



## County of Santa Cruz Board of Supervisors

### Agenda Item Submittal

**From:** County Administrative Office

**Subject:** 2024-25 General Fund Mid-Year Budget Report and adopt resolutions to amend the FY 2024-25 General Fund Budget

**Meeting Date:** February 25, 2025

**Formal Title:** Consider the General Fund Mid-Year Budget Report with updated estimates for Fiscal Year (FY) 2024-25 and updated General Fund forecast, adopt resolutions and approve realignments to amend the FY 2024-25 Budget, schedule public hearings for the Proposed FY 2025-26 Budget and Unified Fee Schedule, and take related actions

### Recommended Actions

1. Accept and file the General Fund Mid-Year Budget Report with updated estimates for Fiscal Year (FY) 2024-25 and updated General Fund forecast;
2. Adopt resolutions to amend the FY 2024-25 Budget as follows:
  - a. Accepting unanticipated revenue in the amount of \$46,137 in the Capital Projects Fund from General Fund's Human Services Department for server room improvements;
  - b. Accepting unanticipated revenue in the amount of \$50,000 in the Davenport Sanitation District Fund from prior Board-directed funding in the Capital Projects Fund for a sanitation project;
  - c. Accepting unanticipated revenue in the amount of \$610,000 in the Zone 7A flood control district funds;
  - d. Accepting unanticipated revenue in the amount of \$36,872 in the Capital Projects Fund for the Capitola Library;
3. Approve realignments to amend the FY 2024-25 Budget as follows:
  - a. Transferring appropriations in the amount of \$883,495 from General Fund Contingency to Office of Response, Recovery, and Resilience (\$233,495) and Measure K allocations to Human Services Department's Housing for Health Division (\$200,000), Health Services Agency's Behavioral Health Division (\$400,000), and the Davenport Sanitation District (\$50,000);
  - b. Transferring appropriations in the amount of \$350,000 from Capital Projects Fund GL Key 197100 to an alternate Capital Project Fund GL Key 190199 for future Board-directed initiatives;
  - c. Appropriating funds in the amount of \$800,000 in the Information Services Department for the Road Fund's Soquel Buffered Bike Lane project;
  - d. Appropriating funds in the amount of \$112,980 in the County Service Area 11 Special Revenue Fund for previously approved fixed asset acquisitions;
4. Approve changes to the 2024-25 Fixed Assets schedule, and direct the County Administrative Officer to provide final approval of each fixed asset contained therein;

5. Authorize the County Administrative Officer to approve the Measure K \$400,000 transfer of appropriations from General Fund Contingency (131375) to applicable County department(s) or funds for investing in affordable and supportive housing projects in unincorporated areas;
6. Approve in concept the FY 2025-26 Measure K spending plan, as outlined in this report, and provide direction on housing-related uses;
7. Direct the Board Chair to send a letter to the State delegation regarding the County's low reimbursement rates for behavioral health services compared to neighboring counties;
8. Set April 29, 2025, as the beginning date for public hearings on the Proposed FY 2025-26 Budget;
9. Set June 10, 2025, as the date for public hearing on changes to the Unified Fee Schedule; and
10. Direct the Clerk of the Board to publish the notice of public hearings one time at least 10 days prior to the scheduled hearing date.

### **Executive Summary**

This report provides an updated General Fund forecast, reflecting the County's evolving financial outlook. It serves as a bridge to the Proposed FY 2025-26 Budget, scheduled for presentation on April 29, 2025, followed by budget hearings in June 2025. Emerging fiscal challenges include underperformance in sales tax and federal reimbursement revenues, federal funding uncertainties, and anticipated reductions in County community health services. Staff recommends that the Board consider the FY 2025-26 Measure K spending plan, approve necessary budget adjustments, and schedule public hearings for FY 2025-26 budget deliberations.

### **Discussion**

On September 24, 2024, the Board adopted the FY 2024-25 Budget with a balanced General Fund while maintaining 11.9% General Fund reserves, or \$98.1 million. The 2024-25 budget message emphasized the significant fiscal challenges faced from multiple disasters and the unprecedented need to borrow nearly \$90 million to finance recovery and repairs from the 2020 CZU fires and 2023 storms while we wait for Federal Emergency Management Agency (FEMA) reimbursements, as well as many new unfunded State mandates, such as the Community Assistance, Recovery, and Empowerment (CARE) Act and California Advancing and Innovating Medi-Cal (CalAIM). These challenges further stress the County's systematically underfunded status.

Despite these challenges, the County continues to reach exceptional levels of services and accomplishments, such as the opening of the South County Government Center, the launch of Age Well Santa Cruz County as our Master Plan on Aging, the 22% reduction in those experiencing homelessness, the reopening of the Recovery Center, and establishment of the County's first DNA laboratory.

