

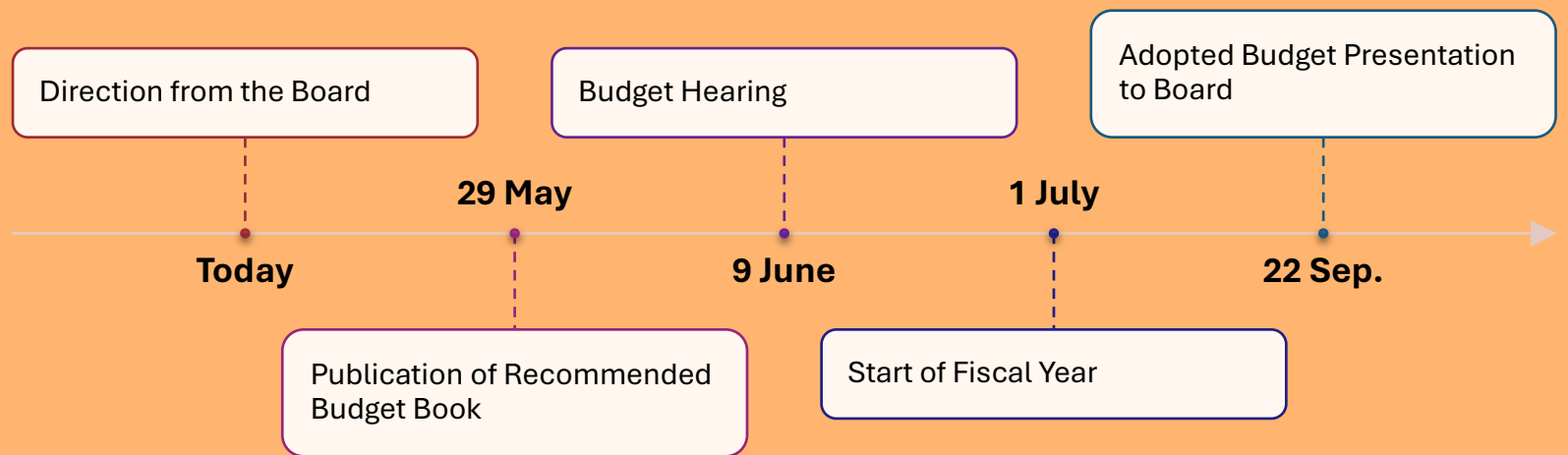


FY 2026-27 Recommended Budget Board Direction

April 28, 2026



FY 2026-27 Recommended Budget Calendar



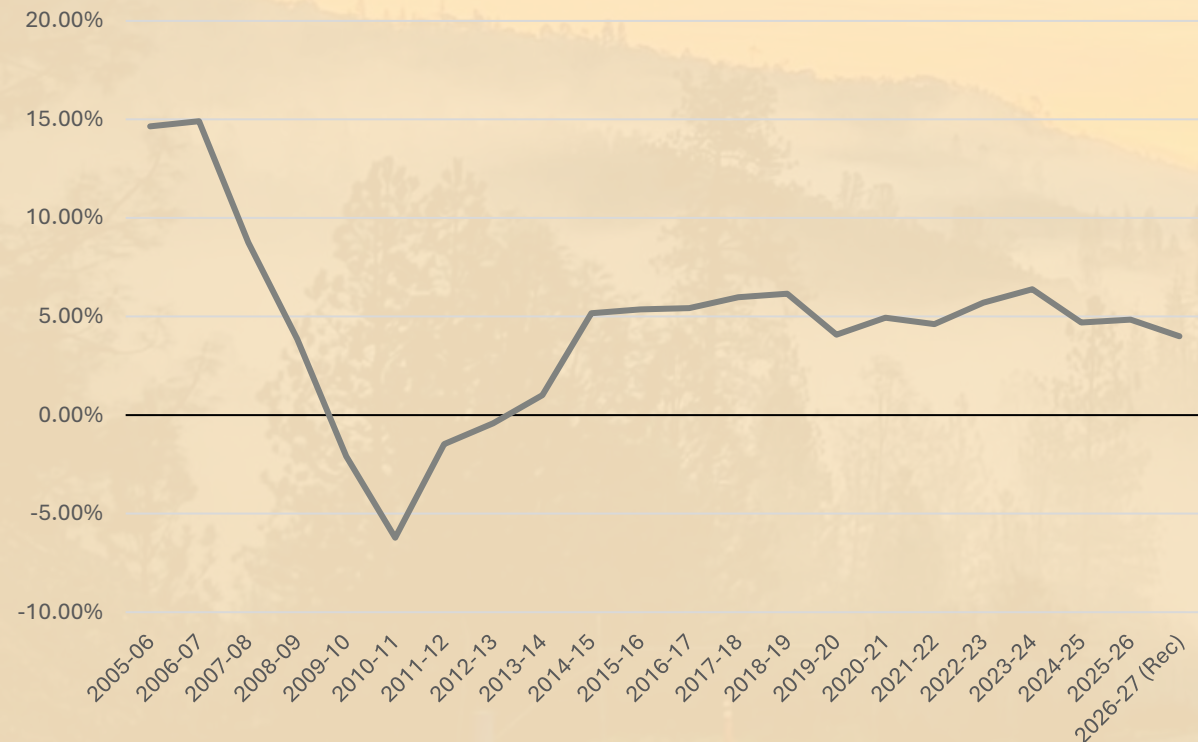
A scenic landscape at dawn or dusk. The sky is a mix of dark blue and orange, with a bright glow on the horizon. The foreground and middle ground are filled with dark evergreen trees and misty hills. The overall mood is serene and atmospheric.

