



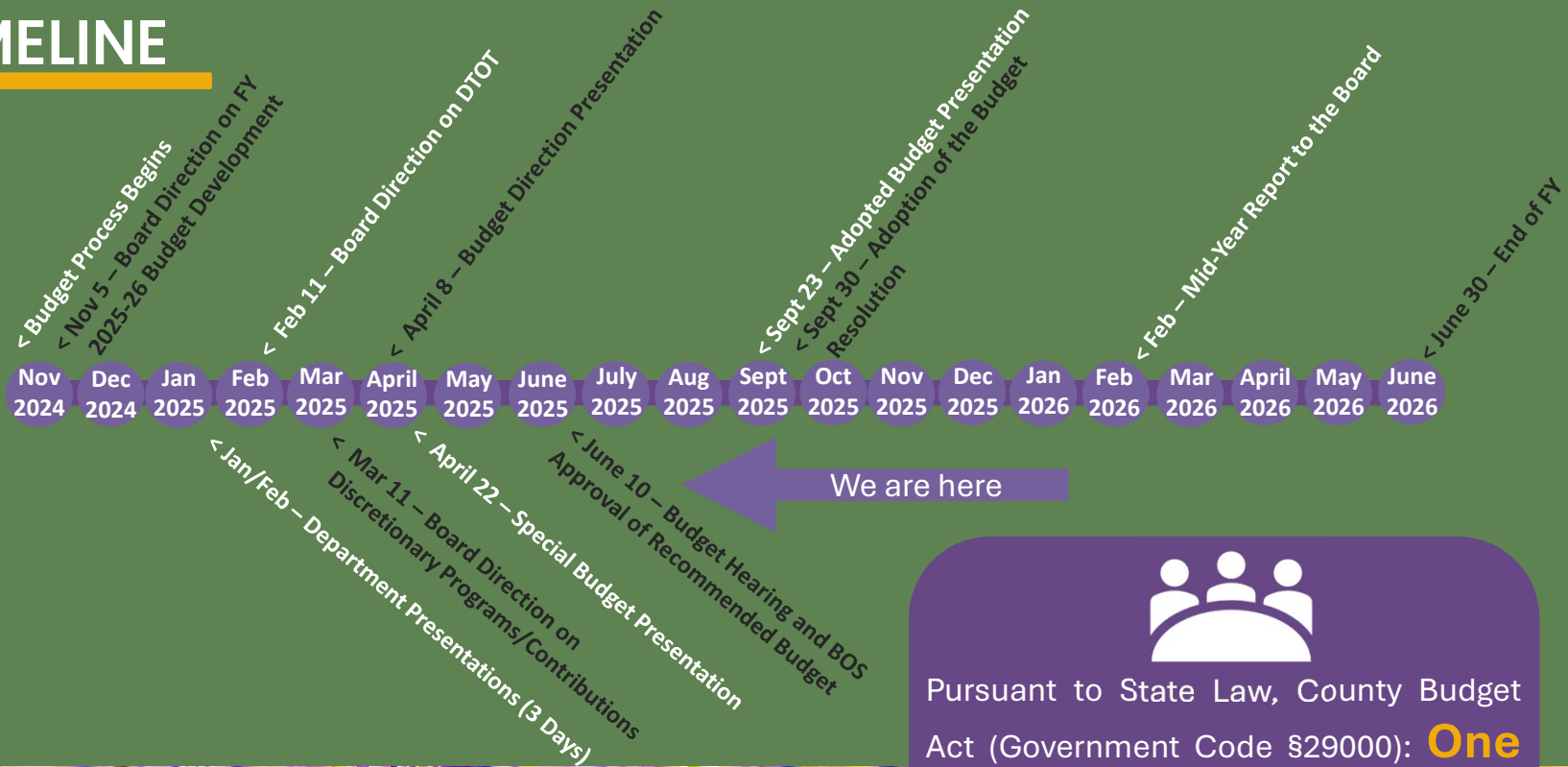
# FISCAL YEAR 2025-26 RECOMMENDED BUDGET

Presented to the  
Board of Supervisors  
at the Budget Hearing on  
June 10, 2025





## TIMELINE



Pursuant to State Law, County Budget Act (Government Code §29000): **One** public hearing is required by law to adopt a budget. We typically hold at least four. The FY 2025-26 budget will have at least