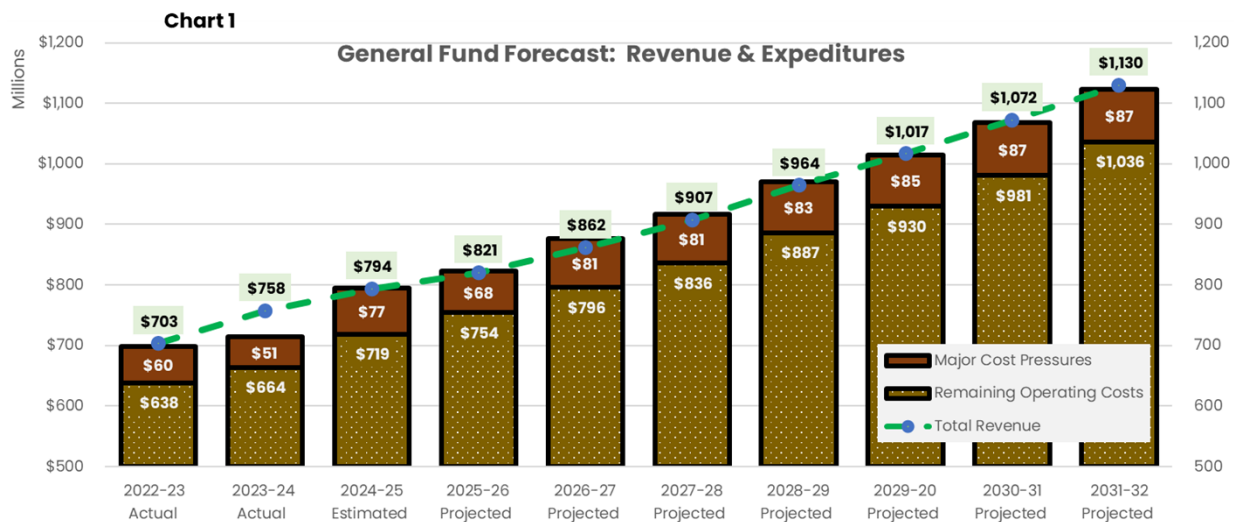
Following budget adoption, the Board set the 2025-26 budget hearing dates including April 29, 2025, June 3, 2025, June 4, 2025 and concluding on June 10, 2025. The County Administrative Office (CAO) issued departmental budget guidance, culminating in FY 2024-25 estimated actuals and department's submission of their FY 2025-26 budgets on February 6, 2025. Additionally, the Governor's Proposed FY 2025-26 Budget was released on January 10, 2025, with implications for county funding yet to be fully assessed as the State struggles with recovery from the devastating wildfires in Southern California and the frenetic pace of federal policy changes.

### ***General Fund Forecast Through 2031-32***

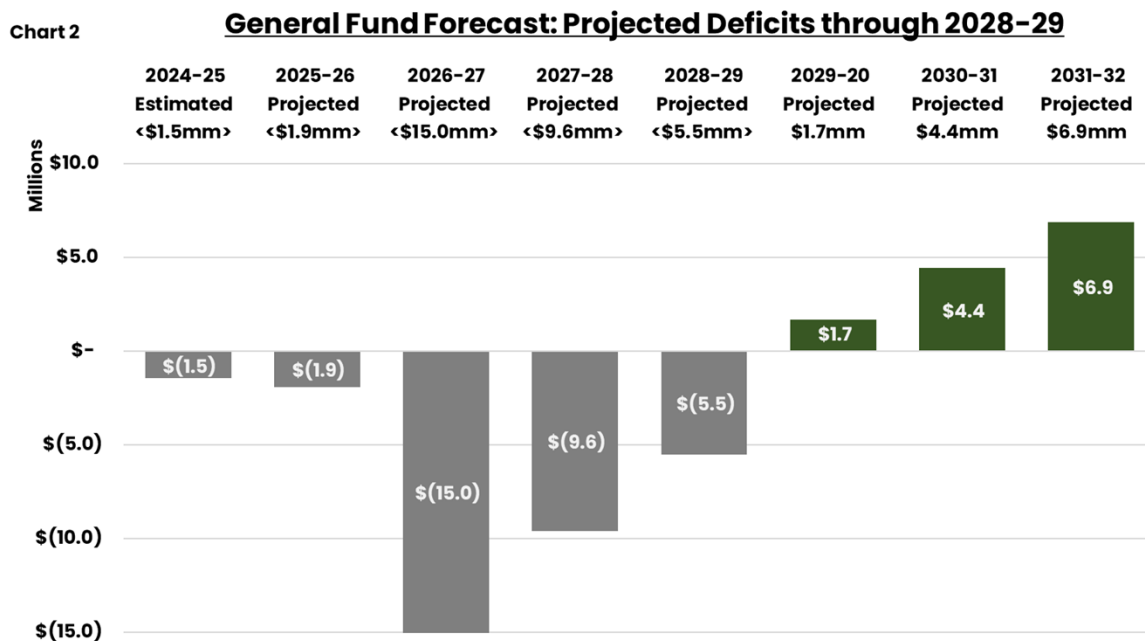
Staff updated the General Fund's forecast model with actual results from July through December 2024, while factoring in regional, state, and national economic indicators and a tentative allowance for potential federal funding reductions. The model currently assumes a low risk of recession over the next 12 months, supported by continued GDP growth and a decline in the Consumer Price Index (CPI). However, consumer confidence, retail sales, and personal savings rates have declined year-over-year, indicating potential economic headwinds.

Chart 1, General Fund Forecast: Revenue and Expenditures, and Chart 2, General Fund Forecast: Projected Deficits through 2028-29, illustrate that forecasted spending will outpace revenue growth until FY 2029-30. While the General Fund forecast margin of error grows the further the model projects, the model is indicative of the overall trend. The forecast does not yet specify federal program funding reductions but allows for up to \$10 million in lost revenue for FY 2025-26. Additionally, it does not account for projected deficits in the Health Services Agency's Behavioral Health and Health Clinic programs, discussed in the following section.

Projected General Fund tax revenues are expected to fall short of the FY 2024-25 budget by \$10.4 million, primarily due to the loss of \$5.1 million in FEMA COVID-19 reimbursements due to denials. While transient occupancy, sales, and property tax revenues show downward trends, only sales tax revenue is considered credible to fall below budget by approximately \$1.6 million. Staff will reassess these projections and recommend, if necessary, adjustments as part of the May 20, 2025, Board realignment actions. For further details, refer to the "Estimated 2024-25 General Fund Revenues and Trends" section.



The projected deficits have significantly decreased compared to last year's mid-year forecast. Previously, deficits for 2025-26 and 2026-27 were expected to reach \$23.5 million and \$35.2 million, respectively. They are now projected at \$1.9 million and \$15.0 million. This improvement is largely due to the passage of Measure K, which is expected to generate \$10.1 million in 2025-26, and the successful financing of disaster costs from the 2020 CZU Fires and 2023 Storms, eliminating nearly \$6.8 million in immediate costs.