General Revenue Assumptions

Property Tax Revenue

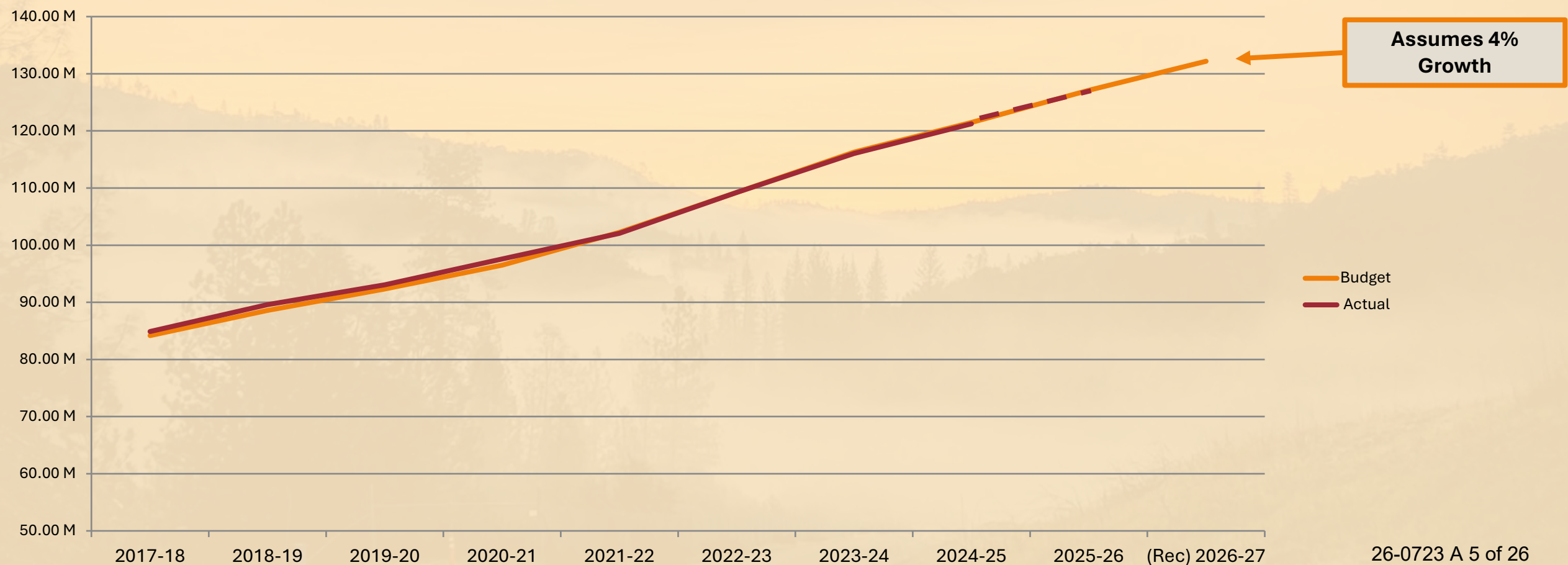
Property taxes are the largest source of unrestricted revenue for the County general fund, schools, cities, and special districts.

