

Budget Overview

Current Financial Outlook

The County of Monterey (County) faces significant cost pressures in FY 2025-26 due to rising employee compensation, pension, and health care costs. Although the County has experienced discretionary revenue growth, including sales tax, Transient Occupancy Tax (TOT), and property tax, these have not kept pace with cost pressures in the past few fiscal years. The County utilized the American Rescue Plan Act (ARPA) (signed into law on March 11, 2021, which provided a COVID-19 relief package designed to provide direct economic assistance to Americans and fund recovery efforts) and other one-time funds to support service delivery and avert service reductions across the County's critical programs.

Many needs remain unmet next fiscal year, as one-time solutions used in the current year's (FY 2024-25) adopted budget are no longer available, including the Unfunded Accrued Liability (UAL) suspension charge, which provided \$10.4 million to fund augmentations (added funding requests) in the General Fund as well as \$5.2 million of Unassigned Fund Balance that was used for modifications during Budget Hearings. Without these one-time solutions, the funding gaps re-emerge next fiscal year. They are exacerbated by negotiated salary adjustments from labor agreements and the implementation of backlogged base wage studies approved in the current year.

The Recommended Budget includes \$13.1 million in augmentations for the General Fund, primarily funded with one-time dollars, including the use of \$5.4 million of reserves that were designated to fund the contingency appropriations, which frees up discretionary funding for filled positions and programs across public safety, social services, and public works. Additionally, the Recommended Budget redirects TOT contributions from the Road Fund and the Development Set-Aside agencies (\$4.1 million combined) to recommended augmentations providing funding for filled positions. Unfortunately, many requests for new service provisions and capital needs are not recommended due to lacking resources.

In recognition of the growing imbalance of costs and revenue, Measure AA - County, Unincorporated Area was introduced for the November 2024 Election, a new 1% transaction and use tax in the unincorporated county areas. The unincorporated county voters passed the measure, and the County will begin collecting new revenue in June 2025 (for tax effective April 2025). The Recommended Budget incorporates \$1.9 million of the original \$29 million estimates. This new revenue source is considered ongoing; however, the County should heed caution in budgeting this revenue, as there is no history, and the current economic uncertainty can change the outlook on this revenue.

Although the economy remains resilient, and this Recommended Budget incorporates continued stability within discretionary revenue sources, the uncertainty in federal policy and financial markets poses the risk of an economic slowdown. Negative economic changes would affect revenue, negatively impacting county programs and services.

This Recommended Budget utilizes one-time funds to fund operational gaps. The current spending plan is prudent in funding essential services and providing county offices and departments with funding to continue at-risk-filled positions. Still, it eliminates vacant positions across multiple offices and departments, beginning the process of reducing the workforce to align operations to available resources. The Recommended Budget provides a fully funded \$8.7 million appropriation for Contingency in the General Fund for unanticipated events or emergencies during the budget year.

The County has placed one-time surpluses into its General Fund Strategic Reserve, per its General Financial Policy. The reserve ended FY 2023-24 with a balance of \$57.8 million for the General Fund and \$25.0 million for Natividad Medical Center (NMC). In the current year, the County utilized \$9.2 million to respond to disasters and repair damaged infrastructure pending federal and state reimbursements, and added \$10.0 million from prior year surplus, while NMC added \$8.5 million. This leaves the reserve with a current balance of \$92.1 million. Additionally, the County designated \$6.0 million of prior year surplus to mitigate wage increases in the current year.

Recommended Budget – All Funds

The Recommended Budget for all the County's funds total \$2.3 billion for the next fiscal year. The budget includes 5,780.9 authorized positions. Significant changes since the adoption of the FY 2024-25 budget include:

Appropriations increase by \$255.3 million. Notable increases include \$131.4 million in the General Fund to support higher costs of employees, programmatic expansions in health and social services programs, and a technical change (\$65.7 million) due to Cost Plan (CP) (cost allocation system developed by the federal government to compile, identify, and classify costs for all central service units) budgeting. NMC increased by \$105.2 million to support growing labor costs and medical services. Still, the majority (\$79.3 million) was a change for Intergovernmental Transfers (transferring funds between different levels of government to help finance Medicaid programs) for government funding previously reported as an offset

to revenue; \$28.7 million increase in the Health Department's - Behavioral Health's Bureau (Behavioral Health) for the new 96-bed Mental Health Rehabilitation Center (MHRC) (program that provides 24-hour intensive support and rehabilitative services for adults with mental disorders) and expansion of programs; and \$15.6 million increase in Public Safety Realignment and Health Realignment funds for various public safety, health, and social service programs. Appropriations decreased by \$16.5 million in the Road Fund, \$11.7 million in the Capital Project Fund, and \$20.7 million in the Laguna Seca Recreation Area (LSRA) Enterprise Fund due to a shift of operating expenses to a concessionaire agreement.

Revenue increased by \$265.6 million.

Significant increases include \$130.7 million in the General Fund, primarily due to increased Charges for Services for health clinics, higher federal and state revenues related to social service programs, and new grant revenue for homelessness programs, and due to a technical change in budgeting for CP credits. NMC's revenue increased by \$104.9 million, most of the increase (\$86.7 million) is due to the change in accounting for Intergovernmental Revenues, and the remaining increase was primarily from patient revenue and health fees. Other increases include \$30.1 million in Behavioral Health due to a grant supporting infrastructure for the MHRC project; \$17.2 million in the Enterprise Resource Planning Internal Service Fund (ISF) due to the technical change for CP credits; \$5.9 million from state realignment funds that support public safety, social services, and health programs for expansion of programs; and \$5.1 million increase in the Pajaro County Sanitation District (CSD) mainly due to a federal grant for repairs to the sewer system.

Funds anticipating lower revenues include the LSRA Enterprise Fund, reflecting a \$21.9 million decrease due to the management shift from the County to a concessionaire agreement; Capital Project Fund anticipates \$17.0 million lower Operating Transfers In for budgeted projects.

Rising labor costs. Next fiscal year, salaries and benefits costs for the County's workforce total \$1,037.9 million, a \$79.4 million increase over the current year adopted budget. Employee wages increase by \$53.4 million due to Cost of Living Adjustments (COLA) approved through negotiated salary adjustments from labor agreements, higher step increases, and wage study implementations resulting in higher compensation. Most labor agreements were finalized in FY 2024-25, with many labor groups receiving a 4% COLA during the current year, which was unbudgeted as most agreements expired in December 2024 (in the middle of the FY). Most bargaining units will receive 4% increases in the next two years, with most agreements expiring June 30, 2027. NMC and the General Fund account for the most significant salary and benefit cost increases, as these funds have the greatest number of employees. Other major cost drivers within the salaries and benefits category include pension contributions and health insurance premiums, increasing by \$13.9 million and \$8.4 million over the current year adopted budget (all funds).

Recommended use of fund balance. The General Fund uses fund balance to support departmental programs with restricted fund balance and to fund one-time expenses (\$19.2 million). Other funds with significant fund balance utilization include realignment funds (\$30.7 million) to meet State-County Realignment commitments for public safety, health, and social services programs; Behavioral Health (\$4.5 million) for expanded programs and one-time expenses; and Capital Project Fund (\$16.8 million). NMC expects to improve its fund balance by \$3.5 million.

Infrastructure replacement. The Recommended Budget provides \$50.1 million in appropriations for capital projects such as solar projects within county facilities; continued progress on the Carmel River and Carmel Lagoon floodplain projects; parking lot repaving at the King City Courthouse; repairs and renovation of the women's shelter building; and the Department of Social Services - Seaside Community Benefits Office. Other projects include repairs and/or replacements throughout county buildings occupied by the departments of Health, Elections, Public Defender, and Probation. NMC's

All Funds	2023-24 Actual	2024-25 Adopted	2025-26 Recommended
Expenditures			
Salaries & Benefits	\$ 884.9	\$ 958.6	\$ 1,037.9
Services & Supplies	554.9	524.6	543.7
Other Charges	215.3	126.0	292.4
Fixed Assets	66.4	125.3	107.6
Op. Transfers Out / Other Financing	301.0	268.5	276.3
Contingencies	-	8.4	8.7
Total Expenditures	\$ 2,022.6	\$ 2,011.5	\$ 2,266.7
Revenues			
Taxes	\$ 303.3	\$ 309.0	\$ 322.5
Licenses, Permits & Franchises	30.3	30.1	31.0
Fines, Forfeitures & Penalties	11.9	12.7	13.7
State & Federal Aid	847.5	769.5	919.7
Charges for Services	463.6	486.5	522.2
Other Revenues	410.0	324.1	388.4
Total Revenues	\$ 2,066.6	\$ 1,931.9	\$ 2,197.5
Use of Fund Balance	\$ (44.0)	\$ 79.5	\$ 69.2
FTE Positions	5,844.3	5,897.6	5,780.9

*Amount in Millions, may not add up due to rounding.

capital projects include a comprehensive remodel to the surgical unit and projects to upgrade technology and equipment across the hospital grounds.

Recommended Budget – General Fund

The General Fund supports 3,477.2 authorized positions in 23 offices/departments, which encompass most county services and essential governmental functions, including public safety and criminal justice, health, social services, land use, recreation, environment, administration, and finance. The following is an overview of the General Fund:

General Fund appropriations total \$1,023.7 million next fiscal year, an increase of \$131.4 million over the current year adopted budget.

A technical change that increased appropriations and revenue was the CP charges and credits, which were budgeted as an expense and revenue, respectively, instead of the prior method of contra-expense, where only the expenditure was affected. This change increased General Fund expenditures and revenues by \$65.7 million and \$60.6 million, respectively. Excluding this change, operating expenditures increase by \$65.7 million. Most of the increase is driven by \$48.9 million higher cost for employee salaries and benefits, of which \$28.2 million is due to wage increases from negotiated salary adjustments from labor agreements and backlogged base wage study implementation. The Recommended Budget for the General Fund includes a decrease of 123.5 vacant positions to begin the alignment of operational expenditures with ongoing revenues. Even with a significant reduction of vacant positions, countywide labor cost is the main cost driver. The remaining \$17.7 million increase in the salaries and benefits category is due to rising pension and health insurance costs.

Increases in other areas include: \$12.9 million in higher appropriations to support program growth in clinic services and public health; \$6.1 million higher expenditures due to growth in entitlement programs such as California Work Opportunities and Responsibility to Kids (CalWORKS) and higher expenses associated with placements in foster care for children with acute needs; and \$10.3 million in appropriations related to new state grants supporting homelessness programs.

Revenue increases \$130.7 million over the current year's adopted budget. An increase of \$60.6 million is due to the change in budgeting for CP credit as revenue. The remaining \$70.1 million is derived from program and non-program revenue growth. Program revenue increases by \$59.0 million, with growth driven primarily by: expanded clinic and public health services to meet demand resulting in higher Charges for Services; growth in social service programs such as CalWORKS; increased state grants for homelessness programs; state grant for Pajaro recovery project; and increased realignment transfers to the General Fund for public safety, health, and social service programs. Due to strong assessments, non-program revenue will increase \$11.1 million next year, with most of the increase from property tax revenue (\$10.8 million).

Recommended use of one-time funds includes \$19.2 million to support department programs and funding needs arising from cost pressures. Departmental restricted fund balance is utilized by the Health Department (\$10.5 million) to cover a liability payment to the state related to the true-up of payments (adjustment payment made after an initial estimate or projection, to account for any differences between the initial amount and the actual amount) received and services rendered in health clinics and for environmental health oversight. The Department of Social Services plans to utilize \$2.2 million in restricted funds for its community programs. Public safety departments plan to use \$650,405 in departmental restricted fund balance for expenses that meet the restrictions of the funds. Additionally, the Recommended Budget includes cancellation of assignments, including \$5.4 million from the Contingencies Assignment to partially fund the contingencies

General Fund	2023-24 Actual	2024-25 Adopted	2025-26 Recommended
Expenditures			
Salaries & Benefits	\$ 505.0	\$ 560.7	\$ 606.5
Services & Supplies	186.9	208.5	214.8
Other Charges	83.0	65.6	140.2
Fixed Assets	6.0	14.9	20.5
Op. Transfers Out	49.4	34.2	32.9
Contingencies	-	8.4	8.7
Total Expenditures	\$ 830.2	\$ 892.3	\$ 1,023.7
Revenues			
Taxes	\$ 281.2	\$ 285.2	\$ 297.4
Licenses, Permits & Franchises	29.5	27.1	29.4
Fines, Forfeitures & Penalties	10.8	10.3	11.2
State & Federal Aid	303.9	313.7	343.8
Charges for Services	83.8	87.4	99.1
Other Revenues	156.2	150.1	223.6
Total Revenues	\$ 865.3	\$ 873.8	\$ 1,004.5
Use of Fund Balance	\$ (35.1)	\$ 18.5	\$ 19.2
FTE Positions	3,579.7	3,600.7	3,477.2

*Amount in Millions, may not add up due to rounding.

appropriation in the General Fund and free up resources to fund augmentations for offices/departments impacted by rising cost pressures. Other uses include \$201,612 from the Cannabis Assignment to continue to fund the Climate Action Plan [strategic framework for reducing greenhouse gas (GHG) emissions and adapting to the effects of climate change]; \$125,214 from the Compensated Absences Assignment to fund community requests; and \$22,000 from the General Capital Assignment to fund the Elections Department’s voting equipment.

Provides funding to the Road Fund to support road maintenance. It is recommended that \$6.5 million be contributed to the Road Fund to meet the voter-approved Measure X (Transportation Safety and Investment Plan approved on November 8, 2016, by Monterey County voters) Maintenance-of-Effort (MOE) requirement. This is a reduction of \$3.1 million from the current year’s adopted budget.

Includes Transient Occupancy Tax (TOT) funding for external agencies that support public safety and promote tourism, arts, and economic development. The Recommended Budget provides for contributions to Development Set Aside (DSA) Agencies, fire agencies, and 9-1-1 user agencies. Contributions to the DSA agencies and the Monterey County Business Council (MCBC) total \$2.2 million in the next fiscal year, a reduction of \$842,975 from the current year’s adopted budget. Discretionary contributions of Proposition 172 (1993) (Public Safety Sales Tax) funds to the fire agencies and 9-1-1 dispatch center user agencies total \$4.1 million and \$2.2 million, respectively.