**12** Public Meetings



## BUDGET DEVELOPMENT

**November 5, 2024**  
Legistar File 24-1916

- Explore cost-savings measures that will not impact services
- Maximize use of Special Revenue Funds
- Maintain Budget Policy Designations
- Review vacancies

**February 11, 2025**  
Legistar File 25-0236

- DTOT treated as a General Fund revenue
- No funding to outside agencies for tourism promotion and reduced funding to Economic Development and Transportation

**March 11, 2025**  
Legistar File 25-0449

- Discretionary program review
- Directed staff to return with info on facilities projects, Juvenile Treatment Center (JTC), Community Services, Office of Wildfire Preparedness and Resilience (OWPR), Records Mgmt., and outside agency contributions

**April 8, 2025**  
Legistar File 25-0654

- Reallocated General Fund for Chili Bar, Tahoma Garage, JTC
- Implement cost reduction plans for Records Management, BOS Travel, and OWPR
- No funding for Placerville Pool, fire agency tourism impacts, South Tahoe Transit JPA

**April 22, 2025**  
Legistar File 25-0732

- Consolidate Senior Day Care Services to the Placerville site.
- Reduced Forebay Park Project to \$1 M



# BUDGET REQUIREMENTS

## County Budget Act – Government Code §29000 – 29144, §30200

- Applies to County, dependent special districts, other agencies “whose affairs are under the supervision and control of the Board”
  - Requires Single Year Balanced Budget
  - In the recommended, adopted, and final budgets the funding sources (revenues) shall equal the financing uses (expenditures)
- 
- Public Hearing required
  - 3/5 vote to approve prior to the close of the hearing, unless changes are filed with the Clerk in writing before the close of the hearing
  - Following the close of the hearing, increases or additions require 4/5 vote





# TOTAL APPROPRIATIONS

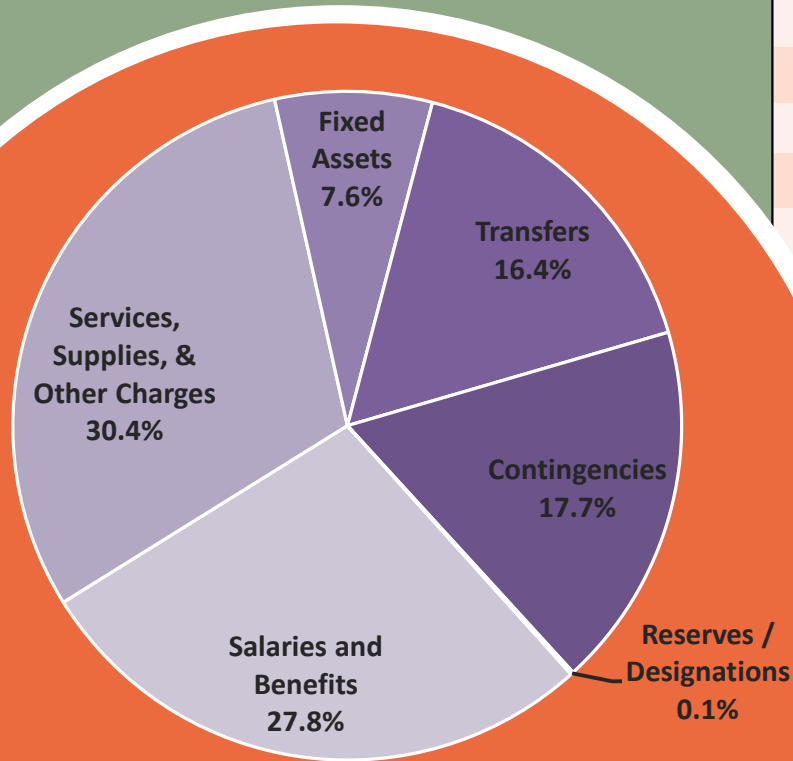
|                             | FY 2024-25<br>Adopted<br>Budget | FY 2025-26<br>Recm'd<br>Budget | \$ Increase /<br>(Decrease) | Percent<br>Change |
|-----------------------------|---------------------------------|--------------------------------|-----------------------------|-------------------|
| <b>Total Appropriations</b> | \$1.27 B                        | \$1.19 B                       | (\$73.6 M)                  | <b>-6%</b>        |
| <b>Governmental Funds*</b>  | \$1.11 B                        | \$1.04 B                       | (\$70.2 M)                  | <b>-6%</b>        |
| <b>General Fund</b>         | \$446.5 M                       | \$409.9 M                      | (\$36.6 M)                  | <b>-8%</b>        |
| <b>Net County Cost**</b>    | \$215.1 M                       | \$203.8 M                      | (\$11.32 M)                 | <b>-5%</b>        |