Historical Property Tax Growth



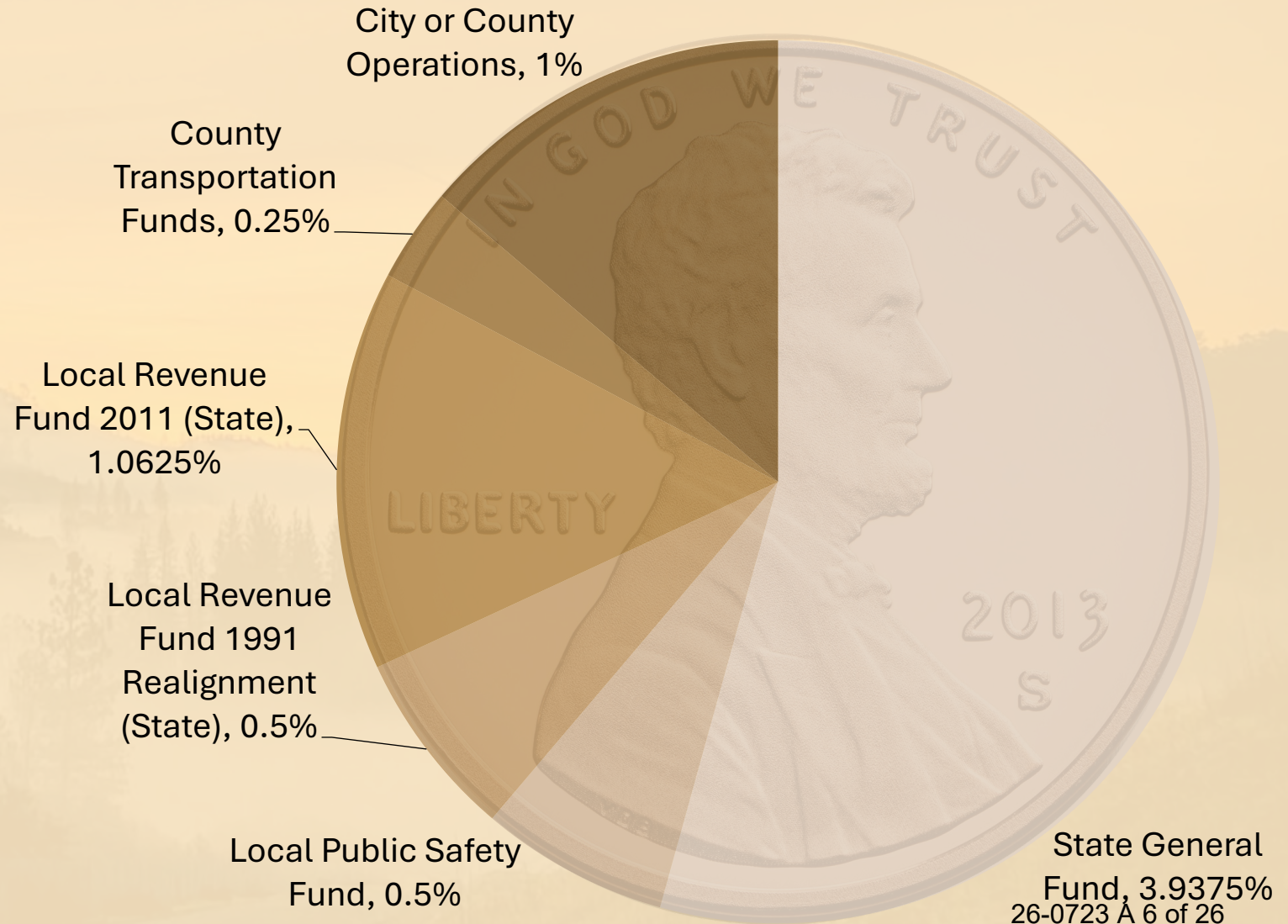
Graphic developed by the Treasurer-Tax Collector Department. (Source El Dorado County Auditor-Controller's Office)
 *includes the Cities of Placerville and South Lake Tahoe (2.5%), Cities in Lieu Vehicle Licensing fees (.9%) and City of So. Lake Tahoe Redevelopment Successor Agency (1.3%)