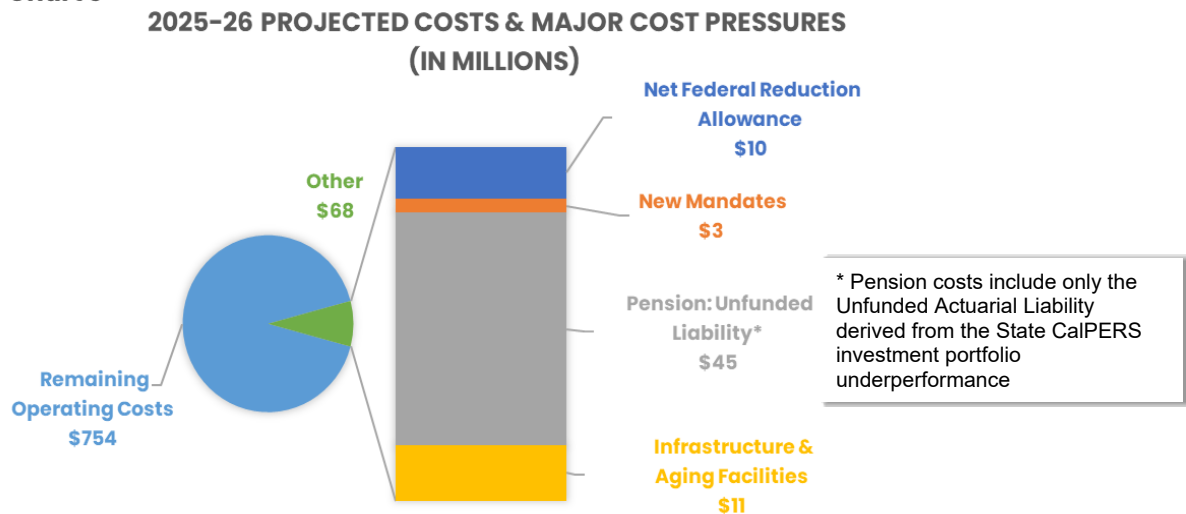
However, as shown in Chart 1 and further detailed in Chart 3, projected expenditures for 2025-26 continue to be driven by factors largely beyond the County's control, contributing to the deficit. These include:

- The potential continuation of certain program or service costs despite reductions in federal funding.
- Higher-than-anticipated infrastructure and road investments, including costs for aging County buildings and facilities.
- Unfunded service level increases mandated by the CARE Act, CalAIM, and other

new legislation.

- Rising pension liabilities due to the California Public Employees' Retirement System's underperforming investment portfolio.

**Chart 3**



Absent these cost pressures, the County would be in a stronger financial position, enabling it to address unmet community needs and better respond to federal funding reductions.

Table 1 below summarizes the key assumptions included in our forecast.

<b>Table 1 General Fund Forecast Primary Assumptions</b>			
<b>Factor</b>	<b>Assumption</b>	<b>Factor</b>	<b>Assumption</b>
Property Tax & Vehicle License Fees (1)	Growth from 3.60% to 5.23%	Operating costs (3)	3.9% to 5.8%
Sales Tax (2)	Growth from 2.0% to 4.4%	Instructure and facility capital maintenance and investments	\$10.7 to \$15.6 million
Transient Occupancy Tax	4.1% to 7.87%	Recent mandated increases	\$2.7 to \$3.6 million annually
Revenue loss from Federal Threats	\$5.0 to \$17.5 million	State's CalPERS Investment Portfolio	Rate of return will be at or above 6.8%
(3) Vehicle License Fees are received through State Property Tax payments from the State of California's 2004 "Triple Flip" tax swap (3) Includes the County base and voter approved district sales tax (Measure G & K) (3) Operating costs include major capital investments and maintenance			

### ***State Pension Investment Underperformance***

The County provides retirement benefits through the California Public Employees' Retirement System (CalPERS), which serves as a common investment and administrative agent for the County and other participating agencies. The County's

retirement costs are determined annually through CalPERS actuarial valuations and consist of two components: normal benefit costs and unfunded accrued liability (UAL). As of the most recent valuation, the County's UAL stands at \$657.2 million.

The normal cost represents the value of retirement benefits earned in a given year. Due in large part to the County's 2012 pension reforms and the enactment of the California Public Employees' Pension Reform Act (PEPRA) in 2013, these costs have begun to decline.

In contrast, the UAL cost primarily reflects repayments to CalPERS when its investment returns fall below the actuarial Discount Rate. For example, during the Great Recession, the CalPERS system dropped from being overfunded at 101% in June 2007 to just 61% funded by June 2009. Additionally, CalPERS periodically adjusts its projections based on new assumptions, such as its 2021 demographic study, which increased life expectancy estimates and raised future cost expectations.

<b>Table 2 CalPERS Investment Performance and Impact on the County's Unfunded Liability</b>		
Fiscal Year	CalPERS Investment Return Over / (under) Target Rate	County's UAL payment Increase / (Decrease)
2019-20	(2.30%)	4,200,000
2020-21*	14.30%	4,659,109
2021-22	(12.90%)	6,735,402
2022-23	(1.00%)	6,066,596
2023-24	9.3%	(12,342,174)
*Despite a strong CalPERS rate of return for 2020-21 that otherwise would have reduced the County's UAL, their updated demographic study pushed UAL levels higher		

Table 2: CalPERS Investment Performance and Impact on the County's Unfunded Liability summarizes the County's allocated share of UAL over the past five years, along with the interest rate charged by CalPERS as part of the UAL repayment. This interest rate is the Discount Rate. The table also compares CalPERS' actual investment returns against the assumed Discount Rate. When actual returns fall short, the County incurs additional UAL debt.