\* All Governmental Funds including Special Revenue Funds; Excluding Special Districts & Proprietary Funds

\*\* Departmental operating net cost, excluding Non-Departmental/Accumulative Capital Outlay (ACO) Fund/Countywide Special Revenue Funds/Special Districts/Proprietary Funds



## APPROPRIATIONS BY EXPENDITURE CLASS



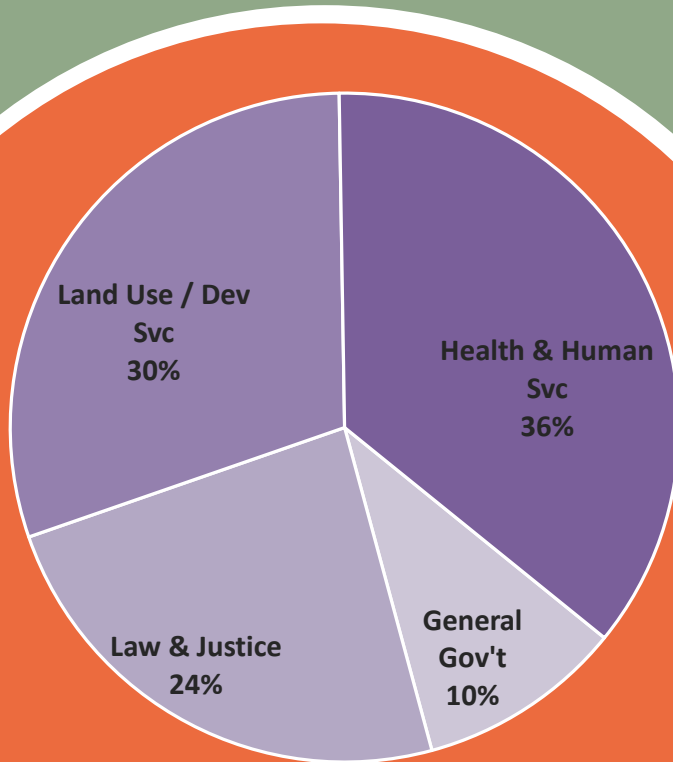
| Expenditure Class                   | FY 2024-25 Adopted Budget | FY 2025-26 Recm'd Budget | \$ Increase / (Decrease) | Percent Change |
|-------------------------------------|---------------------------|--------------------------|--------------------------|----------------|
| Salaries and Benefits               | \$304.5 M                 | \$315.4 M                | \$10.9 M                 | 4%             |
| Services, Supplies, & Other Charges | \$332.4 M                 | \$306.6 M                | (\$25.8 M)               | -8%            |
| Fixed Assets                        | \$83.1 M                  | \$65.1 M                 | (\$18.0 M)               | -22%           |
| Transfers                           | \$179.5 M                 | \$172.6 M                | (\$6.9 M)                | -4%            |
| Contingencies                       | \$194.0 M                 | \$175.7 M                | (\$18.3 M)               | -9%            |
| Reserves / Designations             | \$13.5 M                  | \$1.3 M                  | (\$12.1 M)               | -90%           |
| <b>Total Appropriations*</b>        | <b>\$1.11 B</b>           | <b>\$1.04 B</b>          | <b>(\$70.2 M)</b>        | <b>-7%</b>     |

\* All Governmental Funds including Special Revenue Funds; Excluding Special Districts & Proprietary Funds