Budgeted Property Tax Revenue

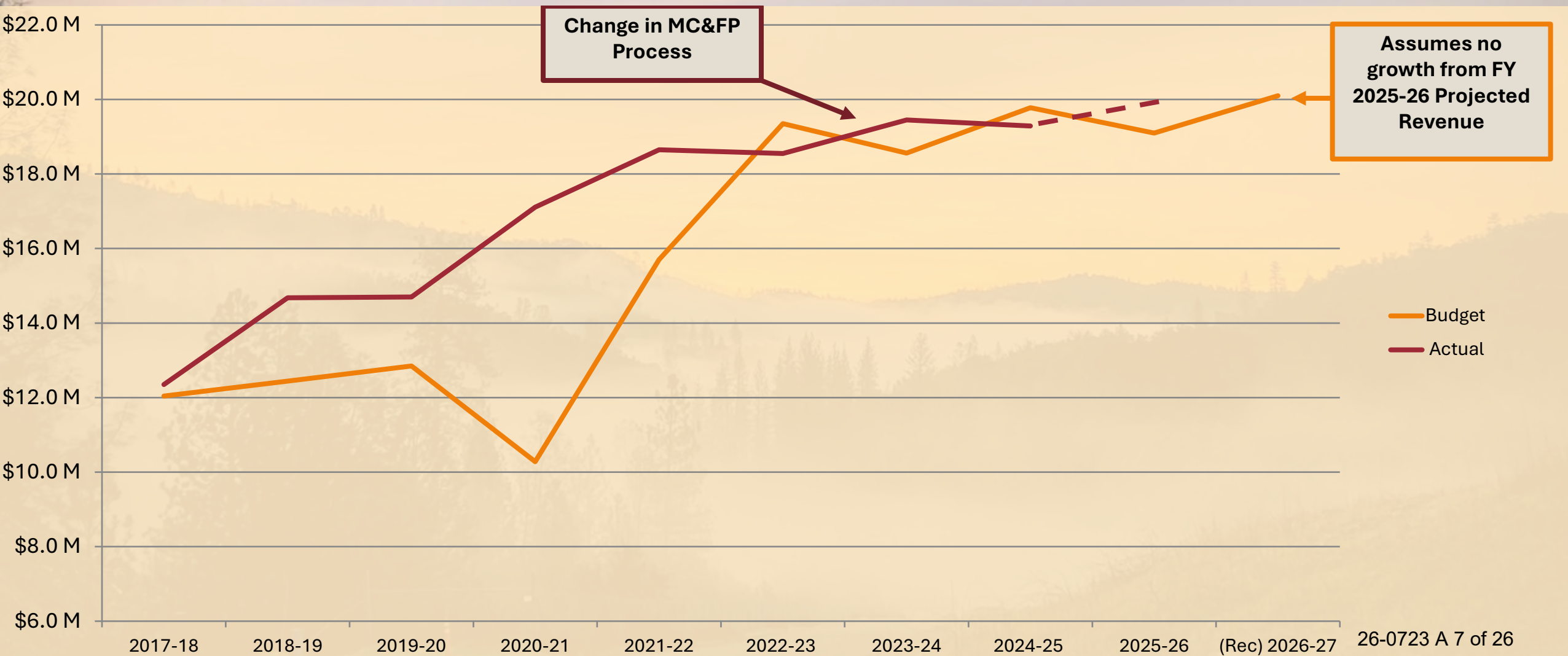


Sales & Use Tax Revenue

- The Bradley-Burns Uniform Sales and Use Tax Law provides for a city/county rate of 1.25%.
- One-quarter cent of the levy is sent to the county-wide regional transportation fund.
- The balance goes to support local government general funds.