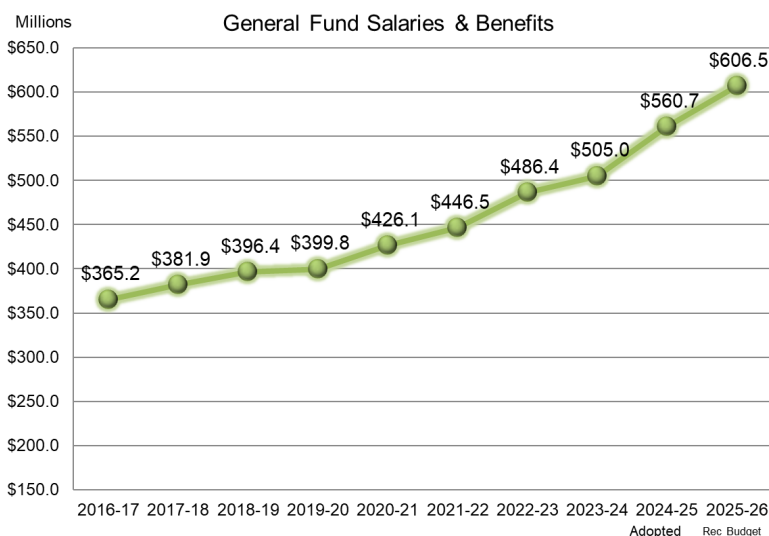
The recommended contributions to the Road Fund and the DSAs represent reduced amounts of \$4.1 million combined from their established formulas. These were redirected to fund county departmental requests impacted by cost pressures discussed below.

Fiscal Pressures Shaping the General Fund Budget

The following section outlines major cost drivers that are affecting the General Fund:

Employee compensation and growing workforce.

Salaries and benefits of \$606.5 million increased by \$45.9 million (8.2%) over the current year adopted budget. This includes wages of \$352.6 million that are \$28.2 million (8.9%) higher than the current year adopted budget, this is after county offices and departments included salary savings of \$33.7 million, primarily in the Departments of Health and Social Services, for expected vacant positions estimated at a 9% savings. The increase is prominent in FY 2025-26 because most bargaining units reached labor agreements in FY 2024-25 with wage increases that were effective in the current year, but unbudgeted. Many of the labor groups received a 4% COLA during the current fiscal year and will receive 4% increases in the next two fiscal years, with most agreements expiring June 30, 2027. Additionally, some classifications received wage adjustments due to backlogged base wage studies, and the County continues to undertake compensation studies for various classifications, typically resulting in higher compensation.

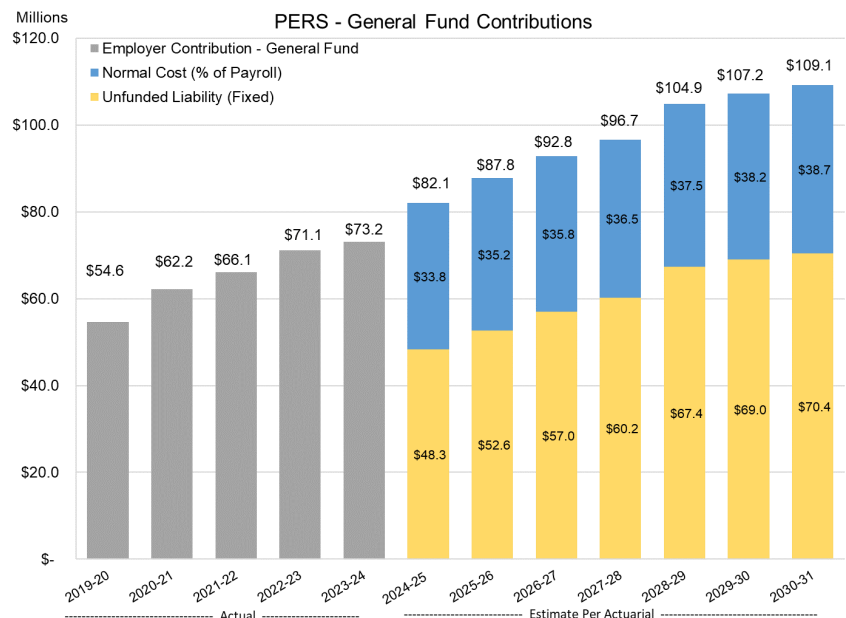


The Recommended Budget eliminates vacant positions for some offices and departments. A decrease of 123.5 positions (-3.4%) is recommended in the General Fund from the current year’s adopted budget. Despite the reduction of vacant positions, the growth in salaries and benefits costs remain considerable and is one of the main cost drivers.

The impact of salaries and benefits has continued to magnify over the years, as wage increases from the prior year, rising pension costs, and health insurance premium increases accumulate. Additionally, over time, the County has added staff to its workforce, contributing to the growth in salaries and benefits. Employee salaries and benefits are the County’s most significant cost, representing 63.0% of the General Fund budget. The cost has grown from \$365.2 million in FY 2016-17 to \$606.5 million in FY 2025-26, an increase of \$241.4 million (66.1%). Through the current year adopted budget, General Fund positions increased by 149 (4.3%) since FY 2016-17; however, the Recommended Budget reduces positions by 123.5 (-3.4%) from the adopted budget. This position level is only 25 positions higher than in FY 2016-17, but the cost is 66% higher.

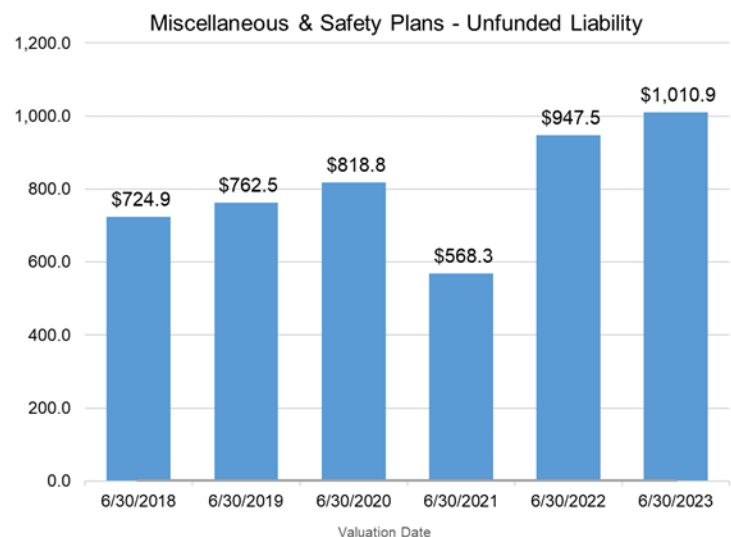
Pension contributions continue to increase. Contributions to the CalPERS pension fund have increased significantly since FY 2017-18 due to changes in CalPERS’ actuarial methodology and funding policies. Significant changes include lowering the discount rate to reflect CalPERS’ expected return on investments, updating demographic assumptions that show retirees live longer and require higher lifetime payouts of benefits, and accelerating payment of unfunded liabilities by changing amortization policies. Part of the pension contributions go toward paying down unfunded liabilities; since FY 2017-18, this portion of the payment is fixed and not based on payroll, protecting the pension fund in situations where employers have declining payroll.

The projections in the PERS – General Fund Contributions chart are based on CalPERS’ actuarial valuations, which are built on actual payroll data obtained by CalPERS, and therefore, based on existing staffing levels and do not account for new positions. These estimates are based on current pension plans and assume no gains or losses to the current portfolio. Changes in any of the preceding matters will impact required contributions. The chart reflects the projected fixed contributions toward unfunded liabilities, about 60% of the total contributions. The Recommended Budget includes funding for required employer contributions for regular costs and unfunded liability. The estimated \$52.6 million in the General Fund and \$81.2 million, including all funds, go toward paying down the County’s unfunded pension liability.



Pension costs also impact county employees. Over the years, employees have also contributed to the CalPERS pension fund because of ongoing fiscal pressures and pension reform. In the upcoming fiscal year (FY 2025-26), based on actuarial information, employees will contribute an estimated \$38.3 million for all funds into the miscellaneous and safety pension plans.

Unfunded pension liabilities. Despite rising employee and employer contributions toward pensions, the County has an unfunded liability of \$1.0 billion for the Miscellaneous and Safety Plans as of the latest valuation report by CalPERS, an increase of \$63.4 million from the previous report. The significant jump in unfunded liability as of June 30, 2022 was due to investment losses realized. Investment returns have since improved; however, unfunded liability is not expected to improve dramatically. As of June 30, 2023, the return on investment is still under the assumption of 6.8% utilized by CalPERS. Moreover, the unfunded liability is also affected by amortization policies on losses and other assumptions, such as higher projected benefits and covered payroll.



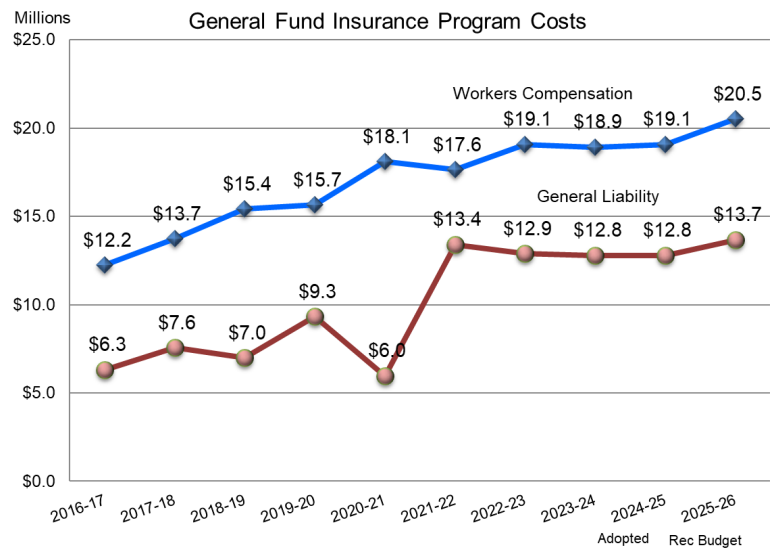
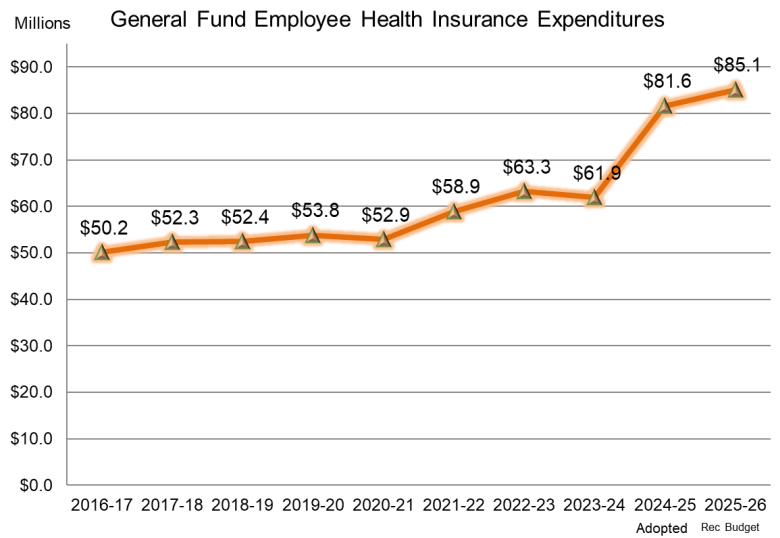
The Board of Supervisors adopted a pension liability policy on June 2, 2021 (Resolution 21-147), and the County established an Internal Revenue Service (IRS) Section 115 pension trust, which serves as an investment vehicle outside of the County’s Treasury Pool to generate proceeds to address future pension liability obligations. The County had previously implemented a supplemental pension contribution charge to offices and departments to contribute on an ongoing basis to the pension trust fund; the last contribution charged to offices and departments was in FY 2023-24 (\$10.9 million in the General Fund and \$15.2 million in all funds). The charges were suspended in the FY 2024-25 Recommended Budget as resources were redirected to other critical programs and services. Although there is no planned contribution to the pension trust, the Recommended Budget includes \$6.3 million from the trust to pay toward the unfunded accrued liability payment, representing the increase in the Miscellaneous and Safety plans in FY 2025-26 across all funds.

Health insurance premiums continue to rise. The Recommended Budget includes \$85.1 million for health insurance costs, an increase of \$3.5 million (4.3%) over the FY 2024-25 Adopted Budget. Recent increases beginning in FY 2022-23 result from higher contributions for premiums under negotiated labor contracts. Another factor impacting the increase is position growth over the years. Historically, the County has absorbed yearly premium increases, which is a significant cost pressure. The County's cost of health care insurance has cumulatively increased by \$34.9 million (70% increase) since FY 2016-17.

It should be noted that the County typically has salary and benefit savings due to vacancies. The budget figures on the Health Insurance Expenditures chart for FY 2024-25 and FY 2025-26 do not reflect savings. However, salary savings/vacancy assumptions are factored into the overall salary and benefit figures in the adopted and recommended budgets to account for the potential lower number of filled positions.

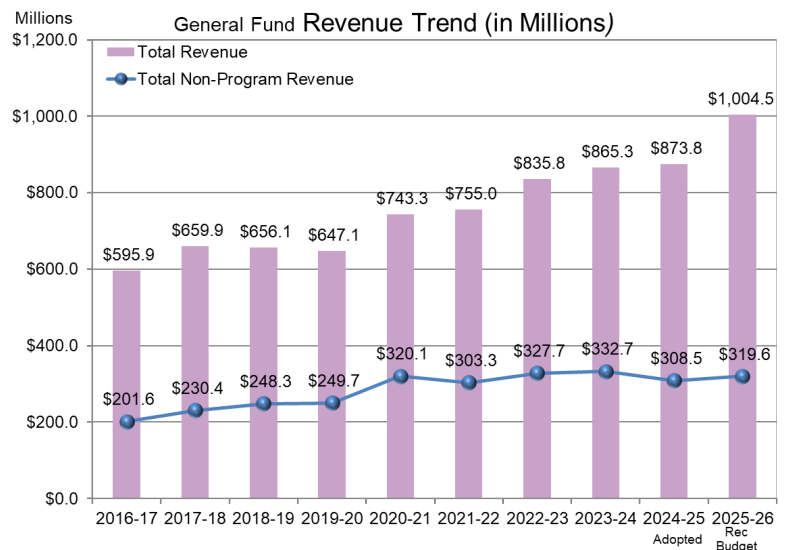
Workers' Compensation and General Liability program costs. In recent years, costs for Workers' Compensation (WC) and General Liability (GL) have levelled off. However, costs are still significant for the County and are \$15.6 million (84.3%) higher than in FY 2016-17. Both programs are forecasted to increase 10-15% in the following two fiscal years. Additionally, the programs may be impacted by changes in actual claims as compared to the actuarial estimates and by investment return on assets.