## APPROPRIATIONS BY FUNCTIONAL GROUP

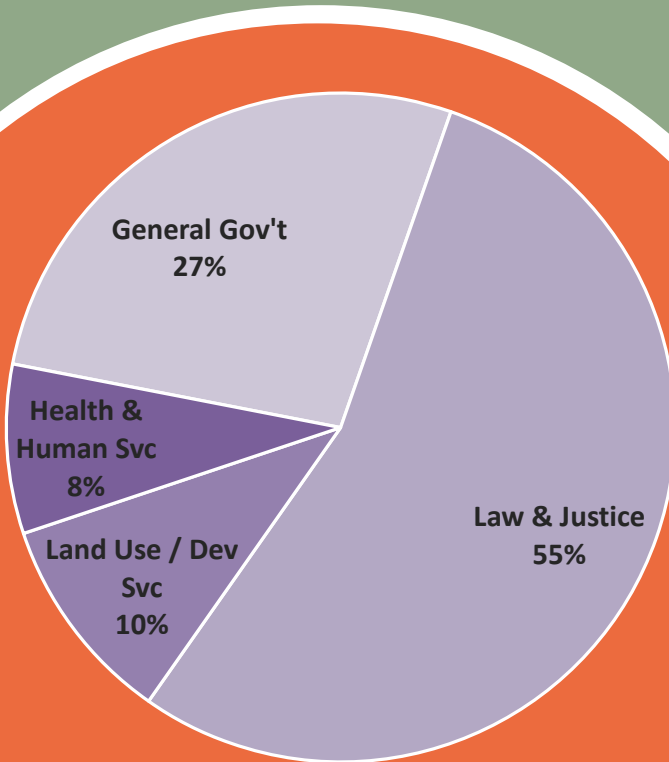


| Functional Group       | FY 2024-25<br>Adopted<br>Budget | FY 2025-26<br>Recm'd<br>Budget | \$ Increase /<br>(Decrease) | Percent<br>Change |
|------------------------|---------------------------------|--------------------------------|-----------------------------|-------------------|
| General Gov't          | \$68.1 M                        | \$66.0 M                       | (\$2.1 M)                   | -3%               |
| Law & Justice          | \$163.4 M                       | \$169.3 M                      | \$5.9 M                     | 4%                |
| Land Use / Dev Svc     | \$205.5 M                       | \$186.6 M                      | (\$19.0 M)                  | -9%               |
| Health & Human Svc     | \$246.8 M                       | \$252.2 M                      | \$5.4 M                     | 2%                |
| <b>Appropriations*</b> | <b>\$683.9 M</b>                | <b>\$674.1 M</b>               | <b>(\$9.8 M)</b>            | <b>-1%</b>        |

\* Departmental operating appropriations, excluding Non-Departmental/Accumulative Capital Outlay (ACO) Fund/ Countywide Special Revenue Funds/Special Districts/ Proprietary Funds



# NET COUNTY COST BY FUNCTIONAL GROUP



| Functional Group   | FY 2024-25<br>Adopted<br>Budget | FY 2025-26<br>Recm'd<br>Budget | \$ Increase /<br>(Decrease) | Percent<br>Change |
|--------------------|---------------------------------|--------------------------------|-----------------------------|-------------------|
| General Gov't      | \$58.7 M                        | \$54.6 M                       | (\$4.2 M)                   | -7%               |
| Law & Justice      | \$117.0 M                       | \$119.0 M                      | \$2.0 M                     | 2%                |
| Land Use / Dev Svc | \$21.8 M                        | \$11.7 M                       | (\$10.1 M)                  | -46%              |
| Health & Human Svc | \$17.6 M                        | \$18.5 M                       | \$0.9 M                     | 5%                |
| Net County Cost*   | \$215.1 M                       | \$203.8 M                      | (\$11.3 M)                  | -5%               |