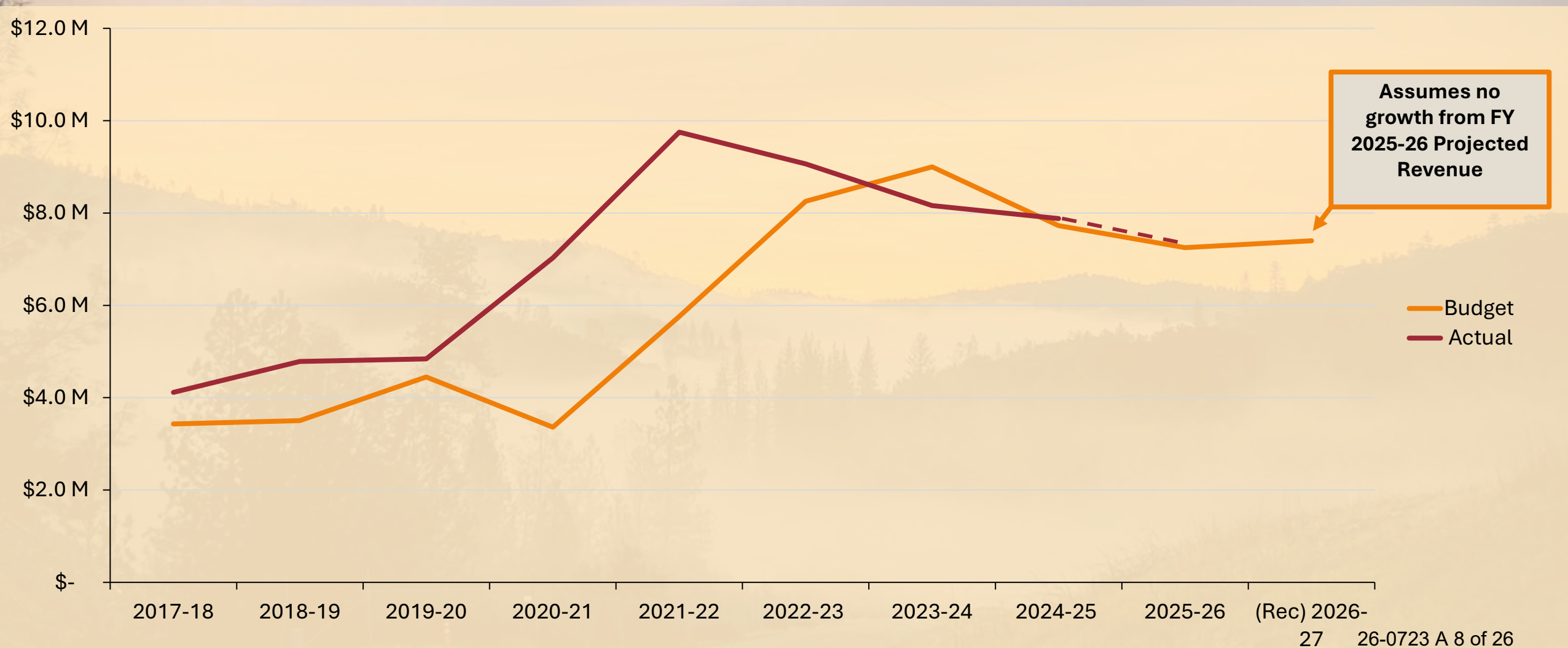


Budgeted Sales & Use Tax Revenue



Discretionary Transient Occupancy Tax Revenue

10% tax on hotels, motels, and vacation home rentals.





Budget Highlights – What is in the Budget

\$24.5m in State and Federal Funding for the Office of Wildfire Preparedness and Resilience projects and activities.

Jail Expansion operational half of the year with increased costs partially offset by use of \$1.25m from Jail Expansion Designation, leaving \$1.25m for future years.

Addition of two positions in Probation for the random testing unit to enhance pretrial monitoring.

Employer Share of Health Insurance Premiums increasing \$3.3m in the General Fund, pulling \$2m from the Risk Programs Designation.

\$33m Broadband Grant in Planning and Building continues.

After conducting an analysis of Fair Market Value adjustments, bringing Fair Market Value designation down to \$1.1m

Planned completion of the Diamond Springs Parkway Phase I and the Mosquito Bridge by the end of calendar year 2026

Budget Highlights

– Budget Theme



The FY 2026-27 Recommended Budget reflects an overall tightening of the budget while maintaining current service levels.