The General Fund Insurance Program Costs chart reflects the historical trend for WC and GL costs. Due to budgetary constraints, the decrease in FY 2020-21 for GL costs reflects the suspension of approximately \$8.5 million in charges of GL non-recoverable costs to General Fund offices and departments. That was a one-time funding solution, and in FY 2021-22, the increased costs resumed. The WC and GL insurance programs are based on a 70% funding confidence level.



General Fund Revenue

Overall, General Fund revenue increases by \$130.7 million in the next fiscal year. Excluding the change in the CP credits (\$60.6 million), General Fund revenue increases by \$70.1 million. Significant increases come from federal and state aid for caseload and grant increases in CalWORKs in the Department of Social Services, increased charges for services in the Health Department due to the expansion of clinic services and public health programs, and new grant revenue for homelessness strategies and initiatives programs. Additionally, offices and departments are utilizing about \$15.0 million more in realignment funds over the current year adopted budget for social service, health, and public safety programs in the General Fund. General Fund revenue comprises about two-thirds of



the program revenue generated by offices and departments for their specific programs, and about one-third is discretionary revenue.

Discretionary revenue increases \$11.1 million (3.6%) from the adopted budget. The bulk of the increase is due to property tax, since assessments remain strong and are anticipated to increase by \$10.8 million based on projections from the Assessor's Office. Other positive changes to discretionary revenue include \$1.9 million of the new Transaction and Use (Measure AA), a 1% tax in the County's unincorporated areas, and slightly higher TOT and franchise fees. Offsetting decreases include eliminating \$1.8 million of budgeted ARPA revenue since that funding concluded in the current year, in addition to lower cannabis tax, tobacco settlement funds, and sales and use tax based on current collection trends.

Revenue	2023-24 Actual	2024-25 Adopted	2025-26 Recommended	Change from Rec. to Adopt.
Property Tax	222,691,362	226,902,085	237,714,460	10,812,375
Transient Occupancy Tax	38,564,453	38,838,898	39,227,287	388,389
Cannabis Tax	4,992,948	4,000,000	3,500,000	(500,000)
Vehicle License Fees	453,686	270,725	458,205	187,480
Sales & Use Tax	14,968,064	15,465,502	15,088,516	(376,986)
Transaction & Use Tax	0	0	1,873,677	1,873,677
Franchise Fees	9,251,576	7,151,144	7,801,216	650,072
Tobacco Settlement	3,819,638	4,283,004	3,819,638	(463,366)
Federal Aid	17,067,809	1,823,993	0	(1,823,993)
Other	20,915,109	9,725,586	10,094,176	368,590
Total	332,724,645	308,460,937	319,577,175	11,116,238

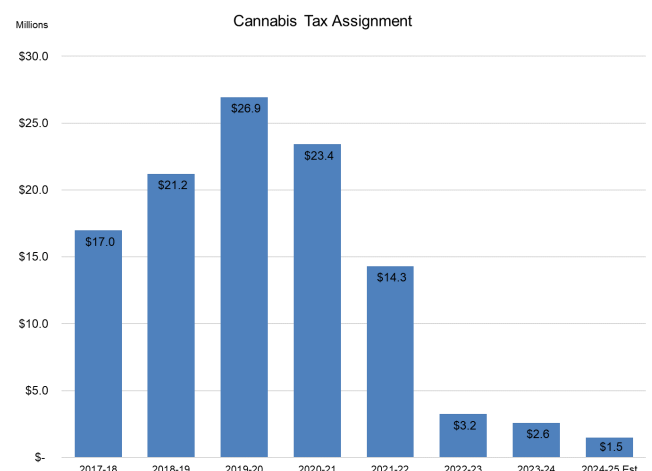
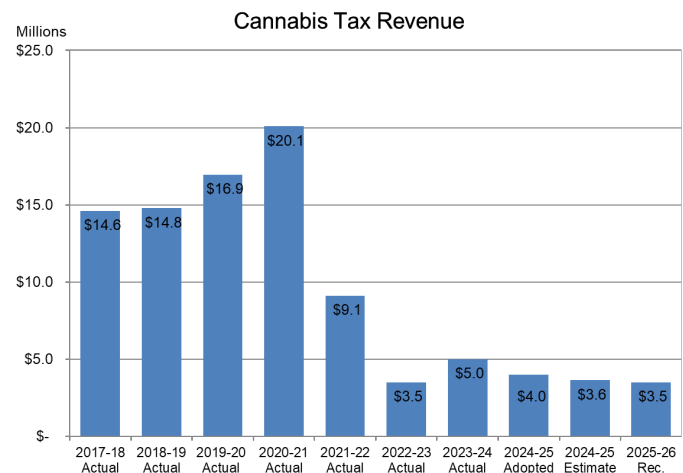
The next fiscal year assumes no negative developments and that current economic conditions do not deteriorate. It is important to note that TOT is highly sensitive to the economy, and a recession would rapidly impact this revenue, as well as sales and use tax revenue.

Cannabis Revenue and Assignment

Previously, cannabis revenues were utilized for the cannabis regulation program only, with excesses reserved in an assignment for Board of Supervisors-directed purposes. Beginning FY 2020-21, the Board of Supervisors approved all ongoing cannabis revenue as discretionary revenue, providing offices and departments with funds to continue programs at risk due to insufficient funding.

During FY 2021-22, the Board of Supervisors approved reductions to cannabis tax rates, resulting in a decrease of \$9.7 million from the \$18.8 million budget. The FY 2022-23 Adopted Budget included \$7.4 million; however, due to further reductions approved by the Board of Supervisors, actual revenues were \$3.5 million. The FY 2023-24 actuals increased over the prior year, primarily due to payment plans for deferred taxes for previous years. The current year estimate reflects lower than budgeted cannabis revenue of about \$400,000. The Recommended Budget includes \$3.5 million based on the latest information, including current square footage and rates. Further tax reductions, payment arrangements, or closures would impact the actual revenue received, creating an imbalance in the budget requiring modifications.

The Board of Supervisors has funded many critical needs over the years through the assignment. The balance was estimated to be depleted by FY 2024-25 due to approved uses in the adopted budget. The revised balance reflects a \$1.1 million swap of funding from the Sheriff's Office body-worn cameras of previously allocated cannabis in the current year to ARPA funds, which freed up Cannabis Assignment dollars. No additions to the assignment are anticipated, given the reduced cannabis revenue. Still, there may be lower uses to the extent authorized uses have lower expenses due to program or project completion delays.



Baseline Budgets and Requested Augmentations

In March, the County Administrative Office presented the Financial Forecast, which estimated a deficit of \$43.3 million for FY 2025-26 due to significant cost pressures, resulting predominantly from wage increases stemming from approved labor agreements and backlogged base wage study implementations. Additional cost pressures include rising pension and health care costs. Contributing to the deficit, was the elimination of one-time funding solutions used in the FY 2024-25 Adopted Budget including \$5.2 million of Unassigned Fund Balance used to fund ongoing needs; and the suspension of the supplemental UAL contribution to the Pension Trust Fund, which was a one-time funding solution that provided \$10.4 million in FY 2024-25 to fund augmentations. These sources are unavailable, yet costs continue to outpace other ongoing resources.

In March, departments submitted initial baseline budgets, which communicated what level of operations can be afforded with preliminary General Fund Contributions (GFC). General Fund office and departments start out with a base-level GFC allocation, adjusted for variances in WC and GL payments and CP charges, so that it remains budget neutral. Initially, all discretionary revenue growth was allocated to offices and departments for utilization in baseline budgets.

At the March 25, 2025 Budget Workshop, the Board of Supervisors was presented with the status of the baseline budgets and requested augmentations, and the Board provided direction to staff. The County Administrative Office presented available one-time funding options for augmentations and potential redirection of resources to maintain critical programs and services at risk of elimination.

County offices and departments reduced baseline budgets to meet allocated GFC targets. They submitted augmentation requests for gaps in funding status quo operations because of cost pressures, for expansion of programs, adding new programs, and for infrastructure. General Fund office and departments reduced 201 positions from their baseline budgets to meet their GFC targets. Offices and departments did not request to restore all eliminated positions; for example, the Department of Social Services deleted 79 positions and only submitted augmentations for three, while the Department of Child Support Services permanently eliminated nine. These departments are eliminating vacant positions to align expenditures with ongoing revenues, as revenues are not keeping pace with costs. General Fund office and departments requested augmentations for 49.1 filled and 62 vacant positions to maintain status quo operations.

General Fund augmentation requests totaled \$57.9 million in expenditures, offset by \$1.5 million of revenues, for a net request of \$56.4 million. Augmentations for capital projects totaled \$64.2 million, and details of the requests are included in Attachment A. The following table breaks out augmentations in the General Fund and other funds.

Requested Augmentations by Fund	Req. FTE	Sum of Exp.	Sum of Rev.	Net Request	Rec FTE	Sum of Recommended
1001						
General	180.6	57,849,125	1,474,995	56,374,130	62.1	13,124,798
Contribution to Other Funds	-	308,226	-	308,226	-	208,226
New Mandated Program/Service w/ General Fund Funding	-	738,000	-	738,000	-	415,797
New Program/Service w/ General Fund Funding	1.0	3,733,329	-	3,733,329	-	463,787
New Program/Service w/ Outside Funding	2.0	561,482	561,482	-	2.0	-
Request New Position	66.5	12,092,608	727,055	11,365,553	7.0	(2)
Status Quo Filled Position	49.1	8,714,620	-	8,714,620	49.1	8,714,594
Status Quo Other	-	21,472,251	-	21,472,251	-	3,046,280
Status Quo Vacant Position	62.0	10,228,609	186,458	10,042,151	4.0	276,116
1310						
Behavioral Health	7.0	2,104,141	2,104,141	-	7.0	2
Request New Position	7.0	2,104,141	2,104,141	-	7.0	2
1331						
Health and Welfare Realignment Public Health	-	299,822	-	299,822	-	299,822
Request New Position	-	299,822	-	299,822	-	299,822
1340						
Emergency Communications	6.0	972,156	972,156	-	6.0	-
Status Quo Vacant Position	6.0	972,156	972,156	-	6.0	-
1380						
Hitchcock Road Animal Services	-	644,196	316,364	327,832	-	75,000
New Program/Service w/ General Fund Funding	-	644,196	316,364	327,832	-	75,000
1930						
Capital Projects	-	64,216,413	-	64,216,413	-	-
Capital Improvements	-	64,216,413	-	64,216,413	-	-
2020						
Parks Lake and Resort Operations	-	1,000,000	-	1,000,000	-	-
Capital Improvements	-	1,000,000	-	1,000,000	-	-
Grand Total	193.6	127,085,853	4,867,656	122,218,197	75.1	13,499,622

Position impacts \$19.2 million. Position-related impacts for baseline budgets included \$8.7 million for 49.1 filled positions including five sworn officers and 15 professional positions in the Sheriff's Office; 13 positions in the District Attorney's Office; 15 positions in the Office of the Public Defender; one position in the Department of Emergency Management; and

a partially filled position in Cooperative Extension. Offices and departments requested \$10.2 million to restore 62 vacant positions in the General Fund, including 29 positions in the Sheriff's Office which consists of 16 sworn officers and 13 professional positions; the District Attorney's Office included 13 vacant positions which consists of nine attorneys and four support positions; nine positions in the Public Works, Facilities and Parks Department; three positions in the County Counsel's Office; three positions in the Department of Social Services including two for community benefits and one for CalWORKs; two positions in the Human Resources Department; and three positions in the Assessor's Office. Additionally, \$308,226 was requested to restore non-General Fund positions at risk of elimination, including six vacant dispatcher positions in the Emergency Communications Department.

Other status quo needs \$21.5 million. County offices and departments requested other status quo needs to continue current service levels. Examples of these requests include the Department of Emergency Management's Emergency Operations Center budget; the Elections Department's operational costs to carry out a scheduled primary election; the Housing and Community Development Department's on-call services for building and planning; the Public Works, Facilities and Parks Department custodial and security services for county facilities, unscheduled maintenance at county facilities, contributions to Vehicle Asset Management Program (VAMP), temporary staff for lakes; the County Administrative Office's Sustainability Program's funding for the Climate Action Plan; the Human Resources Department legal service related to labor negotiations; the Department of Social Services Out-of-Home care costs for placement of children in foster care and General Assistance; the Sheriff's Office inmate medical care and body-worn cameras; and a range of other needs across offices and departments to meet status quo operations.

New positions \$11.4 million. County offices and departments requested 73.5 new positions; including 47 for \$10.0 million for 34 sworn officer positions and 13 professional positions in the Sheriff's Office; 16 in the Health Department with offsetting program revenue (including seven positions in their Behavioral Health Bureau); 4.5 in Public Works, Facilities and Parks for \$313,781; three were requested for the Department of Emergency Management for \$526,906; and the remainder were requested in the Human Resources Department (1.0), Information Technology Department (1.0), and Clerk of the Board's Office (1.0).

New Programs \$5.0 million. Requests include general plan housing update; Chualar community plan; funding for the Emergency Operations Plan; low-cost spay and neuter mobile clinics; funding for four new positions in Animal Services leveraging funding from the shared cost with City of Salinas; technology for land use permitting; implementation new Civil Rights programs; funding to install additional Flock Safety cameras [security system that utilizes Automatic License Plate Readers (ALPRs) to capture vehicle data] throughout the County; upgrade for a computer system at the County Jail; preventative maintenance at county facilities; and enhanced security service at county office buildings. There are an additional three new positions requested under new programs: two new investigators in the District Attorney's Office and one Management Analyst in Department of Emergency Management.