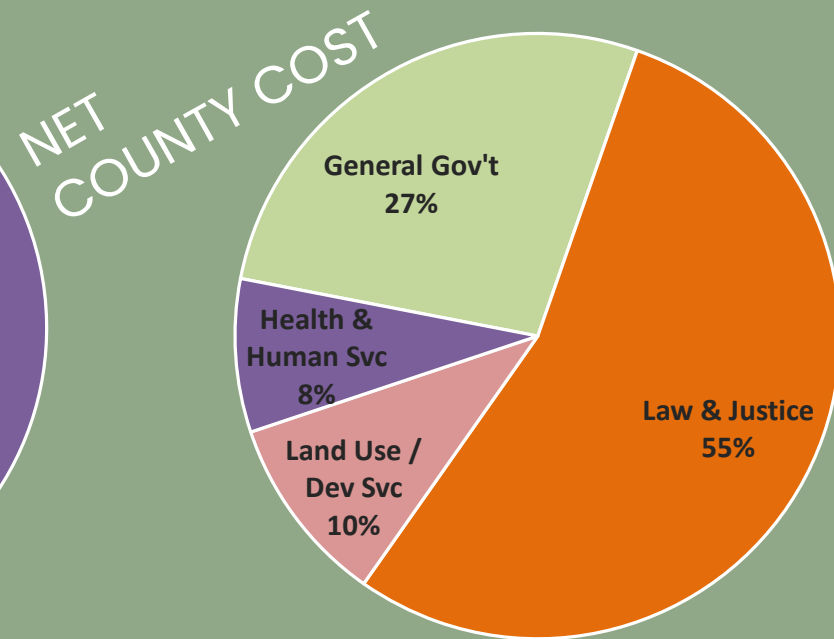
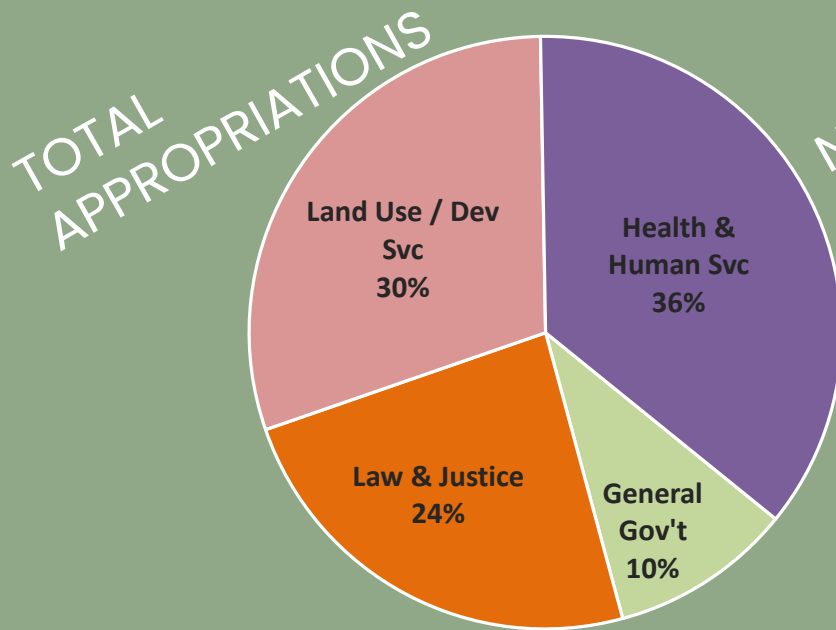
\* Departmental operating cost, excluding Non-Departmental/ Accumulative Capital Outlay (ACO) Fund/Countywide Special Revenue Funds/Special Districts/Proprietary Funds







## NET COUNTY COST COMPARED TO TOTAL OPERATING APPROPRIATIONS BY FUNCTIONAL GROUP



## BROAD CATEGORIES OF REVENUES



### General Fund Revenues

- Property Tax, Sales Tax, Transient Occupancy Tax, Franchise Fees
- Discretionary funds



