professional services expenses, various contracts
↑	\$ 161,011	Payroll system & website improvements
↑	\$ 197,982	GSD services & charges
↓	\$ 526,687	Intrafund transfers for County Cost Plan allocations in 2023-24, fewer charges billed to General Fund Departments (recorded as a negative expense)

County Executive Office Division Summary of Proposed Budget

	2024-25 Adopted	2025-26 Proposed	Amount of Change	Percent Change
Revenues	\$773,217	\$1,006,067	\$232,850	30.11%
Expenses	\$4,836,120	\$5,130,762	\$294,642	6.09%
General Fund Contribution	\$4,062,903	\$4,124,695	\$61,792	1.52%
Funded Staffing	16.00	16.00	0.00	0.00%

Major Budget Changes from Adopted County Executive Office Division Revenues

	Amount	Title of change in revenue
↑	\$ 156,850	Cost Allocation Plan revenue recovery in FY 2023-24
↑	\$ 75,000	Carry over of unspent grant funding from FY 2024-25

Major Budget Changes from Adopted County Executive Office Division Expenses

	Amount	Title of change in expenditure/expense
↓	\$ 707,124	Professional services expenses, various contracts
↑	\$ 79,379	Payroll system & website improvements
↑	\$ 153,191	GSD services & charges
↓	\$ 526,687	Intrafund transfers for County Cost Plan allocations in 2023-24, fewer charges billed to General Fund Departments (recorded as a negative expense)

Clerk of the Board Division Summary of Proposed Budget

	2024-25 Adopted	2025-26 Proposed	Amount of Change	Percent Change
Revenues	\$29,050	\$29,050	\$0.00	0.00%
Expenses	\$1,003,528	\$1,099,769	\$96,241	9.59%
General Fund Contribution	\$974,478	\$1,070,719	\$96,241	9.87%
Funded Staffing	5.00	5.00	0.00	0.00%

Major Budget Changes from Adopted Clerk of the Board Division Expenses

	Amount	Title of change in expenditure/expense
↓	\$ 23,004	Professional services expenses, various contracts
↑	\$ 81,632	Payroll system & website improvements
↑	\$ 44,791	GSD services & charges

State & Federal Funding Risks



- **Federal & State Funding:** This budget does not receive direct Federal or State funding, but risks to other departments may impact the overall County budget and could require reductions to this budget at a later date.

Emerging Issues

- **Federal Policy Response Team:** The CEO is closely monitoring recent federal adjustments to contracts, grants, policies, and funding priorities, which have the potential to impact programs in health care, homelessness, benefits services, and numerous other vital areas. Led by the CEO, the Federal Policy Response Team is a multi-departmental effort formed to: identify and assess policy and financial changes affecting county programs; increase interdepartmental and community partner collaboration to ensure financial and services sustainability; engage with communities and advocate for policy positions and funding solutions at state and federal levels; and co-develop and communicate adaptation strategies to anticipate and mitigate service disruptions.
- **Strategic Plan Refresh:** The County of Santa Cruz continues to advance its strategic initiatives to align leadership, foster collaboration, and achieve measurable results for residents and communities. These initiatives ensure that County policies, programs, and resources align with community needs and aspirations. With the first County Strategic Plan completing its six-year cycle in 2024, efforts are now focused on refreshing the plan to guide the County's work from 2026 through 2032. The Strategic Plan refresh will build on the existing foundation, ensuring that the County continues to focus on results that reduce disparities and increase opportunity. The CEO is committed to engaging the public, County staff, County boards, commissions and other advisory bodies, and the Board of Supervisors in shaping the next iteration of the Strategic Plan.



Emerging Issues

- **Building Permit Organizational Assessment:** In June 2024, the CEO engaged Baker Tilly to complete an organizational assessment of the County's building permit process with the goal to gain an understanding of insights from internal and external sources and to develop recommendations for moving forward with improved processes and customer experience. Baker Tilly's work included a review of current and past process improvement efforts, operational data, interviews with employees and customers, stakeholder meetings, and an employee survey. By June 2025, the CEO, in conjunction with Baker Tilly and the Community Development and Infrastructure (CDI) Department, will develop a workplan to implement near and longer-term improvements to the development and building permit approval process based on the assessment.
- **Succession Planning:** The CEO has been succession planning for department heads and other executives across the County. The CEO works closely with non-elected department heads to help identify and develop the next generation of County leaders. To assist with this effort, the County established the Learn Engage Apply Perform program and is launching the fourth cohort in May 2025.



County Executive Office

Approve the Proposed Budget for the County Executive Office, including any Supplemental Materials, which includes

- Revenues of \$1,035,117
- Expenses of \$6,230,531
- General Fund Contribution of \$5,195,414
- Staffing of 21.00 funded FTEs