Capital Projects \$64.2 million. The Public Works, Facilities and Parks Department submitted requests for capital projects including improvements to county-owned buildings, library projects, improvements and repairs to Lake San Antonio, and repairs at several County Sanitation Districts and County Service Areas. The Information Technology (IT) Department also submitted requests for IT infrastructure projects.

Recommended Augmentations

During the March Budget Workshop, the Board of Supervisors gave general suggestions to the County Administrative Office. The feedback from the workshop resulted in the prioritization of augmentation requests to the extent of resource availability. As in prior years, the baseline budget allocated all discretionary revenue to departments. Revisions to discretionary revenue provided \$1.0 million for augmentations. Alternative funding sources were identified, primarily consisting of \$5.4 million of reserve funds designated for contingencies; \$4.1 million in TOT funds that were redirected from contributions to the Road Fund and DSA agencies; \$1.9 million in revenue from of a new 1% Transaction and Use Tax (Measure AA); and \$348,824 in use of assigned funds. The primary funding sources for recommended augmentations include:

- **\$5.4 million Contingency reserve funds utilized to fund the contingency appropriation, which freed up discretionary revenue to fund augmentations.** Reserve funds were identified to fund the appropriation contingency within the Recommended Budget, initially funded with discretionary revenue. This funding is not from the contingency appropriation itself, which is fully funded for unplanned contingencies during the budget year. This allowed discretionary revenue funds initially used for the contingency appropriation to be reallocated to fund 22 filled positions within the Sheriff's Office and the District Attorney's Office, as well as other critical programs within the Departments of Social Services and Public Works, Facilities and Parks.

- **\$4.1 million in redirected TOT funds.** The Recommended Budget redirects \$3.2 million of the Road Fund contribution (reduces from \$9.6 million to \$6.5 million) and \$881,585 from the DSAs (reduces from \$3.0 million to \$2.2 million) to fund 20 filled positions within the District Attorney's Office and the Office of the Public Defender.
- **\$1.9 million in new Measure AA funds.** Those augmentations determined to meet the criteria for the newly passed ordinance establishing a 1% transaction and use tax in county unincorporated areas, fund three filled sworn officers in the Sheriff's Office, spay and neuter clinics, and the Housing and Community Development Department's planning programs.
- **\$1.0 million discretionary revenue.** Revenue projections were revised after baseline submissions, primarily from positive property tax projections based on the Assessor's data and slight reductions to other sources, with a net positive result to fund augmentations for filled positions in the Office of the Public Defender and the Department of Emergency Management.
- **Other one-time funds.** The Cannabis Assignment (\$201,612) is funding the Climate Action Plan in the County Administrative Office's Sustainability program, for which funds are carried over from the current year; the Compensated Absences Assignment (\$125,214) and other one-time reallocated funds (\$374,786) were utilized to fund \$500,000 for community requests; and \$22,000 from the General Capital Assignment is used to fund the Elections Department's voting equipment.

General Fund Augmentations - In reviewing requests for augmentation, recommendations were prioritized based on feedback received at the Budget Workshop. Augmentation requests were prioritized with at-risk filled and vacant positions, leveraging sustainable revenue from other agencies. Additionally, recommendations for critical programs and services were shared, albeit in some cases, funding was recommended at a lower amount due to funding constraints. In total, \$13.1 million (net of offsetting revenues) was recommended in augmentations in the General Fund.

Fund / Department	Rec. FTE	Expenditures	Revenues	Net Request	Recommended
1001	62.1	15,866,687	1,288,537	14,578,150	13,124,798
Assessor-County Clerk-Recorder	3.0	403,114	-	403,114	-
Board of Supervisors	0.0	500,000	-	500,000	500,000
Civil Rights Office	0.0	24,000	-	24,000	18,000
Cooperative Extension Service	0.1	9,219	-	9,219	9,219
County Administrative Office	0.0	509,838	-	509,838	409,838
Department of Emergency Management	1.0	129,370	-	129,370	129,370
District Attorney	15.0	3,324,944	561,482	2,763,462	2,763,462
Elections	0.0	22,000	-	22,000	22,000
Health	5.0	848,837	727,055	121,782	89,998
Housing and Community Development	0.0	1,123,787	-	1,123,787	936,287
Public Defender	15.0	2,865,882	-	2,865,882	2,865,873
Public Works, Facilities and Parks	2.0	903,000	-	903,000	673,047
Sheriff-Coroner	21.0	3,222,805	-	3,222,805	3,222,786
Social Services	0.0	1,979,891	-	1,979,891	1,484,918
1310	7.0	2,104,141	2,104,141	-	2
Health	7.0	2,104,141	2,104,141	-	2
1331	0.0	299,822	-	299,822	299,822
Health	0.0	299,822	-	299,822	299,822
1340	6.0	972,156	972,156	-	-
Emergency Communication	6.0	972,156	972,156	-	-
1380	0.0	200,000	98,220	101,780	75,000
Health	0.0	200,000	98,220	101,780	75,000
Grand Total	75.1	19,442,806	4,463,054	14,979,752	13,499,622

Recommended augmentations approve 50.1 filled and 3.0 vacant unfunded positions. The requested augmentations reflect 49.1 filled requested positions; however, one vacant position was filled as of this writing and thus was recommended for funding. Augmentations also approved nine new positions, entirely funded with departmental revenue, including five in Health, two in the District Attorney's Office, and two in Public Works, Facilities and Parks. Recommended augmentations include:

- \$3.2 million for the Sheriff's Office, including \$2.5 million from contingency reserve and \$749,888 in Measure AA funds for 20 filled and one vacant position augmentation, which has subsequently been filled. Those filled include five deputies, one sergeant, and 15 professional positions. The Measure AA funds were utilized for two deputies and a sergeant.

- \$2.9 million for the Office of the Public Defender, including \$2.0 million from redirection of TOT funds and \$0.9 million from discretionary revenue to fund 15 filled positions. Those filled include two investigators, five attorneys, five legal secretaries, an accountant, an account clerk, an administrative secretary, and five temporary positions.
- \$2.8 million for the District Attorney's Office, including \$2.1 million from redirection of TOT funds and \$0.7 million of contingency reserve to fund 13 filled positions. Those filled include nine criminal attorneys, three criminal investigators, and one civil investigator. Two new investigators were funded with departmental program revenue.
- \$1.5 million for the Department of Social Services, including \$1.1 million to fund the Out-of-Home Care program for the placement of children with acute needs in foster care, and \$359,918 for the General Assistance Program, both funded from the contingency reserve.
- \$936,287 for the Housing and Community Development Department from Measure AA funds for consultant services for planning and building checks, the Chualar community plan, and the General Plan Update.
- \$673,047 for the Public Works, Facilities, and Parks Department, including \$534,750 from contingency reserve to fund custodial service; \$97,500 from Measure AA funds for temporary Parks staff; and \$40,797 from restricted funds for Lake San Antonio landfill gas monitoring. Additionally, two new sanitation worker assistants were added, funded by sanitation district revenue.
- \$500,000 for the Board of Supervisors to fund community requests in their respective districts, funded by a one-time reallocation of GFC and Compensated Absences Assignment.
- \$409,836 to the County Administrative Office, including \$201,610 from the Cannabis Assignment for the Climate Action Plan and \$208,226 from the contingency reserve for the County's share-of-cost of the Emergency Communication Department's request to fund six vacant dispatcher positions, leveraging funds from other user agencies.
- \$129,370 for the Department of Emergency Management to fund a filled administrative secretary position.
- Other augmentations include \$90,000 to the Health Department for spay and neuter clinics and overtime for enforcement of unpermitted food operations; \$22,000 to the Elections Department for voting equipment; \$18,000 to the Civil Rights Office for investigations; and \$9,219 to the Cooperative Extension to restore a partially filled position. Additionally, the Assessor's Office was approved to retain its three requested vacant positions without funding.

Remaining Unfunded Needs

Remaining unfunded requests are described below and Attachment A includes further details. Unfunded requests total \$42.0 million. Capital project augmentations totaling \$64.2 million were not included in the Recommended Budget and will be presented for consideration at the Budget Hearings; the capital project augmentations list is provided in Attachment A.

Fund / Augmentation Category	Req FTE	Expenditures	Revenues	Net Request
General				
1001	118.5	41,982,438	186,458	41,795,980
New Mandated Program/Service w/ Ge	0.0	178,000	-	178,000
New Program/Service w/ General Fund	1.0	3,237,762	-	3,237,762
Request New Position	59.5	11,365,551	-	11,365,551
Status Quo Other	0.0	17,651,748	-	17,651,748
Status Quo Vacant Position	58.0	9,549,377	186,458	9,362,919
Hitchcock Road Animal Services				
1380	0.0	444,196	218,144	226,052
New Program/Service w/ General Fund	0.0	444,196	218,144	226,052
Grand Total	118.5	42,426,634	404,602	42,022,032

New position requests. A total of 60.5 new positions (\$11.6 million) were not recommended including: 47 positions in the Sheriff's Office (\$10.0 million) which included 34 sworn officer and 13 professional staff positions to expand managerial oversight and increase jail and patrol staffing; three positions in the Department of Emergency Management (\$526,906) including a public information specialist and two new management analyst positions; 2.5 positions in the Public Works, Facilities, and Parks Department (\$313,781) including a real property specialist, a half-time fleet position, and a supervising sanitation worker; four positions in the Health Department (\$226,052) for animal services; and other new position requests in the Clerk of the Board's Office, the Human Resources Department, and Information Technology Department.

Vacant positions eliminated or unfunded. Unfunded vacant positions totaled 58 for \$9.4 million. The table below lists the offices and departments that requested augmentations for vacant positions, but were not recommended:

Fund / Augmentation Category	Req FTE	Expenditures	Revenues	Net Request
Status Quo Vacant Position				
1001	58.0	9,549,377	186,458	9,362,919
County Counsel	3.0	569,786	-	569,786
District Attorney	13.0	1,811,936	-	1,811,936
Human Resources	2.0	421,914	-	421,914
Public Works, Facilities and Parks	9.0	1,274,018	-	1,274,018
Sheriff-Coroner	28.0	5,098,809	-	5,098,809
Social Services	3.0	372,914	186,458	186,456
Grand Total	58.0	9,549,377	186,458	9,362,919

Other status quo needs. County offices and departments requested other augmentations to maintain status quo operations, totaling \$17.7 million. Unfunded requests include the Elections Department for \$1.5 million to carry out the Primary Election in 2026; the Public Works, Facilities, and Parks Department had \$3 million in unfunded requests for unscheduled facilities maintenance (\$1.0 million), security services at county facilities (\$1.1 million), Carmel Lagoon sandbar management, contribution to VAMP, encampment cleanup, and Ford Ord maintenance (\$960,564 combined requests); Sheriff's Office had \$11.3 million to continue the agreement for body-worn cameras (\$2.2 million), inmate medical care anticipated increase (\$7.2 million), and overtime (\$2.0 million); and the Department of Emergency Management had \$693,542 for the Emergency Operations Center Budget (\$600,000) and the management of the Assembly Bill 102 (Chapter 38, Statutes of 2023) grant.

New mandated programs. Requests for \$140,000 for the Emergency Operations Plan and \$38,000 for Civil Rights Act Plan implementation (Title VI) remain unfunded.

New or expanded programs remain unfunded. The Public Works, Facilities, and Parks Department for \$1.7 million in requests, such as preventative maintenance (\$1.0 million), new mobile shred truck (\$386,520), and enhanced security services at county offices (\$350,000 combined requests) were not included in the Recommended Budget. The Sheriff's Office for \$1.2 million in requests, including an upgrade to the jail computer system (\$800,000) and installing additional Flock Security cameras throughout the County to enhance public safety and security (\$400,000) were not included in the Recommended Budget.

Unfunded Capital Projects. Capital improvement requests of \$64.2 million are not included as they are unfunded. These include improvements to the various county-owned facilities, such as Schilling Campus, the County Jail, juvenile hall, libraries, the Lakes, etc.

Next Steps

The Recommended Budget will be presented at the Budget Hearings commencing on May 28th. The County Administrative Office will present an overview of the spending plan, and the Board of Supervisors will hear presentations from Elected Officials and Appointed Department Heads. In addition, input from individuals and organizations within the community is anticipated. During the budget hearings, the Board may make additions, reductions, or modifications to the recommended spending plan, and can consider other options, presented below, for potential funding of additional requests.

- **Contingencies appropriation.** Per the General Financial Policy, the budget includes 1% of estimated General Fund revenues (\$8.7 million for FY 2025-26) for operational contingencies that arise in the next fiscal year. Contingencies are considered one-time funding; therefore, to the extent these funds are utilized to fund ongoing operations, funding gaps will emerge in the subsequent budget cycle.
- **Cannabis Tax Assignment.** The Cannabis Assignment is estimated to have a balance of \$1.3 million available. The assignment is considered one-time funding; therefore, to the extent these funds are utilized to fund ongoing operations, funding gaps will emerge in the subsequent budget cycle.
- **Measure AA Funds.** The Board enacted a new sales tax ordinance providing a 1% transaction and use tax effective April 1, 2025. The Recommended Budget incorporates \$1.9 million of these funds. This new revenue source is considered ongoing; however, caution is warranted as it has no established historical trend.
- **Redirection of resources.** The Board can direct the deletion or modification of county programs or contributions to other agencies funded in the Recommended Budget and redirect those resources to fund other requests.

Other Funds

This section summarizes the Recommended Budget and anticipated fund balance for other major funds. Fund balance information for FY 2023-24 is derived from the County's financial system, which is different than what is presented in the Annual Comprehensive Financial Report (ACFR), which contains adjustments required per the Governmental Accounting Standards Board (GASB) to report changes in fair market value of investments.