### ***Health Services Agency: Significant Revenue Shortfall Expected for 2025-26***

Based on preliminary assessments, the Health Services Agency (HSA) will require significant budget solutions and/or reductions to correct a projected gap of \$11-\$17 million in 2025-26. This gap does not include potential impacts from federal policy changes. Financial challenges result from Behavioral Health's lower reimbursement rates, new mandates, and low health center medical visits. Along with current year targeted solutions, the Proposed 2025-26 Budget will include structural solutions that reduce non-mandated County health programs and services to maintain mandated service levels.

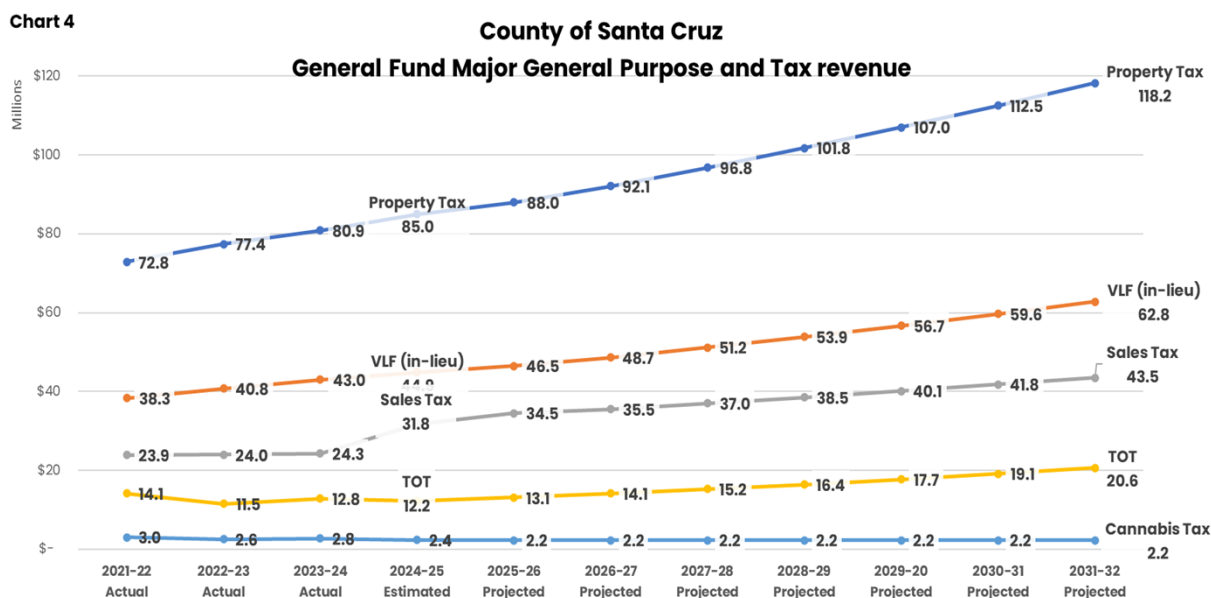
The Behavioral Health Division is projecting a funding shortfall approaching \$7-10 million due to changes in reimbursement calculations and restrictions on billable activities under CalAIM (California Advancing and Innovating Medi-Cal) Behavioral Health Payment Reform. Additionally, the division's reimbursement rates are notably lower than those in neighboring counties, making it difficult to remain competitive in recruiting and retaining staff and contracted services, further widening the funding gap. Staff request that the Board Chair send a letter to the State delegation regarding the County's low reimbursement rates for behavioral health services. A substantial reduction in Mental Health Services Act (MHSA) revenue—driven by a decline in the 1% tax on individuals earning over one million dollars and the diversion of MHSA funds—has intensified these financial pressures. As a result, the division must prioritize state-mandated entitlement services, limiting its ability to provide non-mandated programs.

The Health Centers Division is projecting a funding shortfall approaching \$4-7 million in the 2025-26. This is due to the combined impact of rising personnel costs and inflationary pressures on the cost of services and supplies. The division is actively working to mitigate these increased costs by focusing on improvements in clinical provider productivity.

More details will be presented in the Proposed 2025-26 Budget and during the first budget hearing on April 29, 2025.

## Estimated 2024-25 General Fund Revenues and Trends

**Revenues.** The County's primary General Fund revenues meet our budget expectations. Discussed below are trends shown in Chart 4, County of Santa Cruz General Fund Major General Purpose and Tax revenue, through FY 2030-31. These are the General Fund's largest general purpose revenues that are available to finance County operations across the Public Safety and Justice, Health and Human Services, Land Use and Community Services, and General Government sectors.



**Property Tax.** Property tax is one of the most stable and dependable revenue bases but represents a flaw in the allocation methodology that results in the County receiving only 13.4 cents from every dollar of property tax paid. For FY 2024-25, property tax is estimated to reach \$85.0 million. This amount is not sufficient to fund the County's current operations, facility needs, 607 miles of unincorporated area roads, and almost annual disaster response. Property tax is expected to grow by \$4.1 million in FY 2024-25 with growth rates reaching 5.23% by FY 2027-28 from an expected improving housing market.

**Vehicle License Fees (VLF).** Following a similar theme as property taxes, VLF is a stable revenue base. And, due to the State's 2004 "Triple-Flip" that diverted the County's direct VLF to the State, the State has since provided VLF revenue to the County through State property tax payments and tied the growth of VLF to property tax growth. VLF is projected to grow by \$1.9 million in FY 2024-25.

**Sales Tax.** Sales tax revenue is one of the most variable general purpose revenues for the County, and has recently become more impacted from the \$5 million that is lost annually to other counties where major online distribution centers reside. Sales tax is projected to reach \$31.8 million in FY 2024-25 with the partial year addition of Measure K. However, if adjusting for the Measure K revenue increase, actual sales tax activity has slowed in 2024-25 larger than expected and could fall short of budget by \$1.6 million. The County partners with a sales tax audit company that has reported a slowdown in spending across their other California clients. Accordingly, this recent slowdown



required us to slightly reduce our forecasted growth rates to a range of 2.02-2.40% for 2025-26 and a 2.8-3.4% range for 2026-27.