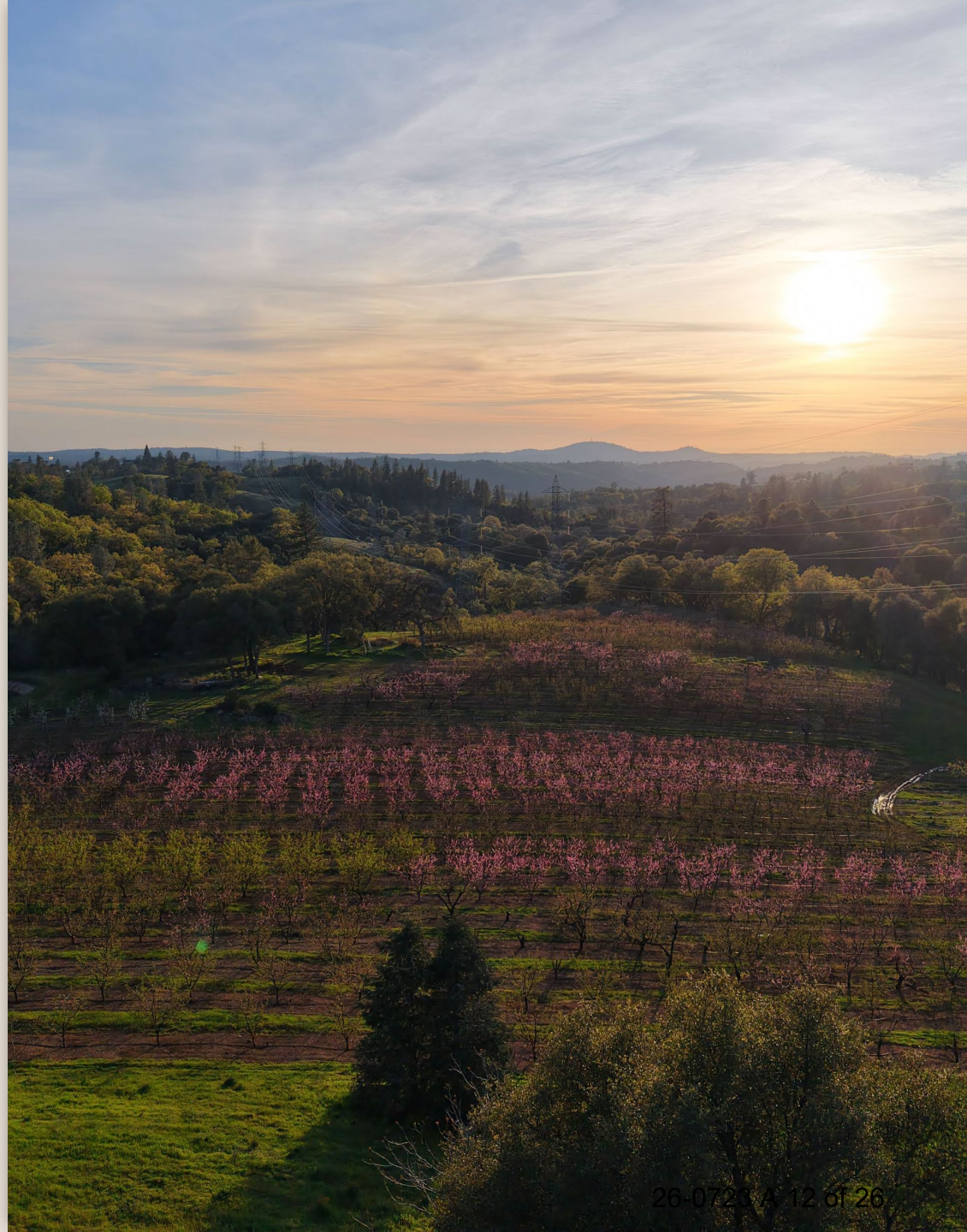


Budget Policies Met

- General Fund Contingency \$8.2m – 3% of total adjusted General Fund Appropriations.
- General Reserve \$13.7m – 5% of total adjusted General Fund Appropriations.
- Pension Funding – Use \$1.5m, holding \$7.3m, 3 years of the projected General Fund increases.
- IT Designation Use \$410k, holding \$1.6m, 3 years of the costs of planned countywide IT improvements and maintenance.

Budget Policies to Prioritize in Adopted Budget

- \$6m addition to the Designation for Capital Projects
- Road Maintenance Contribution \$3m of General Fund included in budget, \$2m short of Policy Goal
- Replenish the \$41k used of the \$1.25m Disaster Designation
- Review Pension Funding Goal once updated CalPERS Actuarial Reports are released