Natividad Medical Center (NMC)

Natividad Medical Center	Actuals 2023-24	Adopted Budget 2024-25	Current Year Estimate 2024-25	Recommended 2025-26
A. Beginning Fund Balance	\$ 359,530,015	\$ 373,483,649	\$ 373,483,649	\$ 386,937,108
B. Revenue	435,085,481	440,185,028	600,632,056	545,093,167
C. Use of Fund Balance	-	-	-	-
D. Total Financing, A+B+C	794,615,496	813,668,677	974,115,705	932,030,275
E. Expenditures	421,131,847	426,455,576	587,178,597	531,635,150
F. Assignments to Fund Balance	-	-	-	-
G. Total Financing Uses, E+F	421,131,847	426,455,576	587,178,597	932,030,275
H. Ending Fund Balance, D-G	\$ 373,483,649	\$ 387,213,101	\$ 386,937,108	\$ 400,395,125

The Recommended Budget for the NMC Enterprise Fund totals \$531.6 million in expenditures, financed by \$545.1 million in revenue, resulting in a \$13.2 million (3.5%) increase in fund balance.

Personnel and medical operating costs are the most significant cost drivers in the budget. Personnel costs are budgeted at \$319.9 million, an increase of \$33.7 million (11.8%) from the FY 2024-25 Adopted Budget. The increase is attributed to additional full-time equivalent (FTE) positions where the growth is primarily in nursing and volume-driven departments such as Medical/Surgical and Emergency. Employee step advances, higher employee benefit costs, and pay raises also contribute to the increase in personnel costs. Services and supplies are budgeted at \$105.1 million, a decrease of \$6.8 million from the FY 2024-25 Adopted Budget, primarily due to decreases in medical supplies and professional services usage. The remaining increase of \$79.3 million in expenditures is due to Intergovernmental Transfers (IGT) for various government funding programs, previously budgeted as a net amount, offsetting revenues.

The \$104.9 million increase in revenue over the FY 2024-25 Adopted Budget is primarily attributed to increased revenues from patient services and intergovernmental funding. In December 2021, the California Department of Health Care Services announced the approval of California Advancing and Innovating Medi-Cal (CalAIM) by the Centers for Medicare and Medicaid Services (CMS). This is the new waiver for California's public safety net providers effective January 1, 2022 through December 31, 2026.

CMS continues to evaluate the funding levels and regulations for Medicaid funding. NMC will monitor the CalAIM initiative to assess its impacts on reimbursement and inpatient/outpatient hospital service utilization. CalAIM may become the proposed model for a new five-year Medicaid waiver through CMS with different reporting requirements and new payment methodology. NMC has a capital project fund for projects exceeding \$100,000 in cost. NMC transfers funding as needed from the enterprise fund to the capital project fund and draws from the fund to pay for the projects.

Road Fund

Road Fund	Actuals 2023-24	Adopted Budget 2024-25	Current Year Estimate 2024-25	Recommended 2025-26
A. Beginning Fund Balance	30,858,217	26,682,096	26,682,096	8,726,384
B. Revenue	81,540,715	61,290,800	62,439,232	60,746,391
C. Total Financing, A+B	112,398,932	87,972,896	89,121,328	69,472,775
D. Expenditures	85,716,836	77,900,547	80,394,944	61,420,006
E. Ending Fund Balance, C-D	26,682,096	10,072,349	8,726,384	8,052,769

The Recommended Budget for the Road Fund includes \$60.1 million in expenditures, supported by an estimated \$60.7 million in revenues, requiring the use of \$673,615 in fund balance.

The Road Fund has multiple funding sources, including the State Highway User Tax Account (HUTA); TOT; Road Maintenance and Rehabilitation Account (RMRA)/Senate Bill 1 (SB1)(Chapter 5, Statutes of 2017); local use tax ordinance Measure X; grants and programs such as the Federal Highway Administration (FHWA) and Regional Surface Transportation Block Grant Program (RSTP); and non-road reimbursable work.

Based on the Board of Supervisors' adopted General Financial Policies, the Board caps TOT revenue to the Road Fund at 25% of total TOT revenue annually. In FY 2024-25, the 25% allocation was the funding source for the adopted Local Road Rehabilitation Program. In FY 2025-26, the full 25% allocation would have provided \$9.6 million, however, due to funding constraints, the Recommended Budget proposes a \$3.2 million reduction, or \$6.5 million, which represents the Maintenance of Effort (MOE) – the minimum required to meet HUTA, SB 1, and Measure X requirements. The MOE mandates that the County provide GFC for street and highway purposes, ensuring that state and local funding supplements, rather than replaces, transportation expenditures. Several Local Road Rehabilitation Program projects, including County Service Area 17 - Tierra Grande and the Community Road Maintenance Program, may be delayed or suspended to address the resulting revenue shortfall.

The Road Fund work plan includes \$35.1 million in projects, mainly infrastructure like beginning the construction phase of Laureles Grade Road/Carmel Valley Road Roundabout (\$3.2 million), Elkhorn Road Rehabilitation (\$6.9 million), Chualar Safe Route to School (\$5.0 million), San Ardo Safe Route to School (\$2.8 million), Castroville Safe Route to School (\$5.8 million), Jolon Road Rehabilitation (\$1 million), Viejo Road Slope Repair (\$1.6 million) and the preliminary design phase of Carmel Valley Road Overlay (\$1.3 million). The plan also includes \$16.4 million for Road and Bridge Maintenance and Administration in the districts of San Miguel, Monterey, Greenfield, and San Ardo, as well as Litter Control.

The fund balance has typically decreased, as it continues to be a primary source of project financing. The initial fund balance of \$8.7 million, which includes \$3.8 million in operational contingencies and strategic reserve, is projected to be reduced to \$8.1 million as planned projects are delivered and completed.

County Library Fund

Library Fund	Actuals 2023-24	Adopted Budget 2024-25	Current Year Estimate 2024-25	Recommended 2025-26
A. Beginning Fund Balance	7,828,652	9,948,802	9,948,802	9,852,363
B. Revenue	13,450,849	12,250,446	12,441,108	13,081,580
C. Total Financing, A+B	21,279,501	22,199,248	22,389,910	22,933,943
D. Expenditures	11,330,699	14,212,669	12,537,547	14,447,457
E. Ending Fund Balance, C-D	9,948,802	7,986,579	9,852,363	8,486,486

The Monterey County Free Libraries (MCFL) was established in 1911 to provide services to communities. Library operations are primarily funded through their share of property taxes.

The Recommended Budget includes \$14.4 million in expenditures financed by \$13.1 million in anticipated revenues, and utilization of \$1.4 million in fund balance. Expenditures increased by \$234,788 over the current year's adopted budget,

while revenues increased by \$831,134. Higher costs are due primarily to an increase of \$669,321 in salaries and benefits resulting from wage increases and \$930,977 higher operating expenses related to projects in three library branches, including: furniture, fixtures, and equipment in the new library in the City of Gonzales, landscaping at the library in the community of San Lucas, and rehabilitation of the library branch in the community of Pajaro. Offsetting decreases to expenditures include a reduction of \$1,046,113 to the CP charge. Library branch projects are anticipated to be funded using fund balance.

Most of the MCFL's revenues are derived from property taxes, which account for \$12.2 million or 93% of revenues; property tax revenues are increasing by \$790,700 from the current year's adopted budget.

Local Revenue Fund 2011

Local Revenue Fund 2011	Actuals 2023-24	Adopted Budget 2024-25	Current Year Estimate 2024-25	Recommended 2025-26
A. Beginning Fund Balance	73,363,017	86,604,320	86,604,320	77,747,807
B. Revenue	94,087,185	94,526,443	88,684,750	100,479,700
C. Total Financing, A+B	167,450,202	181,130,763	175,289,070	178,227,507
D. Expenditures	80,845,881	100,628,344	97,541,263	116,218,579
E. Ending Fund Balance, C-D	86,604,320	80,502,419	77,747,807	62,008,928

Local Revenue Fund 2011 was created to receive money from specified tax sources, and other money specifically appropriated to be deposited in this fund exclusively for public safety purposes as defined in the Government Code, section 30025(h). These funds partially support the County's public safety, behavioral health, and social service programs. The Recommended Budget includes revenue of \$100.5 million and expenditures of \$116.2 million, in the form of Operating Transfers Out to the various programs, exceeding revenues by \$15.7 million. The use of fund balance is primarily to cover authorized uses in the Probation Department (\$9.3 million), the Department of Social Services (\$753,756), and the Health Department's Behavioral Health Bureau programs (\$5.6 million). Public Safety departments collectively project completely depleting their portion of this fund balance by FY 2027-28 due to increasing state mandates and salary and benefit costs.

Behavioral Health Services Fund

Behavioral Health	Actuals 2023-24	Adopted Budget 2024-25	Current Year Estimate 2024-25	Recommended 2025-26
A. Beginning Fund Balance	44,839,186	30,263,084	30,263,084	23,182,563
B. Revenue	150,546,128	164,773,469	175,518,468	194,843,727
C. Total Financing, A+B	195,385,314	195,036,553	205,781,552	218,026,290
D. Expenditures	165,122,230	170,658,951	182,598,989	199,316,276
E. Ending Fund Balance, C-D	30,263,084	24,377,602	23,182,563	18,710,014

The Recommended Budget for the Behavioral Health Services Fund, formerly the Mental Health Services Act, includes expenditures and revenues of \$199.3 million and \$194.8 million, respectively. Expenditures increased by \$28.7 million (16.8%), and revenue increased by \$30.1 million (18.2 %), from the FY 2024-25 Adopted Budget. The increase in expenditures is mainly due to the Mental Health Rehabilitation Center (MHRC) costs, funded by the Behavioral Health Continuum Infrastructure Program (BHCIP) Round 2 grant from the California Department of Health Care Services (DHCS), and other increases in contracts for the expansion of services. The revenue increase is driven by the BHCIP grant and an increase in Operating Transfers In from 1991 and 2011 Realignment funds. The Recommended Budget provides a sustained level of programmatic expenditures. Of the programmed fund balance use of \$4.4 million, \$4.0 million will support the Recuperative Care Project administered by the Health Department's Administration, and when completed, will offer shelter to individuals experiencing homelessness while recovering from illness, and \$397,000 in the Health Department's Behavioral Health Bureau for a one-time investment in program supplies and services. Overall, revenue in the fund helps support a comprehensive array of behavioral health and substance use disorder services, both in-house and through contracts with community-based organizations and culturally competent providers.

Health and Welfare Realignment Fund

Health and Welfare Realignment	Actuals 2023-24	Adopted Budget 2024-25	Current Year Estimate 2024-25	Recommended 2025-26
A. Beginning Fund Balance	61,225,549	65,541,936	65,541,936	59,461,991
B. Revenue	76,313,392	74,387,181	83,257,150	72,638,611
C. Total Financing, A+B	137,538,941	139,929,117	148,799,086	132,100,602
D. Expenditures	71,997,005	85,916,084	89,337,095	87,621,738
E. Ending Fund Balance, C-D	65,541,936	54,013,033	59,461,991	44,478,864

The Health and Welfare Realignment Fund in California is a system where the state shifts the responsibility of funding various health and social service programs to the counties. The fund receives state sales tax and Vehicle License Fees (VLF) apportionments. The Recommended Budget includes expenditures of \$87.6 million and revenues of \$72.6 million, resulting in a fund balance use of \$15.0 million. Compared to the current year's adopted budget, expenditures increase by \$1.7 million while revenues decreased by the same amount. The increase in appropriations is primarily due to higher Operating Transfers Out to support the mandatory increase in the In-Home Supportive Services Maintenance of Effort and increased caseloads for entitlement programs, CalWORKs, and Out-of-Home Care, as well as higher costs in children's medical services and public health. The Health Department's Public Health Bureau is planning to utilize \$11.2 million in fund balance for the Assembly Bill 85 (Chapter 24, Statutes of 2013) redirection payment (\$200,000) and support of children's medical services and public health programs (\$11 million), including the Enhanced Care Management program formerly funded with Whole Person Care (pilot program designed to improve health outcomes for high-risk high-utilizing Medi-Cal beneficiaries by integrating health, behavioral health and social services) funds. The Health Department's Behavioral Health Bureau will use \$1.2 million in fund balance to finance program supplies and involuntary services. The Department of Social Services plans to use \$2.6 million in fund balance to support a projected increase in caseload for programs and as a one-time measure to address delayed receipt of revenues for health-related programs such as In-Home Supportive Services, Child Welfare, and Adult Protective Services.

Emergency Communications Fund

Emergency Communications	Actuals 2023-24	Adopted Budget 2024-25	Current Year Estimate 2024-25	Recommended 2025-26
A. Beginning Fund Balance	3,650,892	2,912,230	2,912,230	2,893,442
B. Revenue	14,012,969	14,649,287	14,657,896	15,682,524
C. Total Financing, A+B	17,663,861	17,561,517	17,570,126	18,575,966
D. Expenditures	14,751,631	14,649,287	14,676,684	15,682,524
E. Ending Fund Balance, C-D	2,912,230	2,912,230	2,893,442	2,893,442

The Emergency Communications Department operates from a Special Revenue Fund to provide emergency and non-emergency call answering and dispatch services to law enforcement, fire, and emergency medical response agencies across the County. Costs are shared according to the cost-sharing formula in the 9-1-1 Service Agreement, which allocates costs based on an equally weighted three-factor ratio of Population, Assessed Value, and Workload for each user agency. Approximately 70% is collected as revenue from non-county users for every dollar of cost. The County pays the remaining 30% for services provided to the Sheriff's Office, the Probation Department, and to subsidize the fire districts' costs.

The Recommended Budget includes \$15.7 million in expenditures, financed by \$15.7 million in revenue, with an estimated ending fund balance of \$2.9 million. The Recommended Budget consists of an augmentation of \$648,104 to restore four vacant Communications Dispatcher II positions to maintain minimum status quo staffing levels, supported by \$439,878 in revenue from outside agencies and a county share of \$208,226. Two other dispatcher positions will be kept in the budget without funding to allow for quick recruitment if the fiscal situation improves. The Recommended Budget does not include a contribution to the Dispatch Reserve, which has reached its target of 15% of its annual budget or \$2.3 million. Overall expenditures increased \$1.0 million (7.0%) from the current year's adopted budget, mainly due to higher wages resulting from negotiated salary adjustments from labor agreements and the implementation of base wage studies.