Transient Occupancy Tax (TOT). TOT is an entirely local County revenue source but is also a highly variable from sudden market or consumer changes. FY 2024-25 revenue is trending to be down \$661,000 from the prior year based on collection trending from the first six months of this year. However, local indications from Visit Santa Cruz and the State's tourism regional forecast indicate that they expect FY 2024-25 and out years to see continued growth. Accordingly, staff will continue to monitor trends in the current year to determine if a reduction in project growth rates is warranted. Otherwise, we've left our forecast unchanged with growth rates at 4.1% reaching 7.87%.

### ***Financial Consequences of Climate-Based Disasters***

Since 2017, Santa Cruz County has experienced numerous federally declared disasters, including eight climate-driven disasters that caused hundreds of millions of dollars in damage to County infrastructure. Barring a shift in the speed at which local governments are reimbursed for the costs of disaster response and recovery, future County response will be limited by available resources and the pace of infrastructure recovery will be slowed. In addition, recent discussions on delaying federal disaster reimbursement to California local governments may severely impact the County's financial forecast. In May 2024, the County issued debt to finance \$89.1 million in costs paid by the County for the 2020 CZU Fires and 2023 Storms that remain unreimbursed. At that time, that County had \$125.3 million in unpaid claims from the Federal Emergency Management Agency (FEMA) and Federal Highway Administration (FHWA).

Table 3, County of Santa Cruz Federal Claims, illustrates that since May 2024, total unpaid federal claims have decreased by \$33.9 million to \$91.4 million. Most cash received came from COVID-19 reimbursements that accelerated at the end of FY 2024-25. However, the County expects that FEMA may remove nearly \$9 million of outstanding COVID-19 claims, that could reduce by \$5.1 million the 2024-25 Budget for General Fund reimbursements (\$6.7 million was expected).

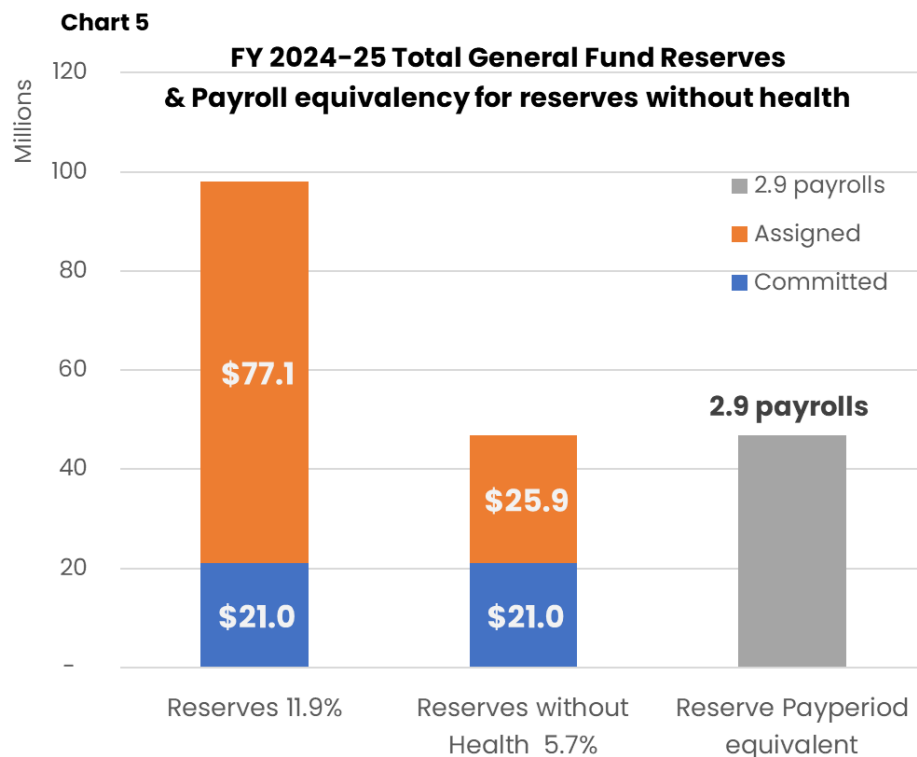
<b>Table 3 County of Santa Cruz Federal Claims</b>				
<b>Disaster Event</b>	<b>Total Submitted (1)</b>	<b>Claims Unpaid</b>	<b>Cash Received</b>	<b>% Paid</b>
<b>2017 Storms</b> <sup>(2)</sup>	46,100,325	15,119,197	30,981,128	67%
<b>COVID-19</b>	61,998,213	10,649,127	51,349,086	83%
<b>2020 CZU Fires</b> <sup>(3)</sup>	22,441,407	15,239,491	7,201,916	32%
<b>2023 Dual Disasters</b> <sup>(4)</sup>	52,879,649	43,786,180	9,093,469	17%
<b>2024 Disaster</b>	6,584,543	6,584,543	-	0%
<b>Totals</b>	<b>\$190,004,137</b>	<b>\$91,378,538</b>	<b>\$98,625,599</b>	<b>52%</b>
(1) Total submitted includes Future Projects for 2023 Dual Disasters and 2024 Disaster (2) Cash received includes \$9.0 million Cal OES advance based on FEMA (3) Total submitted does not include \$4.4 million claim having to do with road damage not fixed (4) Cash received includes a Cal OES advance based on FEMA for Category A & B				

Given the magnitude and frequency of climate change-driven disasters that have

befallen the County and the fragility of County infrastructure and financial systems, as well as uncertainty about future reimbursements to local governments from the State and federal government, and the historic size of the 2024 disaster financing that pledged most of its remaining facility assets, the County will be unable to repeat such a financing again. Should the County find itself facing a similar situation again, and without new funding options, the County will be limited in its recovery unless future debt is supported by voter-approved property tax initiative(s).