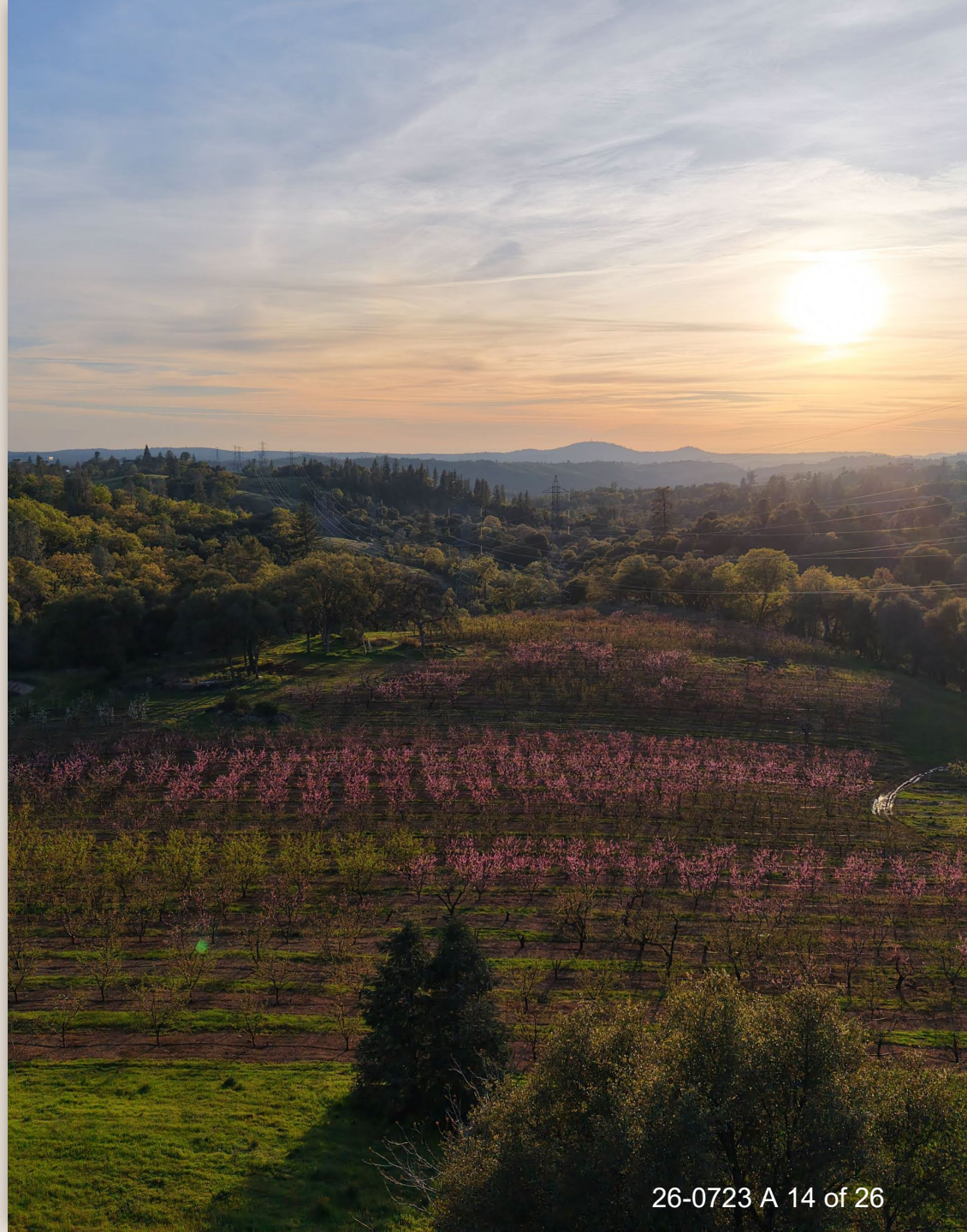
Board Direction from March 10th

On March 10, 2026, with Legistar file 26-0330, the Board directed staff to:

- Return to the Board with revisions to Board Policy B-1 – Budget Control and Responsibility, to align the policy with Government Code 29125 (B), allowing the Chief Administrative Officer "to approve transfers and revisions of appropriations within a budget unit if the overall appropriations of the budget unit are not increased".
- Return to the Board with revisions to Board Policy B-16 – Budget Policies, to allow for the limited delegation to the CAO for approval of new fixed assets if the overall appropriations of the budget unit are not increased.

Board Policy B-1 Budget Control & Responsibility Proposed Changes

- Clarifies that “Budget Transfers that do not increase the overall appropriations in a budget unit may be approved by the Chief Administrative Officer, as outlined in Government Code 29125b and El Dorado County Ordinance Code Section 2.13.060.D. All other budget transfers must be approved by the Board of Supervisors.”
- Other changes:
 - Defines Budget Unit as "A major category of the budget at the sub fund department level"
 - Clarifies Budget Transfer Process as it is now
 - Clarifies that the Board approves increased rates.
 - Outlines that if there is a shortfall, CAO determines when the Board is notified.





Board Policy B-16 Budget Policies Proposed Changes

Simplifies the Policy 13. Fixed Assets to the following:

Fixed (Capital) Assets: This policy establishes additional controls for the administration of Fixed Asset (Capital Asset) equipment.

- a. Fixed Assets requested and approved through the annual budget process will be included in the Departments' recommended/approved budgets and itemized on the Fixed Asset list submitted for approval by the Board with the Recommended Budget and the Adopted Budget.
- b. After the approval of the Budget, the Chief Administrative Officer may approve revisions in Fixed Asset appropriations, including additional fixed assets, if the overall appropriations of the budget unit are not increased and each additional fixed asset does not exceed \$100,000.
- c. The Chief Administrative Office will provide the Auditor-Controller and Purchasing offices with copies of all approved Fixed Asset listings and subsequent additions to that listing. All purchases of Fixed Assets will be made and invoices paid pursuant to the approved Fixed Asset list.

Board of Supervisors' Community Funding

Due to multiple mentions at Board Meetings, seeking Board direction on inclusion in the FY 2026-27 Budget.

Funding allocated by the Board of Supervisors throughout the year for a public benefit.

- Outlined in Board Policy B-6 Community Funding, allocated evenly across districts.
- The total amount has varied from \$35k to \$75k, removed in FY 2024-25.
- Seeking direction to add back in FY 2026-27 Budget and how much, not include in budget, and/or repeal Policy B-6.



County HR 1 Impacts in FY 2026-27



Social Services 1991 Realignment

Funding from the State to the County to fund the County share of services that the County is mandated to provide by the State, including:

- Self – Sufficiency Programs: Eligibility, CalFresh Administration, CalWORKS, etc.
- Protective Services: Child Welfare, Adoption Assistance, Foster Care, etc.
- In-Home Supportive Services

Program expenditures outpace growth in this revenue across all California counties.