### State & Federal Funding

- Counties operate as arm of the State
- Some funding is for Mandated Programs



### Special Revenue Funds

- Funds restricted for specific purposes
- Can be Countywide or Departmental



### Proprietary Funds

- Self-supporting services including Enterprise and Internal Service Funds

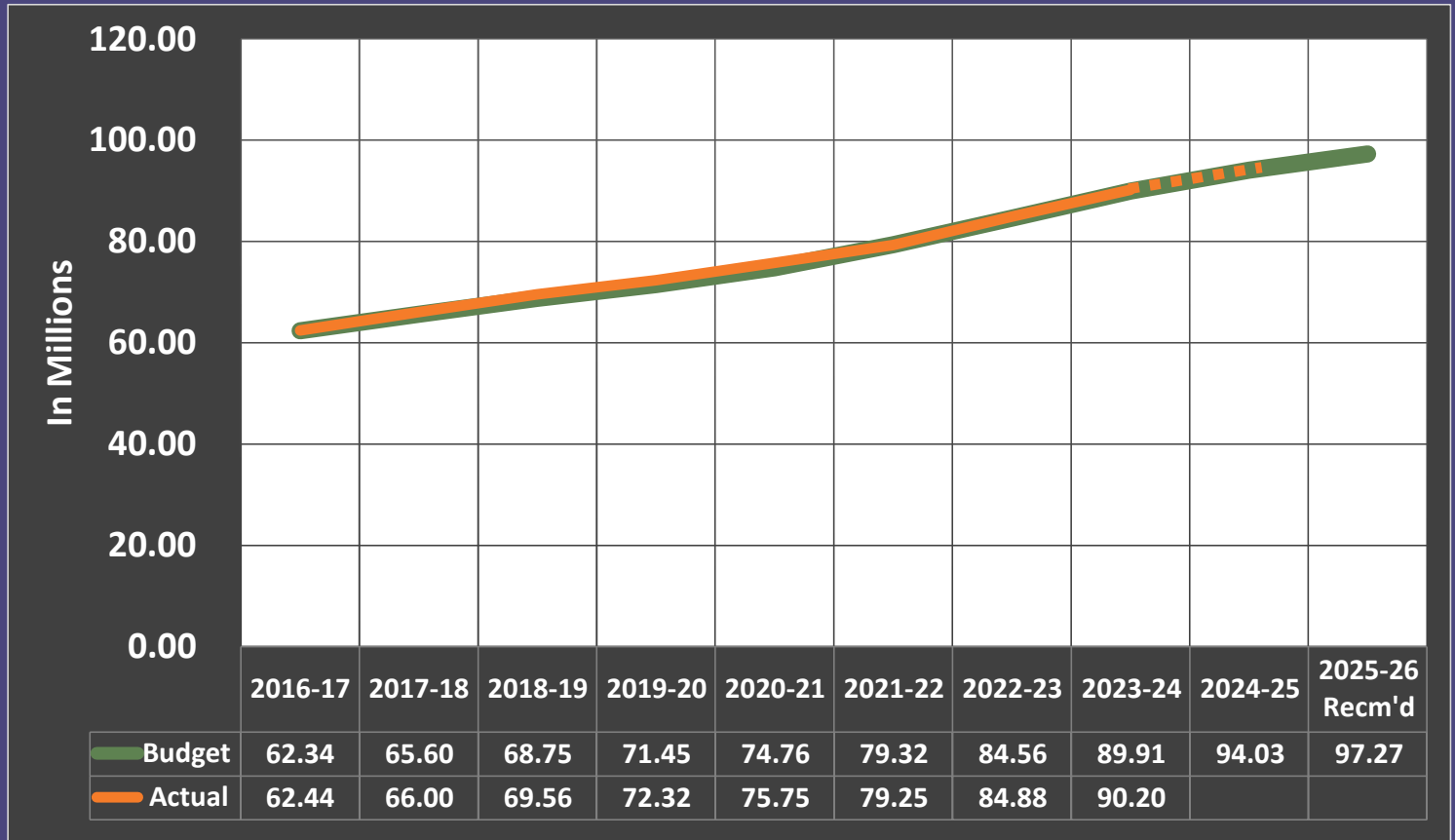




## PROPERTY TAX DISTRIBUTION

- ❖ Property taxes are the largest source of unrestricted revenue for the County general fund, schools, cities, and special districts
- ❖ The County receives approximately \$30 for every \$100 collected from County taxpayers.