### ***General Fund Reserves and Contingency***

The Adopted 2024-25 Budget's General Fund reserves at 11.9% reserve, as shown in Chart 5, FY 2024-25 Total General Fund Reserves. The chart illustrates how the General Fund relies on cash balances to be used by the County Health Services Agency for serving Medi-Cal populations. Without these balances, the reserve level will drop to just 5.7% and be unable to cover three payroll periods.



In FY 2024-25, the County started with a General Fund Contingency of approximately \$10.5 million in the Adopted Budget. Through Board actions taken between August and January, the Board approved transfers of appropriations totaling nearly \$1.1 million. This leaves a General Fund Contingency of approximately \$9.4 million before today's mid-year budget reductions of \$1.3 million. This includes \$1 million for winter storm damage response and \$1 million for housing-related uses from Measure K.

### ***National, State and Local Economic Conditions***

The national economy ended 2024 on a strong note, marked by stabilizing inflation, a resilient labor market, steady growth in consumer spending, and a banner year in equity markets. Despite the positive tone set for 2025, high debt costs, low savings rates, and uncertainty around the sequencing of policies by the new administration are among the

headwinds to future General Fund revenue growth. Table 4, Economic Indicators, provides a summary of key economic indicators that inform the General Fund forecast. Indicators highlighted in red or yellow signal risks that may increase costs or dampen revenue growth.

**Table 4: Economic Indicators**

Economic Indicators	Metric Type	Rate	Change from Prior Year
CalPERS Investment Return	2-Year % Chg.	7.6%	↑
Payroll Jobs: SCC	Annual % Chg.	-1.0%	↓
Unemployment Rate: SCC	Current Rate	5.8%	↑
30-Year Mortgage Rate	Current Rate	6.9%	↑
California GDP Growth	Annual % Chg.	3.6%	↑
US Retail Sales	Annual % Chg.	3.9%	↓
Consumer Confidence	Annual % Chg.	6.2%	↓
Producer Price Index	Annual % Chg.	3.3%	↑
Consumer Price Index	Annual % Chg.	2.9%	↓
Personal Savings Rate	Current Rate	4.4%	↓

The stock market delivered blistering gains in 2024, with the S&P 500 rising 25% and the NASDAQ climbing 33%, building on the recovery from 2023. Gradually cooling inflation and a resilient economy reassured investors after fears of a recession failed to materialize. This momentum helped drive CalPERS pension investments to a two-year average rate of return of 7.6% for FY 2023-24, a marked improvement from the -0.2% return of the previous period and slightly exceeding their expected 6.8% annual return. While this eased some pressure on employer rates, the lingering effects of prior shortfalls translates to higher contribution rates that will be phased in over the next three fiscal years and amortized over 20 years.

Though the labor market gradually cooled throughout 2024, the U.S. economy added 2.23 million payroll jobs, far exceeding expectations, with December alone contributing 256,000 jobs, reflecting a stable economy. The unemployment rate also finished the year better than expected, settling in at 4.1% in December, up from 3.8% the prior year. This strong labor market is likely to delay Federal Reserve interest rate cuts, which could sustain elevated borrowing costs for households and businesses.

In Santa Cruz County, payroll jobs decreased by 1.0% year over year, while California jobs experienced a slightly smaller decline of 0.7%. Despite these annual declines, the pace of job losses has moderated, with employment levels now hovering just below long-term averages. Rather than a sharp contraction, the labor market appears to be moving sideways, reflecting a broader trend of resilience across both the state and county.

The unemployment rate in Santa Cruz County ticked up by 0.1 percentage point, from 5.7% to 5.8%, signaling a tight labor market even as overall conditions softened slightly. In California, the unemployment rate rose by 0.4 percentage points, from 4.9% to 5.3%, still within a range consistent with gradual cooling rather than a rapid deterioration. This measured adjustment mirrors the national story, where the labor market has shown resilience despite cooling job growth.

For the County's General Fund, the stability of the labor market offers mixed implications. While slower job growth may temper revenue gains from sources like sales and income taxes, the absence of a sharper decline helps preserve overall economic stability and minimizes potential disruptions to local funding streams.

The Federal Open Market Committee (FOMC) maintained an elevated Federal Funds rate throughout most of 2024, leaving it at 5.33% for over a year before implementing three cuts beginning in September. These cuts brought the effective rate down to 4.33% by year-end. Strong economic performance and steady job gains, particularly in the last few months of 2024, have led most economists to scale back their expectations for rate cuts in 2025, now predicting only two to three reductions instead of four. December's robust jobs report further reinforced this sentiment, likely delaying the Fed's timeline for additional rate cuts until later in the year.

Mortgage rates remained stubbornly high in the 6-7% range, ending 2024 at 6.9%, despite three Federal Reserve rate cuts in the latter half of the year. This persistence reflects elevated long-term Treasury yields, driven by strong economic growth, steady labor market performance, and lingering inflationary pressures. While borrowing costs remain elevated, home sales in Santa Cruz County rebounded with an average annual growth rate of nearly 9% following two years of double-digit declines. As a result, home prices rose at an average annual rate of 7%, reversing the 7% decline seen the prior year. This recovery has been positive for property tax revenues tied to new transactions and developments. Although homes are staying on the market longer and sellers are increasingly adjusting prices to close sales, strong demand and an acute housing shortage should prevent a downdraft in prices, continuing to support property tax growth in the County.

With similar trends in the housing market locally and nationally, economic momentum in 2024 was driven by strong consumer spending and GDP growth. Third-quarter annualized GDP was revised upward to 3.1% nationally and 3.6% in California, reflecting solid economic performance bolstered by consumer spending. In December 2024, U.S. retail and food services sales rose by 3.9% year-over-year, resulting from sustained demand across sectors. Higher wage growth from a strong labor market has continued to fuel consumer spending, which accounts for nearly two-thirds of GDP. Despite higher borrowing costs and lingering inflationary pressures, households remain a key pillar of economic growth.