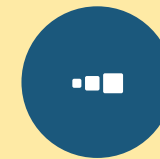
El Dorado County HR 1 Impacts



Increase in Indigent
Healthcare – averaged
\$4m a year before
Affordable Care Act.



Workload increase
due to eligibility
requirements



Increases the County
share of CalFresh
Administration by
50%

El Dorado County HR 1 Impacts in FY 2026-27 Budget



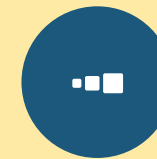
Increase in Indigent Healthcare – averaged \$4m a year before Affordable Care Act.

Impacts not
Included



Workload increase due to eligibility requirements

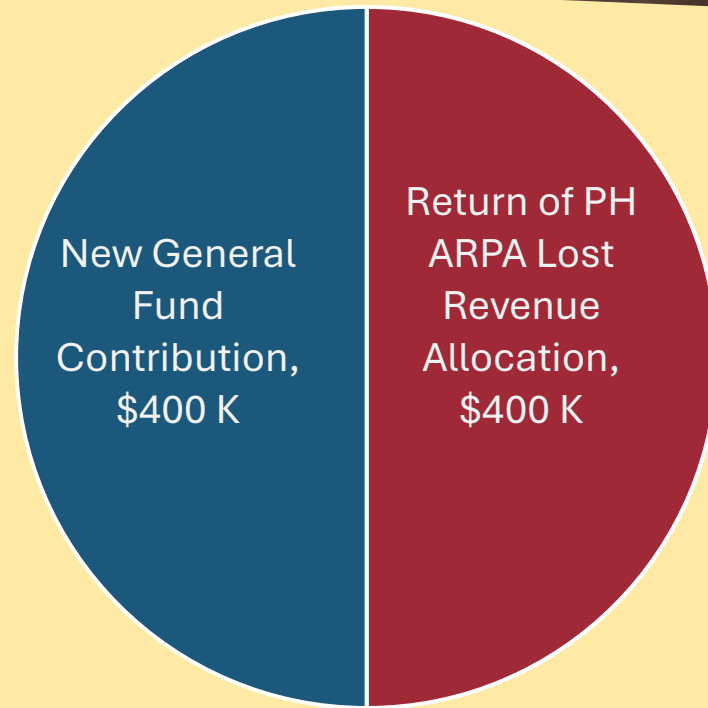
Impacts not
Included



Increases the County share of CalFresh Administration by 50%


\$800,000
Impact
Included

Social Services 1991 Realignment Shortfall



Short-term Solution for an ongoing problem:

- Use of Discretionary Local Revenue for a State Mandated Program
- Social Services 1991 Realignment will only have fund balance to cover 9% of annual use.



Strategies to Mitigate HR 1 Impacts in Future Years

- Continue to work with associations to explore solutions
- Ensure level of service for mandated programs is at minimum required level
- Explore process for reducing General Fund cost of discretionary services in HHSA



Explore reducing General Fund cost of discretionary services in FY 2027-28

- El Dorado County is the **only Area Agency on Aging** that provides Senior Day and has County staff providing Senior Legal.
- **Senior Day** is budgeted with a General Fund cost of over \$700,000 with a current average of 16 participants a day and a goal of 25 participants a day. That is a daily General Fund subsidy of \$168 a day per participant at the current average.
- **Senior Legal** has 3.5 FTE and a General Fund cost of over \$750,000. There is an obligation to provide legal services, but our service levels far exceed the minimum mandated level. Per the California Department of Aging, El Dorado County is the only county in California that provides Senior Legal Services in-house.



Seeking Board Direction to Explore Alternatives and Return to Board for Consideration

Staff are seeking Board direction to explore the following alternatives to lower the General Fund cost of Senior Legal and Senior Day in FY 2027-28:

- Determine the cost and process for moving from in-house Senior Legal to contracted Senior Legal services.
- Explore the wind down of Senior Day Services, perform outreach to potential private providers, and return to the Board with an inventory of exiting services within the community.

Mosquito Fire Settlement Funding

- \$8,529,649 of discretionary funding for the Board to allocate
- Budget Ad Hoc and CAO Recommendation:
 - \$400,000 for a shared fire services agreement on the Divide across three fire districts.
 - Designate remaining \$8.1m for projects that benefit the Mosquito Fire Footprint Area. This funding will be used primarily for road maintenance and other projects in the area. The DOT Director will consider the uses of this funding and return to the Board for approval of planned uses.



Questions?