Parks Lake and Resort Operations Fund

Parks Lake and Resort Operations	Actuals 2023-24	Adopted Budget 2024-25	Current Year Estimate 2024-25	Recommended 2025-26
A. Beginning Fund Balance	2,488,242	3,319,860	3,319,860	3,098,253
B. Revenue	5,124,518	4,789,959	8,057,934	4,938,979
C. Total Financing, A+B	7,612,760	8,109,819	11,377,794	8,037,232
D. Expenditures	4,292,900	4,703,098	8,279,541	5,490,251
E. Ending Fund Balance, C-D	3,319,860	3,406,721	3,098,253	2,546,981

The Public Works, Facilities and Parks - Lake and Resort Operations Fund is an Enterprise Fund for the Nacimiento Resort and Recreation Area (Lake Nacimiento). Lake Nacimiento is a self-supporting entity that provides goods and services to the public for a fee. It is managed under an agreement with an external operator, ExplorUS. The concessionaire agreement allows reimbursement of the operator's expenses when revenues exceed. In addition, the County pays a monthly management fee and an annual incentive fee. The County is responsible for capital expenditures such as repairs to infrastructure.

The Recommended Budget includes revenues of \$4.9 million and expenditures projected at \$5.5 million. Revenues are \$3.1 million less than the current year estimate, while costs are \$2.8 million lower. Both revenues and expenditures decreased primarily due to the completion of the Lake Lodge refurbishment project, eliminating the Operating Transfers In from revenue and lowering the expenses due to the completion of capital expenditures. With the Lake Lodge renovation completed, an increase in guest attendance is expected.

Excluding the capital project designation, operating revenues are anticipated to be 12.9% higher than the current year estimate, assuming average high water levels will draw more patronage for a full summer season. Absent the capital expenditures, the expenditure budget is estimated to be 15.8% higher than the current year estimate due to increases in the CP, depreciation, and non-capital project costs.

The Recommended Budget will yield a net loss of \$0.6 million and a Net Position of \$2.5 million, before adjustment of the capitalizable expenditures. Without capital expenditures, there is a Net Gain of \$0.05 million, bringing the Net Position to \$3.1 million.

Laguna Seca Recreation Area

Laguna Seca Recreation Area	Actuals 2023-24	Adopted Budget 2024-25	Current Year Estimate 2024-25	Recommended 2025-26
A. Beginning Fund Balance	\$ 9,262,343	\$ 31,130,456	\$ 31,130,456	\$ 28,841,541
B. Capital Contributions	19,947,066	-	-	-
C. Revenue	28,855,485	22,587,817	2,673,234	701,097
D. Total Financing, A+B+C	58,064,894	53,718,273	33,803,690	29,542,638
E. Expenditures	26,934,438	23,984,364	4,962,149	3,238,261
F. Ending Fund Balance, D-E	31,130,456	29,733,909	28,841,541	26,304,377

Laguna Seca Recreation Area (LSRA), an Enterprise Fund, operates as a fee-for-service entity. LSRA provides services that include camping, daily track rentals, venue rentals, corporate team-building packages, and ticket sales to special events. Special events range from small local gatherings to world-renowned international events.

Effective August 1, 2024, Friends of Laguna Seca (FLS), a non-profit organization, assumed the operations and management of LSRA. The County and FLS entered a five-year Concessionaire Agreement through December 31, 2028, with the option to extend for two additional 25-year periods, subject to compliance with specific conditions set in the agreement. The County will begin to earn an incentive fee on Net Operating Income for the calendar year ending on December 31, 2028.

With this transition, the Recommended Budget revenues will drop significantly to \$701,097. Revenues include a Mission Foods sponsorship, which must be used to reimburse the General Fund for the advance from General Fund Contingencies

(\$1.6 million) for the Start/Finish Bridge project, completed in FY 2023-24. It also includes CP reimbursement from FLS and a minimal estimate for Investment Income.

Expenditures of \$3.2 million include county-allocated costs, such as property insurance (\$0.74 million), legal services, other personnel and professional services (\$0.14 million), depreciation expense (\$1.7 million), CP charges (\$0.34 million), and an Operating Transfer Out of \$355,000 to reimburse the General Fund for the Start/Finish Bridge project advance. The remainder of the advance (\$521,959) will be paid annually until FY 2027-28.

The Recommended Budget anticipates a \$2.5 million net loss for LSRA, which will decrease the Net Position from \$28.8 million to \$26.3 million. Of this amount, \$25.0 million is Net Investment in Capital Assets, which represents the amount invested in capital assets, reduced by accumulated depreciation and any attributable debt. The remaining \$1.3 million is available for the County's ongoing expenditures.

Budget Hearings

Budget Hearings to consider the FY 2025-26 Recommended Budget are scheduled to begin on Wednesday, May 28, 2025. The schedule will be available online at the County of Monterey's Clerk of the Board's website ([County of Monterey - Calendar](#)) on or about Friday, May 16, 2025.

Appropriation Limits

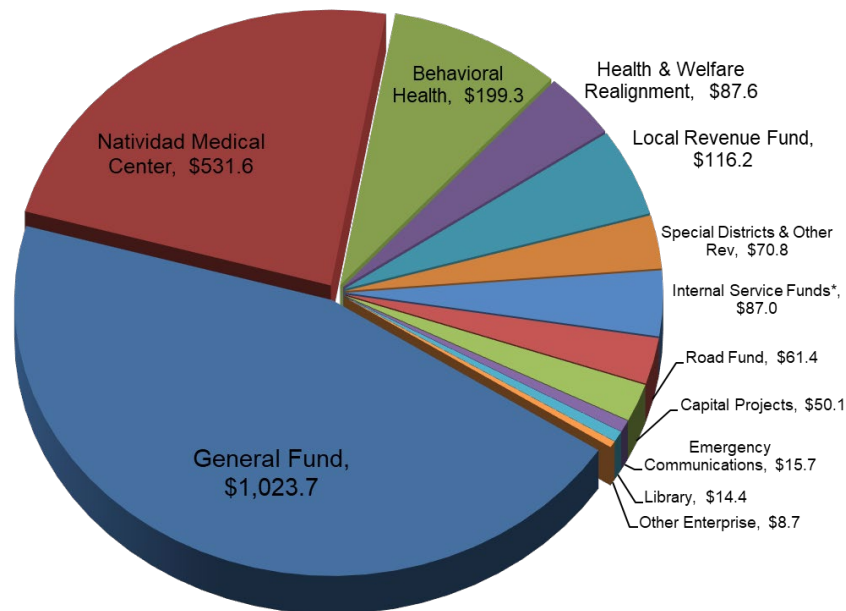
The Gann Limit, formally known as Proposition 4 (1979), constitutionally (Article XIII B of the California State Constitution) limits the amount of tax money that state and local governments in California can spend. This requires the County to calculate an appropriations limit, compile revenues subject to this limit, and make a comparison between the two. If the County's revenues (tax proceeds) exceed the limit, the law allows the voters to approve the increase, or the County must return the excess revenues to the taxpayers within two years.

The Auditor-Controller's Office prepares the County's General Fund and Library Fund appropriations limit calculations with assistance from the County Administrative Office. All districts subject to the Gann Limit are within their limits.

Supplemental Charts

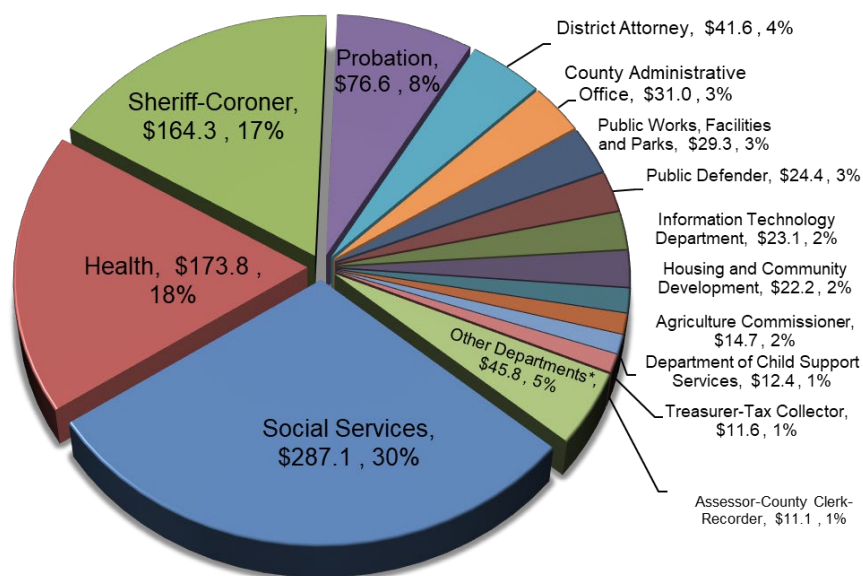
This section provides supplemental information on the Recommended Budget, including recommended appropriations by fund and office / department, General Fund expenditures and revenue, GFC, information on the County's Strategic Reserve, and countywide positions.

Chart 1. Recommended Appropriations by Fund, All Funds (Millions)



* Includes programs for GL, WC, Enterprise Resource Planning, and employee benefits

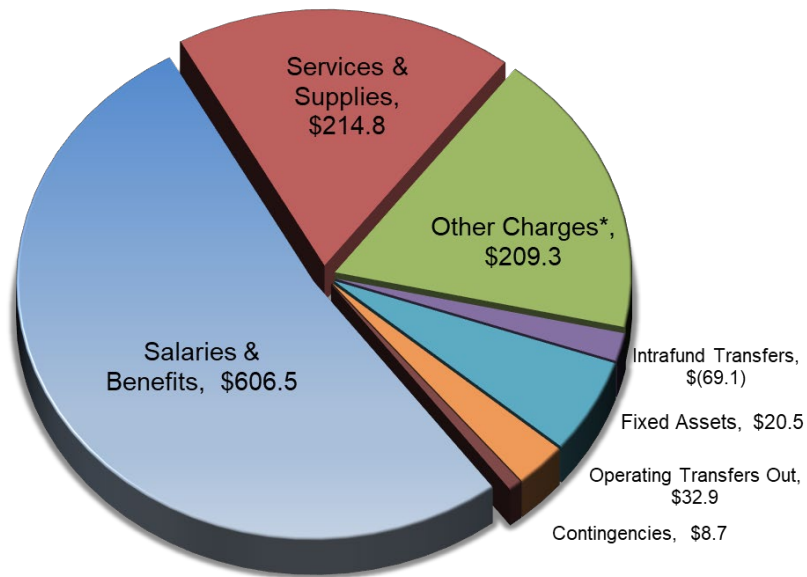
Chart 2. General Fund Appropriations by the County Office / Department (Millions)



Excludes non-departmental costs.

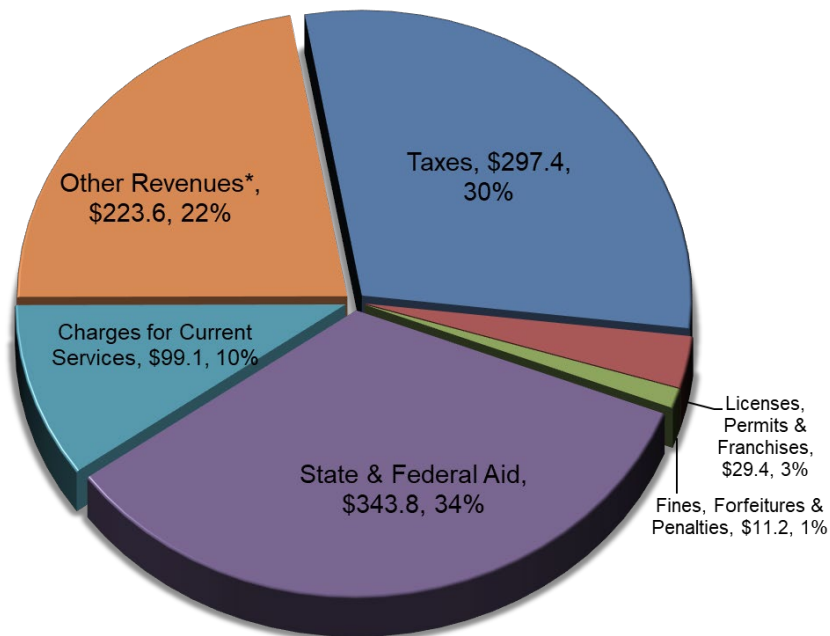
*Includes Human Resources, Auditor-Controller, Board of Supervisors, County Counsel, Clerk of the Board, Elections, Civil Rights Office, Dept. of Emergency Management, and Cooperative Extension. Chart excludes non-departmental

Chart 3. General Fund Expenditures by Category (Millions)



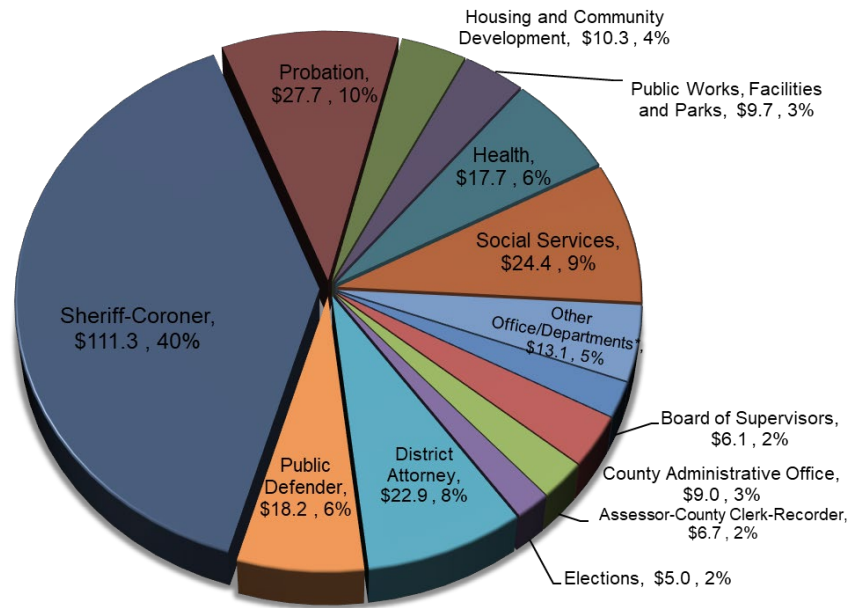
* Other Charges include \$108.6 million for public assistance, out-of-home care, and other support payments. Other charges also reflects the CP charges of \$65.7 million. Intrafund Transfers of \$69.6 million are reflected as negative expenditures and represent transfers to County office/departments for support of various programs/projects from other funds for reimbursement for services provided to non-General Fund office/departments.