Consumer sentiment improved in December 2024, with the University of Michigan's Consumer Sentiment Index rising to 74.0, a 6.2% increase from December 2023, marking the highest level since April 2024. Despite this uptick, inflation remains a concern. The Consumer Price Index (CPI) rose 0.4% in December, leading to a 2.9% year-over-year increase, which is still above the Federal Reserve's 2% target. Similarly, the Producer Price Index (PPI) increased by 0.2% in December and 3.3% over the past

year, indicating persistent inflationary pressures. For Santa Cruz County, sustained inflation could lead to higher operational costs, potentially impacting budget allocations and financial planning.

The personal savings rate stood at 4.4% in November 2024, with a 12-month average of 4.8%, slightly above the prior year's 4.7% but well below the 2010s average of 6.1%. Savings have steadily declined from pandemic-era highs of over 14%, driven by government stimulus and restricted spending, to pre-pandemic levels. This decline reflects rising debt costs and reduces financial flexibility for consumers, leaving them more vulnerable to economic shocks. Lower savings rates and high living costs could limit discretionary spending, slowing sales tax revenue growth and straining households' ability to absorb rising costs or taxes.

### ***County of Santa Cruz FY 2025-26 Proposed Budget***

General Fund departments have recently submitted their requested FY 2025-26 budgets by February 6, 2025 due date. With the existing and emerging cost pressures discussed herein, the CAO directed that department budgets be submitted without requests for additional General Fund contributions.

The CAO and County Budget Manager will be validating budget submissions with the targeted release of the Proposed 2025-26 Budget to coincide with the first budget hearing on April 29, 2025.

Public deliberation of the Proposed 2025-26 budget will continue with departmental budget hearings on June 3, 2025 and June 4, 2025, concluding with the June 10, 2025, budget hearing, the 2025-26 last day and concluding actions, and the public hearing on the annual Unified Fee Schedule (UFS) update.

Following approval of June 4, 2025, last day and concluding actions, any FY 2025-26 directed changes and FY 2024-25 fiscal year-end adjustments will be compiled by the Auditor-Controller-Treasurer-Tax Collector and presented to the Board on September 30, 2025, as the Adopted Budget.

### ***Measure K Spending Plan***

On September 24, 2024, the Board approved the FY 2024-25 Measure K spending plan based on the previously established budget priorities (uses) for the County's Measure K half-cent sales tax. The \$7.5 million spending plan consisted of the following:

- \$1 million for environmental and parks capital projects, with \$200,000 set aside for each district;
- \$1 million for homelessness programs and services in unincorporated areas;
- \$1 million to General Fund restricted contingencies for housing-related uses in unincorporated areas;
- \$1 million to General Fund restricted contingencies for emergency road projects this winter;
- \$3.5 million to restore the General Fund Contingencies budget due to the threat of climate-driven disasters this winter and other potential emergencies.

In FY 2025-26, the Measure K half-cent sales tax will generate approximately \$10.1 million, reflecting an entire year of sales tax receipts. To be consistent with previously established priorities and our growing road needs, staff recommend the following FY 2025-26 Measure K spending plan:

- \$1 million for environmental and parks capital projects, with \$200,000 set aside for each district;
- \$1 million for homelessness programs and services in unincorporated areas;
- \$1 million for housing-related uses in unincorporated areas;
- \$2 million for unincorporated area road maintenance and repair. The County Administrative Officer will attempt to locate additional General Fund contributions for roads subject to the need to address other emerging issues and priorities, such as federal threats; and
- \$5.1 million to support essential services provided by the County's Public Safety and Justice, Health and Human Services, and Land Use and Community Services departments in unincorporated areas.

On March 26, 2024, the Board approved in concept appropriating \$1 million in the Human Services Department Housing for Health Division budget beginning in FY 2024-25. This was consistent with prior Board recommendations on the potential uses of additional revenue from Measure K and was included in the FY 2024-25 Measure K spending plan, as noted above. Funding will be used to leverage matching funding from city jurisdictions within the county, state, and federal grants to sustain shelter operations and programs over the long-term. In the absence of additional local funding commitments to cover the operational costs of temporary housing programs, the community will likely continue to experience a recurring cycle of programs opening and closing due to unstable funding sources and amounts.

In past items on Measure K, the Board has expressed an interest in prioritizing housing funding for a variety of uses including legal assistance for tenant protection, security deposits, behavioral health room and board expenses, and affordable and supportive housing projects. Due to critical immediate needs, the FY 2024-25 Measure K spending plan included setting aside \$1,000,000 in restricted General Fund Contingency for the following uses:

- \$200,000 for Housing Authority security deposits for units rented in unincorporated areas;
- \$400,000 for behavioral health room and board expenses in licensed residential facilities in unincorporated areas; and
- \$400,000 for investing in affordable and supportive housing projects in unincorporated areas.

For the Proposed 2025-26 Budget planning, staff requests Board input and direction on its highest priorities for these or other housing-related uses. With the HSA Behavioral Health Division facing dramatic budget reductions to solve for a \$11-17 million gap in the Proposed 2025-26 Budget, staff recommends and will include the continuation of at least \$400,000 to avoid certain cuts to behavioral health room and board expenses in licensed residential facilities.

The Road Fund has seen a decline in resources due to reduced gas tax revenues and increased storm damage and related debt service. Storm damage response will take place over the greater part of a decade during which time additional disasters will likely occur. The \$2 million appropriation from Measure K is an effort to increase road maintenance and resurfacing and major culvert repair and replacement. The Community Development and Infrastructure Department is developing a budget to maximize the use of this funding should the FY 2025-26 Measure K spending plan be approved in concept by the Board. The County Administrative Officer will attempt to locate additional General Fund contributions for roads subject to the need to address other emerging issues and priorities, such as federal threats.

### ***Adjustments to 2024-25 Budget***

Routinely, an early realignment of appropriations is necessary within the current year's budget to meet the expected year-end obligations or to provide offsetting adjustments to the budget. The following are a few adjustments as detailed in the attached AUD-60 and AUD-74 forms for various departments.