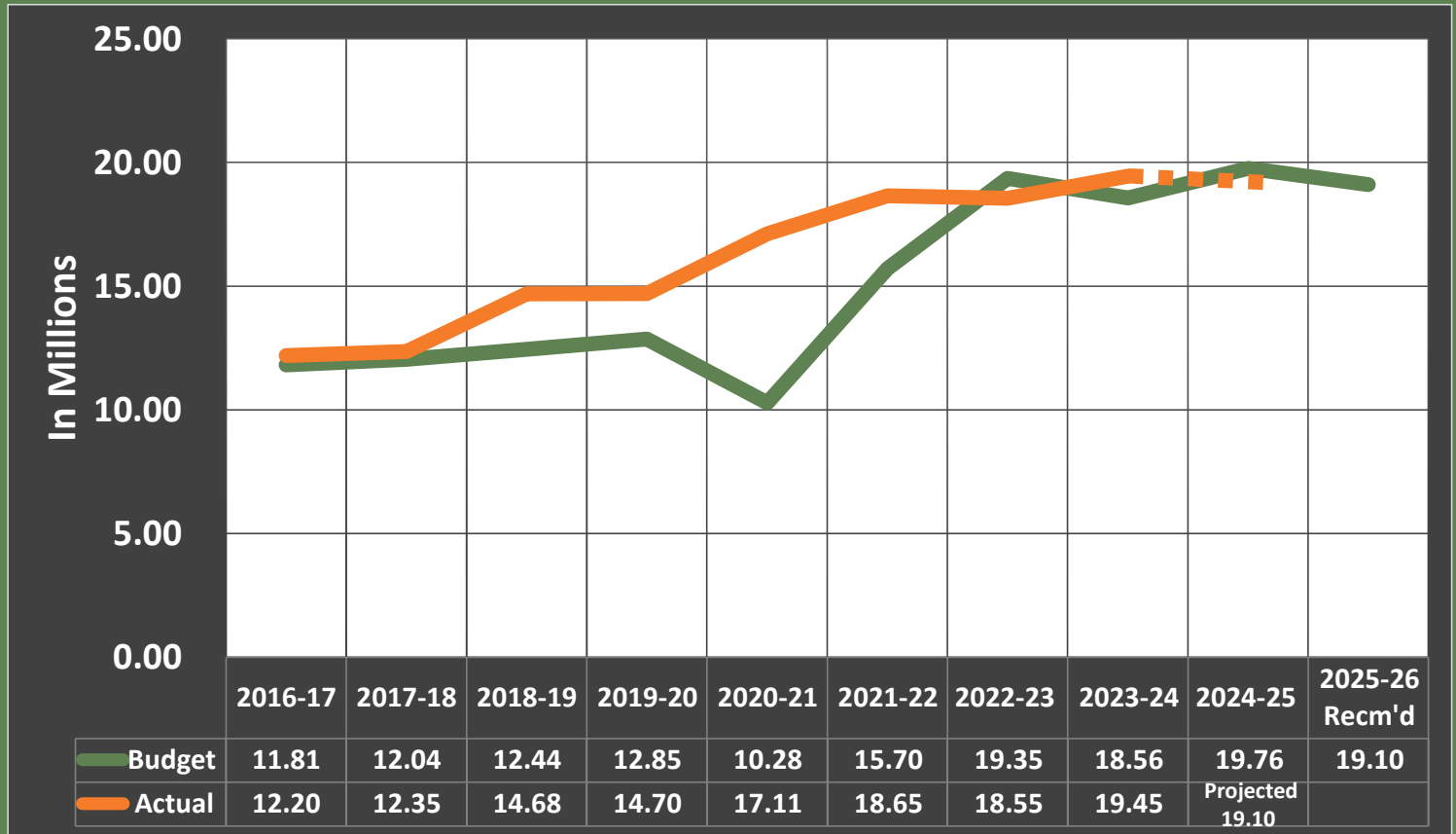




## PROPERTY TAX

**3.5%**  
Increase Projected





## SALES TAX

No projected growth  
from FY 2024-25  
projected receipts



# RESERVES AND DESIGNATIONS

| GENERAL FUND<br>RESERVES &<br>DESIGNATIONS  | FY 2024-25<br>PROJ. ENDING<br>BALANCE | FY 2025-26<br>ADDITIONS | FY 2025-26<br>PROJ. USES | FY 2025-26 PROJ.<br>ENDING BALANCE |
|---|---------------------------------------|-------------------------|--------------------------|------------------------------------|
| GENERAL RESERVE                             | \$13,000,000                          |                         |                          | <b>\$13,000,000</b>                |
| CAPITAL PROJECTS*                           | \$20,266,782                          | <b>\$172,844</b>        | <b>(\$19,592,753)</b>    | <b>\$846,873</b>                   |
| PUBLIC SAFETY FACILITY LAST<br>LOAN PAYMENT | \$2,300,000                           |                         |                          | <b>\$2,300,000</b>                 |
| PUBLIC SAFETY FACILITY<br>LOAN PAYMENTS     | \$2,145,100                           |                         |                          | <b>\$2,145,100</b>                 |
| FAIR MARKET VALUE<br>ADJUSTMENT             | \$2,604,008                           |                         |                          | <b>\$2,604,008</b>                 |
| AUDIT RESERVE                               | \$1,723,606                           |                         |                          | <b>\$1,723,606</b>                 |
| TOT SPECIAL PROJECTS                        | \$823,043                             |                         |                          | <b>\$823,043</b>                   |
| CALPERS COST INCREASES                      | \$8,812,750                           |                         |                          | <b>\$8,812,750</b>                 |
| RISK PROGRAM INCREASES                      | \$4,000,000                           |                         |                          | <b>\$4,000,000</b>                 |
| IT INFRASTRUCTURE                           | \$500,000                             | <b>\$1,000,000</b>      |                          | <b>\$1,500,000</b>                 |
| DISASTER EXPENSES                           | \$1,287,746                           | <b>\$142,172</b>        | <b>(\$179,918)</b>       | <b>\$1,250,000</b>                 |
| HHSa INDIRECT COST RATE                     | \$820,000                             |                         | <b>(\$820,000)</b>       | <b>\$0</b>                         |
| DOT TAHOMA FACILITY                         | \$500,000                             |                         | <b>(\$500,000)</b>       | <b>\$0</b>                         |
| SPRING STREET<br>REPLACEMENT**              | \$1,472,556                           |                         |                          | <b>\$1,472,556</b>                 |
| <b>TOTAL</b>                                | <b>\$60,255,591</b>                   | <b>\$1,315,016</b>      | <b>(\$21,092,671)</b>    | <b>\$40,477,936</b>                |

\* Reflects a pending return of \$17.5 M to the Capital Projects.