Chart 4. General Fund Sources of Revenue (Millions)



* Includes Operating Transfers into the General Fund from other funds (\$151.4 million), CP credit (\$60.6 million) tobacco settlement monies (\$3.8 million), investment income (\$3.9 million), and various miscellaneous revenues.

Chart 5. General Fund Contributions by Office / Department (Millions)

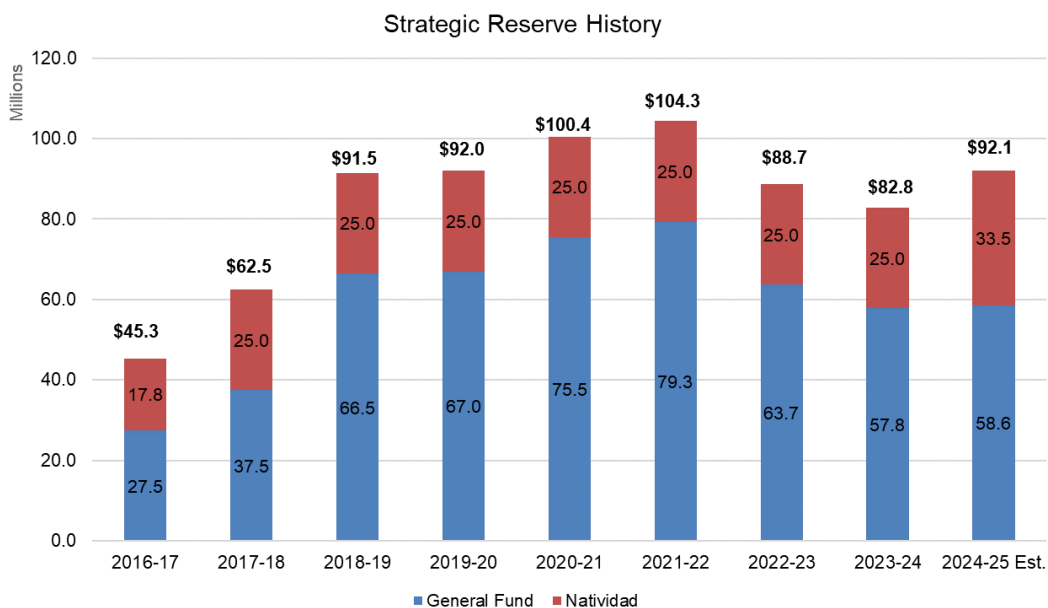


*Includes Human Resources, Clerk of the Board, Civil Rights Office, Treasurer-Tax Collector, County Counsel, Information Technology Dept, Dept of Emergency Management, Ag Commissioner, and Cooperative Extension. Chart excludes non-departmental costs such as bond payments, trial courts, contributions to fire districts and other agencies, and various miscellaneous countywide expenditures.

General Fund Strategic Reserve

The chart below reflects funds set aside in the Strategic Reserve. Per the County's General Financial Policies, a strategic reserve equal to 10% of estimated annual revenue, can only be utilized to provide temporary funding of unforeseen needs, and restored to the minimum level of 10% of General Fund estimated revenues within five fiscal years following the fiscal year in which the event occurred. The General Fund portion was \$57.8 million at the end of FY 2023-24. During the current year, the County added \$10 million from prior year surplus and utilized \$9.2 million for disaster response, bringing the General Fund Strategic Reserve to an estimated \$58.6 million. Based on the estimated balance, the reserve is currently at 5.8% of estimated General Fund revenues, below the 10% target. NMC has a designated reserve of \$33.5 million.

Chart 6. Strategic Reserve (Millions)



County Employees

The table below summarizes the authorized positions in all funds by office / department and recommended changes from the FY 2024-25 Adopted Budget.

Table 1. Position Summary

Department	2024-2025	2025-2026	Change
	Adopted	Recommended	
Board of Supervisors	20.0	20.0	-
Department of Emergency Management	11.0	10.0	(1.0)
County Administrative Office	78.0	77.0	(1.0)
Human Resources	42.0	39.0	(3.0)
Civil Rights Office	5.0	5.0	-
Auditor-Controller	57.5	57.5	-
Treasurer-Tax Collector	49.0	49.0	-
Assessor-County Clerk-Recorder	65.0	65.0	-
County Counsel	54.0	51.0	(3.0)
Clerk of the Board	5.0	5.0	-
Elections	12.0	12.0	-
Emergency Communication	75.0	75.0	-
Information Technology Department	110.0	110.0	-
District Attorney	161.0	151.0	(10.0)
Department of Child Support Services	82.0	73.0	(9.0)
Public Defender	62.0	62.0	-
Sheriff-Coroner	481.0	453.0	(28.0)
Probation	300.5	300.5	-
Agriculture Commissioner	75.0	75.0	-
Housing and Community Development	104.0	108.0	4.0
Public Works, Facilities and Parks	278.5	269.5	(9.0)
Health	1,268.3	1,282.8	14.5
Social Services	931.0	852.0	(79.0)
Library	66.0	66.0	-
Cooperative Extension Service	3.0	3.0	-
Natividad Medical Center	1,501.8	1,509.7	7.9
Total	5,897.6	5,780.9	(116.7)

Attachment A

General Fund – Recommended Augmentations, by Office / Department

Fund / Department	Rec. FTE	Expenditures	Revenues	Net Request	Recommended
1001	62.1	15,866,687	1,288,537	14,578,150	13,124,798
Assessor-County Clerk-Recorder	3	403,114	-	403,114	-
Appraiser II (unfunded position)	2	299,638	-	299,638	-
Restore OAI (unfunded position)	1	103,476	-	103,476	-
Board of Supervisors	0.0	500,000	-	500,000	500,000
Civil Rights Office	0.0	24,000	-	24,000	18,000
Cooperative Extension Service	0.1	9,219	-	9,219	9,219
County Administrative Office	0.0	509,838	-	509,838	409,838
Restore 6 ECD Dispatchers	0	308,226	-	308,226	208,226
Sustainability Climate Action Plan (CAP)	0	201,612	-	201,612	201,612
Department of Emergency Management	1.0	129,370	-	129,370	129,370
Administrative Secretary-Allocated Filled Full Time - Permanent	1	129,370	-	129,370	129,370
District Attorney	15.0	3,324,944	561,482	2,763,462	2,763,462
DAI III - 1	1	264,039	-	264,039	264,039
DAI III - 1 (Civil)	1	280,741	-	280,741	280,741
DAI III - 3	1	280,741	280,741	-	-
DAI III - 4	1	297,798	-	297,798	297,798
DAI III - 5	1	260,595	-	260,595	260,595
DAI III - 2	1	280,741	280,741	-	-
DDA IV - 11	1	185,313	-	185,313	185,313
DDA IV - 12	1	168,367	-	168,367	168,367
DDA IV - 13	1	191,416	-	191,416	191,416
DDA IV - 14	1	205,723	-	205,723	205,723
DDA IV - 2	1	168,809	-	168,809	168,809
DDA IV - 3	1	141,126	-	141,126	85,006
DDA IV - 4	1	164,007	-	164,007	220,127
DDA IV - 5	1	266,719	-	266,719	266,719
DDA IV -1	1	168,809	-	168,809	168,809
Elections	0.0	22,000	-	22,000	22,000
General Capital Assignment Account	0	22,000	-	22,000	22,000
Health	5.0	848,837	727,055	121,782	89,998
Overtime	0	20,000	-	20,000	15,000
Add 1.00 FTE CSA III - CHVP	1	104,254	104,254	-	(1)
Add 1.00 FTE PHNT II - CHVP	1	149,911	149,911	-	-
Add 1.00 FTE PHNT II - WIC	1	149,911	149,911	-	-
ADD POSITION CDPS ii	1	170,556	170,556	-	(1)
New position Deputy Public Adm/Guardian/Cons. I	1	152,425	152,423	2	-
Spay and Neuter Clinic	0	101,780	-	101,780	75,000
Housing and Community Development	0.0	1,123,787	-	1,123,787	936,287
Planning On-Call Services	0	150,000	-	150,000	112,500
Chualar Community Plan	0	500,000	-	500,000	375,000
Contract Plan Check and Inspection Services	0	100,000	-	100,000	75,000
General Plan Housing and Safety Element Update.	0	373,787	-	373,787	373,787
Public Defender	15.0	2,865,882	-	2,865,882	2,865,873
ACCOUNT CLERK	1	96,838	-	96,838	96,837
ACCOUNTANT I	1	153,533	-	153,533	153,532
ADMINISTRATIVE SECRETARY-CONFIDENTIAL	1	112,999	-	112,999	112,999
DEPUTY PUBLIC DEFENDER IV	5	1,262,545	-	1,262,545	1,262,540
LEGAL SECRETARY II	5	574,817	-	574,817	569,624
PUBLIC DEFENDER INVESTIGATOR III	2	335,232	-	335,232	335,230
Temporary - DEPUTY PUBLIC DEFENDER IV	0	222,271	-	222,271	227,464
Temporary - INTERN	0	20,049	-	20,049	20,049
Temporary - OFFICE ASSISTANT I	0	21,777	-	21,777	21,777
Temporary LEGAL SECRETARY II	0	65,821	-	65,821	65,821
Public Works, Facilities and Parks	2.0	903,000	-	903,000	673,047
Custodial Service in multi-use Facilities	0	713,000	-	713,000	534,750
Lake San Antonio South Shore Landfill: Post Closure Maintenance Plan	0	60,000	-	60,000	40,797
Sanitation Worker Assistant	2	-	-	-	-
Temporary Staff	0	130,000	-	130,000	97,500
Sheriff-Coroner	21.0	3,222,805	-	3,222,805	3,222,786
Position Restore	19	2,998,719	-	2,998,719	2,998,700
Position Restore	1	112,043	-	112,043	112,043
Restore Position	1	112,043	-	112,043	112,043
Social Services	0.0	1,979,891	-	1,979,891	1,484,918
Out of Home Care Costs	0	1,500,000	-	1,500,000	1,125,000
General Assistance	0	479,891	-	479,891	359,918
Grand Total	62	15,866,687	1,288,537	14,578,150	13,124,798

All Funds – Recommended Augmentations, by Funding Source

Department, by Funding Source	Rec. FTE	Expenditures	Revenues	Net Request	Recommended
1001	59.1	15,463,573	1,288,537	14,175,036	13,124,798
Board of Supervisors	0.0	500,000	-	500,000	500,000
Compensated Absences Assignment	0.0	100,000	-	100,000	125,214
Reallocated GFC	0.0	400,000	-	400,000	374,786
Civil Rights Office	0.0	24,000	-	24,000	18,000
Contingency Reserve	0.0	24,000	-	24,000	18,000
Cooperative Extension Service	0.1	9,219	-	9,219	9,219
Discretionary Revenue	0.1	9,219	-	9,219	9,219
County Administrative Office	0.0	509,838	-	509,838	409,838
Cannabis Assignment	0.0	201,612	-	201,612	201,612
Contingency Reserve	0.0	308,226	-	308,226	208,226
Department of Emergency Management	1.0	129,370	-	129,370	129,370
Discretionary Revenue	1.0	129,370	-	129,370	129,370
District Attorney	15.0	3,324,944	561,482	2,763,462	2,763,462
Contingency Reserve	4.0	759,485	-	759,485	703,365
Program Revenue	2.0	561,482	561,482	-	-
Redirected TOT	9.0	2,003,977	-	2,003,977	2,060,097
Elections	0.0	22,000	-	22,000	22,000
General Capital Assignment	0.0	22,000	-	22,000	22,000
Health	5.0	848,837	727,055	121,782	89,998
AA Funds	0.0	121,780	-	121,780	90,000
Program Revenue	5.0	727,057	727,055	2	(2)
Housing and Community Development	0.0	1,123,787	-	1,123,787	936,287
AA Funds	0.0	1,123,787	-	1,123,787	936,287
Public Defender	15.0	2,865,882	-	2,865,882	2,865,873
Discretionary Revenue	4.0	864,474	-	864,474	869,665
Redirected TOT	11.0	2,001,408	-	2,001,408	1,996,208
Public Works, Facilities and Parks	2.0	903,000	-	903,000	673,047
AA Funds	0.0	130,000	-	130,000	97,500
Contingency Reserve	0.0	713,000	-	713,000	534,750
Program Revenue	2.0	-	-	-	-
Restricted Funds	0.0	60,000	-	60,000	40,797
Sheriff-Coroner	21.0	3,222,805	-	3,222,805	3,222,786
AA Funds	3.0	749,892	-	749,892	749,888
Contingency Reserve	18.0	2,472,913	-	2,472,913	2,472,898
Social Services	0.0	1,979,891	-	1,979,891	1,484,918
Contingency Reserve	0.0	1,979,891	-	1,979,891	1,484,918
1310	7.0	2,104,141	2,104,141	-	2
Health	7.0	2,104,141	2,104,141	-	2
Program Revenue	7.0	2,104,141	2,104,141	-	2
1331	0.0	299,822	-	299,822	299,822
Health	0.0	299,822	-	299,822	299,822
Realignment Funds	0.0	299,822	-	299,822	299,822
1340	6.0	972,156	972,156	-	-
Emergency Communication	6.0	972,156	972,156	-	-
Program Revenue	6.0	972,156	972,156	-	-
1380	0.0	200,000	98,220	101,780	75,000
Health	0.0	200,000	98,220	101,780	75,000
AA Funds	0.0	200,000	98,220	101,780	75,000
Grand Total	72.1	19,039,692	4,463,054	14,576,638	13,499,622