\*\* Reflects a pending return of \$1.1 M and renaming of the Juvenile Hall Designation to the Spring Street Replacement Designation.

**PLUS**  
**\$7,850,000**  
**IN**  
**CONTINGENCY**



## NET PERSONNEL CHANGES BY DEPARTMENT

| Department                       | Change in Vacant Positions | Change in Filled Positions | Total Net Change |
|----------------------------------|----------------------------|----------------------------|------------------|
| Alternate Public Defender        | 1.00                       | 0.00                       | 1.00             |
| Assessor                         | (1.00)                     | 0.00                       | (1.00)           |
| Board of Supervisors             | 0.00                       | (1.00)                     | (1.00)           |
| Chief Administrative Office      | (6.00)                     | (6.60)                     | (12.60)          |
| Child Support Services           | (1.00)                     | 0.00                       | (1.00)           |
| District Attorney                | (4.00)                     | 0.00                       | (4.00)           |
| Health and Human Services Agency | (4.45)                     | (1.00)                     | (5.45)           |
| Information Technologies         | (4.00)                     | 0.00                       | (4.00)           |
| Library                          | (6.75)                     | 0.00                       | (6.75)           |
| Planning & Building              | (1.00)                     | (1.00)                     | (2.00)           |
| Probation                        | (0.50)                     | 0.00                       | (0.50)           |
| Public Defender                  | 2.00                       | 0.00                       | 2.00             |
| Recorder-Clerk                   | (2.00)                     | 0.00                       | (2.00)           |
| Registrar of Voters              | 0.00                       | (0.40)                     | (0.40)           |
| Surveyor                         | 0.00                       | (1.00)                     | (1.00)           |
| Treasurer-Tax Collector          | (0.50)                     | 0.00                       | (0.50)           |
| <b>Total:</b>                    | <b>(28.20)</b>             | <b>(11.00)</b>             | <b>(39.20)</b>   |

### COUNTYWIDE TOTALS

Current Allocations: 2057.38 FTE

Change in Vacant Positions: Down 28.2 FTE

Filled Positions Deleted: 11.0 FTE

FY 2025-26 Recommended:

**2018.18 FTE**

## BOARD BUDGET POLICIES MET IN THE BUDGET

- ❖ General Reserve funded at 5% with \$13 M.
- ❖ General Fund Contingency funded at 3% with \$7.85 M.
- ❖ Pension funding meets policy based on current actuarial reports.
- ❖ Contribution of \$4.9 M of the \$5 M goal for road maintenance.
- ❖ Added \$1 M to IT Infrastructure Designation, bringing the designation to the \$1.5 M goal.
- ❖ Disaster Designation brought to \$1.25 M goal.

## BOARD BUDGET POLICIES PARTIALLY MET IN THE BUDGET

- ❖ \$6 M annual contribution to Capital Reserves, although the Board approved the reallocation of funding from the Juvenile Treatment Center to the Spring Street Facility Replacement Designation in the amount of \$1.5 M.



## BUDGET CHALLENGES AND PRESSURES



- ❖ External Pressures:
  - ❖ Unfunded and underfunded state mandates
  - ❖ General Liability Insurance
  - ❖ Workers' Compensation
  - ❖ Health Insurance Premiums
  - ❖ Pension Costs
  - ❖ Inflation
  - ❖ Utility Costs
  - ❖ Construction Costs



- ❖ Slowing discretionary revenue growth since FY 2022-23
  - ❖ DTOT expected to decrease by 23%
  - ❖ No projected growth in Sales and Use Tax
  - ❖ Property Tax growth decreasing by 43%



- ❖ State and federal budget reductions that could impact County Programs



- ❖ Facility replacements and investments exceed available funding

## NEXT STEPS IN THE BUDGET PROCESS

### TODAY:

- Approval of the Recommended Budget
- Approval of the Personnel Allocation Resolution
- Appoint two Board members to the FY 2026-27 Budget Ad Hoc

### UPCOMING:

- Actual fund balance will be known in September, after books close
- Final Budget adoption in late September