Unfunded Augmentations, by Office / Department

Unfunded Augmentations, by Department	Req FTE	Expenditures	Revenues	Net Request
1001	118.5	41,982,438	186,458	41,795,980
Board of Supervisors	0.0	659,500	-	659,500
Discretionary Contributions Fund District 1	0.0	24,000	-	24,000
Discretionary Contributions Fund District 2	0.0	111,000	-	111,000
Discretionary Contributions Fund District 3	0.0	124,500	-	124,500
Discretionary Contributions Fund District 4	0.0	200,000	-	200,000
Discretionary Contributions Fund District 5	0.0	200,000	-	200,000
Civil Rights Office	0.0	94,702	-	94,702
Civil Rights Office Administration Function	0.0	9,302	-	9,302
Civil Rights Office Training	0.0	24,000	-	24,000
Community Impact Action Plan	0.0	10,000	-	10,000
Commission Staffing Support				
(Commission on Disabilities & Equal Opportunity and Civil Rights Advisory Commission)	0.0	2,400	-	2,400
Federal Workforce Reporting Requirements	0.0	11,000	-	11,000
Title VI of the Civil Rights Act Plan Implementation	0.0	38,000	-	38,000
Clerk of the Board	1.0	125,128	-	125,128
Add new Board Clerk position	1.0	125,128	-	125,128
County Counsel	3.0	581,786	-	581,786
121001-AUG001-Deputy County Counsel IV	1.0	306,036	-	306,036
121001-AUG002-Legal Secretary III	1.0	131,875	-	131,875
121001-AUG003-Legal Secretary III	1.0	131,875	-	131,875
121014-AUG004-Civil Grand Jury	0.0	12,000	-	12,000
Department of Emergency Management	4.0	1,573,690	-	1,573,690
2025-30 (5 Year) DEM Strategic Plan Facilitation	0.0	35,000	-	35,000
AB102 Management and Administration	0.0	93,542	-	93,542
Alert and Warning / Public Information Specialist (Management A	1.0	178,242	-	178,242
Emergency Operations Budget	0.0	600,000	-	600,000
Emergency Operations Plan	0.0	140,000	-	140,000
Management Analyst I-New AllocationFull Time - Limited Term	1.0	158,876	-	158,876
Management Analyst II-Allocated Vacant Full Time - Permanent	1.0	178,242	-	178,242
Management Analyst III-New Allocation Full Time - Permanent	1.0	189,788	-	189,788
District Attorney	13.0	1,811,936	-	1,811,936
DDA IV - 1 (civil)	1.0	164,007	-	164,007
DDA IV - 10	1.0	127,561	-	127,561
DDA IV - 2 (civil)	1.0	109,338	-	109,338
DDA IV - 3 (civil)	1.0	54,669	-	54,669
DDA IV - 6	1.0	164,007	-	164,007
DDA IV - 7	1.0	127,561	-	127,561
DDA IV - 8	1.0	127,561	-	127,561
DDA IV - 9	1.0	127,561	-	127,561
DDA-IV - 4 (civil)	1.0	305,175	-	305,175
LEG SEC - 1	1.0	122,032	-	122,032
LEG SEC - 2	1.0	122,032	-	122,032
VIC ADV - 1	1.0	130,216	-	130,216
VIC ADV - 2	1.0	130,216	-	130,216
Elections	0.0	1,509,000	-	1,509,000
Dept Operations	0.0	1,440,000	-	1,440,000
Outreach and Training	0.0	52,000	-	52,000
Translations and Training	0.0	17,000	-	17,000
Health	4.0	-	-	-
Animal Care Technician II	1.0	-	-	-
Animal Control Officer	1.0	-	-	-
Management Analyst I	1.0	-	-	-
Office Assistant II	1.0	-	-	-
Housing and Community Development	0.0	78,000	-	78,000
Technology for Land Use	0.0	78,000	-	78,000
Human Resources	3.0	743,155	-	743,155
Legal Services for Labor Negotiations	0.0	100,000	-	100,000
New Senior Human Resources Analyst	1.0	221,241	-	221,241
Restore Vacant Human Resources Program Manager II	1.0	252,976	-	252,976
Restore Vacant Management Analyst I	1.0	168,938	-	168,938

Continued - Unfunded Augmentations, by Office / Department

Unfunded Augmentations, by Department	Req FTE	Expenditures	Revenues	Net Request
Information Technology Department	1.0	209,474	-	209,474
Addl Security Engineer II	1.0	209,474	-	209,474
Probation	0.0	263,800	-	263,800
Juvenile Hall Building Systems Maintenance	0.0	151,300	-	151,300
Recruitment and Background Services	0.0	112,500	-	112,500
Public Works, Facilities and Parks	11.5	6,337,823	-	6,337,823
Augmented Preventative Maintenance	0.0	1,000,000	-	1,000,000
Carmel Lagoon	0.0	187,366	-	187,366
Encampment Clean up	0.0	100,000	-	100,000
Facility Unscheduled Maintenance	0.0	1,000,000	-	1,000,000
Fort Ord Open Space Unscheduled Maintenance	0.0	150,000	-	150,000
Mobile Shred Truck	0.0	386,520	-	386,520
Part-time Fleet Parts Coordinator	0.5	56,033	-	56,033
Real Property Specialist	1.0	207,748	-	207,748
Restore County Park Ranger II	2.0	309,770	-	309,770
Restore Park Services Aide I	1.0	91,251	-	91,251
Restore Parks Building & Grounds Worker Supervisor	1.0	118,602	-	118,602
Restore Parks Planning Manager	1.0	186,329	-	186,329
Restore Senior Account Clerk	1.0	123,516	-	123,516
Restore Senior Parks Utilities & Water Systems Specialist	1.0	151,311	-	151,311
Restore Senior Secretary	1.0	119,309	-	119,309
Security at Castroville Library and Supervisor Offices	0.0	100,000	-	100,000
Security at County Coastal Offices	0.0	100,000	-	100,000
Security at Pajaro Library and AG Commissioner Offices	0.0	150,000	-	150,000
Security Service at Government Center, Schilling & Laurel	0.0	1,052,940	-	1,052,940
Supervising Sanitation Worker	1.0	50,000	-	50,000
Vehicle Asset Management Program (VAMP) - Facility Services	0.0	172,124	-	172,124
Vehicle Asset Management Program (VAMP) - Litter	0.0	12,108	-	12,108
Vehicle Asset Management Program (VAMP) - Parks	0.0	307,608	-	307,608
Vehicle Asset Management Program (VAMP) - Rifle Range	0.0	13,751	-	13,751
Vehicle Asset Management Program (VAMP) - Stormwater	0.0	17,607	-	17,607
Water Resources Hydrologist	1.0	173,930	-	173,930
Sheriff-Coroner	75.0	27,621,530	-	27,621,530
AXON	0.0	2,200,000	-	2,200,000
BLOCKS Deputy Sheriff-Corrections	4.0	916,328	-	916,328
CLASSIFICATION Deputy Sheriff-Corrections	4.0	916,328	-	916,328
COASTAL Deputy Sheriff-Operations	4.0	947,548	-	947,548
Community Outreach Office Assistant III	1.0	110,564	-	110,564
Community Outreach Program Manager II	1.0	215,875	-	215,875
COMPLIANCE - Office Assistant III	1.0	110,564	-	110,564
Cornerstone	0.0	800,000	-	800,000
Finance Manager II	1.0	231,056	-	231,056
Flock Upgrade	0.0	400,000	-	400,000
MADCAT Deputy Sheriff-Operations	2.0	473,774	-	473,774
MEDICAL TEAM Deputy Sheriff-Corrections	4.0	916,328	-	916,328
NORTH COUNTY Deputy Sheriff-Operations	8.0	1,895,096	-	1,895,096
Outpatient Services	0.0	7,153,700	-	7,153,700
Overtime	0.0	2,000,000	-	2,000,000
Position Restore	28.0	5,098,809	-	5,098,809
PROGRAMS - Management Analyst II	1.0	178,242	-	178,242
RECEIVING Deputy Sheriff-Corrections	4.0	916,328	-	916,328
Records Director	1.0	200,523	-	200,523
Records Specialist II	2.0	224,086	-	224,086
Senior DISC	1.0	163,117	-	163,117
SOUTH COUNTY Deputy Sheriff-Operations	4.0	947,548	-	947,548
Vehicle Abatement Officer	4.0	605,716	-	605,716
Social Services	3.0	372,914	186,458	186,456
Position Restore	3.0	372,914	186,458	186,456
1380	0.0	444,196	218,144	226,052
Health	0.0	444,196	218,144	226,052
Transfer of costs from 400018 to 40003	0.0	444,196	218,144	226,052
Grand Total	118.5	42,426,634	404,602	42,022,032

Capital Projects – Unfunded Augmentations

Budget Request Name	Request Total
1322 Kitchen & Bathroom Remodel & Main hallway	351,750
1322 Natividad Conference Room/ ECD Admin/ ECD Hallways	100,000
1410 Natividad - Replace Various HVAC System Units	222,000
1414 Natividad Road, Salinas - Public Safety Building Employee Parking Lot Lighting	213,606
1441 Schilling Campus Repairs (HVAC and Boiler)	4,302,346
20 E. Alisal - Elevator Modernization	160,451
AB 1572 Compliance: Water Conservation Landscaping	200,000
AB 2208 Compliance - Sheriff Public Safety Building Energy Efficiency Lights	300,000
ADA Transition Plan Update (Required by CalTrans)	300,000
Add Cameras in Schilling Campus Parking Lots - 1441 Schilling Pl Salinas	161,702
Add Conference Room to Gov Center Admin Bldg 3rd Floor - 168 W Alisal Salinas	242,256
Adult Division - Signage for 20 E. Alisal Street Adult/Admin Building	152,850
Animal Services- Card Reader and Camera System Upgrades	506,250
Blighted Structures Stabilization Project	63,969
Computerized Maintenance Management System (CMMS)	910,980
County Campus Parking Lot Repaving (Multiple CIP Projects)	1,000,000
Countywide - County Building Emergency Power Improvements Planning	145,900
County-wide Network End of Life Replacement	700,000
Courthouse Parking Lot Structure Repairs - 1200 Aguajito Rd Monterey	296,872
CSA/CSD Water & Sewer Program - Boronda CSD Lift Station Upgrades	704,000
CSA/CSD Water & Sewer Program: Chualar CSA Wastewater System	565,000
CSA/CSD Water & Sewer Program: Las Lomas Landslide Stabilization	228,571
CSA/CSD Water & Sewer Program: San Jerardo Water System Additional Repair Work	375,000
CSA/CSD Water & Sewer: Pajaro CSD Lift Station Upgrades	525,000
East Garrison - Demolition Estimates for Former Ft. Ord Structures	223,004
East Garrison Historic Arts District Fencing Project	283,000
Facilities Master Plan (BOS/CAO Priority) Phase II	871,375
Greenfield PW Yard Replacement Office - 41801 Elm Ave Greenfield CA	75,000
HD-AIHC- EV Chargers	357,750
HVAC Repairs and Replacement - 1200 Aguajito Rd Monterey	966,434
ITD Data Center System End of Life Replacement	390,000
ITD Facility Ceiling Lights Replacement	-
Jail Complex ADA/Hernandez Settlement Remediation	2,500,000
Juvenile Division Energy Efficient Lights - 1422 Natividad Rd	183,664
Juvenile Division HVAC/Ceiling Repairs - 1422 Natividad Rd	7,421,587
Juvenile Division Restroom Remodel - 1422 Natividad Rd	237,171
Juvenile Division Security and Fire Alarm Upgrade - 1422 Natividad Rd	303,788
Juvenile Hall Epoxy Flooring Repair/Replace-1420 Natividad Rd	27,870
Juvenile Hall: Add Sewer Grinder/ Assess Low Flow Plumbing Maintenance	121,512
Juvenile Hall: DG Pathway Upgrade -1420 Natividad Rd	768,326
Juvenile Hall: Interior Landscape Improvements -1420 Natividad Rd	27,870
King City Courthouse Facility Maintenance (2015 Assessment) - 250 Franciscan Wy King City	80,000
Laboratory Modular Storage	1,481,501
Laguna Seca - Centralized Water Treatment System	350,000
Lake Nacimiento Resort Road Repairs	100,000
Lake San Antonio Administration Building Renovation	393,840
Lake San Antonio Campsite "Pad" resurfacing	200,000
Lake San Antonio Construct North Shore Amphitheater	1,094,000
Lake San Antonio North and South Shore Road Repairs	500,000
Lake San Antonio Oak Room Renovation	218,800
Lake San Antonio Replacement Marina	328,000
Lakes San Antonio & Nacimiento Radio System Replacement	290,000
Laurel Yard Deferred Maintenance (Multiple CIP Projects)	2,600,000
Laurel Yard New Fencing and Gates - 855 E Laurel Dr Salinas	6,111,774
Laurel Yard Replace/Install New Security Cameras - 855 East Laurel Dr Salinas	420,178
Naci Lodges Landscaping and Retaining Wall	500,000
New Bradley Library and Resiliency Center Project	5,246,031
Pajaro Library Branch Rehabilitation	3,155,412
Parking Lot Alternative at Church and Gabilan Streets	2,800,000
Parking Lot Lighting Program - Countywide	65,000
Parks Deferred Maintenance (Multiple CIP Projects)	490,000
Parks Water & Sewer Program: Lake Nacimiento Water Intake Line	400,000
Parks Water & Sewer Program: Lake San Antonio N and S Shore Water System Phase 3	1,525,000
Parks Water & Sewer Program: Lake San Antonio South Wastewater System Additional Upgrades	375,000
Parks Water & Sewer Program: Toro Park Water System Additional Upgrades	793,000
Purchase Heavy Equipment/Tractor for N. County Parks	328,200
Radio Site Power and HVAC Improvement and Standardization	500,000
Recuperative Care Project	47,694
Repainting Program Facilities Interior/Exterior	750,000
Replace 1st Floor Laminate Flooring/Asbestos Adhesive - 1200 Aguajito	30,000
Replace Lobby Doors and Elevator Finishes - 168 W Alisal	168,545
Roofing Program (Multiple CIP Projects)	1,000,000
Royal Oaks Park Playground Replacement and Improvement Project	604,500
San Lorenzo Park Playground Replacement and Improvement Project	556,140
South County Ag Commissioner Facility Development	250,000
Toro Park Playground Replacement and Improvement Project	737,490
Upgrade Fleet Parking Lot Fence - 1441 Schilling Pl Salinas	255,788
Upgrade Thermostats at 2620 1st Ave Marina	175,000
Youth Center Exterior Lighting and Security - 970 Circle Drive	490,420
Youth Center Indoor Energy Efficient Lights - 970 Circle Dr	211,036
Youth Center Portable Building Repairs - 970 Circle Dr	758,520
Youth Center Repave Recreation Area - 970 Circle Drive	198,690
Zoom Softphone Deployment	150,000
Grand Total	64,216,413