Office of Response, Recovery, and Resilience (OR3) – \$233,495. OR3, in collaboration with Real Property has been in the process of developing an alternate emergency only egress out of the Lompico Valley. Up to \$233,495 in funding is necessary to finance planning, negotiation, and related costs for easements over an existing road and private property. This will connect to a section of a previously obtained easement that connects to the County maintained road network. Once all easements are acquired the County can identify funds for construction of the evacuation route.

Human Services Department (HSD) - \$46,137. Human Services Department (HSD) Server Room requires minor improvements and are currently included in their 2024-25 Budget. The improvements meet the criteria to be classified as a Capital Project and must be transferred from the General Fund HSD budget to the Capital Projects Fund.

Information Services Department (ISD) - \$800,000. ISD funds were included in the Soquel Buffered Bike Lane Project to fund fiber and cable undergrounding. However, ISD errantly omitted in the 2024-25 Budget a transfer out to the Road Fund for the project.

Capital Projects - Library - \$36,872. The Capitola Library Friends have donated to install a solar panel project at the Capitola Library, requiring the acceptance of this revenue (191407-42372). The donation will be used, as needed, for the design, procurement, and installation of solar panels. The current vendor, Allterra, is designing this solar system so that the Library can be considered Net-Zero for energy use on an annual basis.

Parks County Service Area (CSA) 11 Projects - \$112,980. The Parks CSA 11 Special Revenue fund requires corrections to add appropriations for previously Board-approved fixed assets. On March 12, 2024, the Board approved HVAC improvements to the Simpkins Swim Center, but the appropriations were errantly left out of department requests for carryover into 2024-25 Budget. In addition, on June 4, 2024, the Board

approved the 2024-25 fixed asset list that included \$45,000 of CSA 11 funded fixed asset purchases whose appropriations were errantly omitted from the 2024-25 Budget.

Flood Control District - \$ 610,000. Community Development and Infrastructure includes the flood control districts that now require within Zone 7A funding for the preliminary design of flood mitigation projects. The fund balances within the Santa Cruz County Flood Control and Water Conservation District-Zone 0 and Pajaro Storm Drain Maintenance District-PSDMD funds will each transfer in \$305,000 for the Zone 7A \$610,000 budget for the project.

Measure K 2024-25 Plan Implementation. The 2024-25 Adopted Budget held certain Measure K amounts in the General Fund Contingency until contracts and uses were initiated. Following are reclassifications and realignments to:

- Transfer \$200,000 from Contingency appropriations to the HSD Housing for Health Division to amend an existing contract (25W4121) with the Housing Authority of the County of Santa Cruz (HACSC). Funds will be used to provide security deposits and other housing-related financial assistance for households in unincorporated areas of the County served by HACSC programs. The contract is being amended to reflect the new resources and additional scope of work associated with these dollars. The proposed additional funding for this contract was approved by the Board on September 24, 2024. HSD is requesting an effective date of October 1, 2024, for the amendment to help ensure full utilization of available Measure K and other funding during the current contract year. Future funding for this program will depend on future Measure K budget allocation decisions and the availability of state and federal funding sources to address this need.
- Transfer \$400,000 from Contingency appropriations to provide \$400,000 for HSA behavioral health room and board expenses in licensed residential facilities in unincorporated areas.
- To authorize the County Administrative Officer to approve a \$400,000 transfer from Contingency appropriations to applicable General Fund departments for investing in affordable and supportive housing projects in unincorporated areas.
- Reclass Measure K District 3 (\$150,000) and District 4 (\$200,000) appropriations from Fund 42 Capital Project Contingency to Fund 40 Capital Project Contingency.
- Reclass Measure K District 3 contribution intended from the General Fund Contingency (\$50,000) appropriations from Fund 42 Capital Project Contingency to General Fund Transfer Out to the Davenport Sanitation District.

Fixed Asset Substitutions. The Public Works Division of Community Development and Infrastructure 2024-25 Budget included Board approval for specific fixed asset purchases. Routinely, a substitution of fixed assets is required. As such, Public Works requests realignment to remove acquisition of a Pave Box off road vehicle, fleet telemetrics, and e-bikes to add five replacement vehicles and two copier/printers, for a net cost increase of \$631,737. See the attached 2024-25 Adjusted Fixed Assets schedule. DPW Fleet requested new vehicles as a recent assessment determined additional vehicles had reached their end of life sooner than expected. Vehicles reach their end of their life due to high mileage, lack of available parts for older equipment,



increasing repair costs from numerous failures for older units, and major mechanical issues that make further maintenance impractical.

### **Financial Impact**

The General Fund will transfer out \$96,137, with \$46,137 from HSD to the Capital Projects Fund (GLKey 191507) and \$50,000 from General Purpose Revenue (GLKey 131220) to the Davenport Sanitation District fund (GLKey 625125).

The General Fund Contingency will be reduced by \$1,283,295 to a lower balance of \$7,107,282, with another \$1 million restricted for winter storm damage response. This is from Measure K transfers to HSA of \$400,000 (GLKey 363210), to HSD of \$200,000 (GLKey 391200), and to the Davenport Sanitation District of \$50,000 (transfer above). It is also reduced by a transfer to OR3 of \$233,495 (GLKey 186000) and pre-approval for a transfer to applicable departments for affordable and supportive housing projects (GLKeys to be determined) of \$400,000.

The Capital Projects fund will reclass \$350,000 from GL Key 197100 to 191099 and reduce by \$50,000 appropriations (GL Key 197100) for a board directed transfer out into the Davenport Sanitation District Fund. The Capital Projects Fund will receive \$36,872 for the Capital Library.

The Parks CSA11 Projects fund will appropriate \$112,980 from fund balance (GL Key 134910) for purchases of board approved assets of \$67,980 (GL Key 134910) for building HVAC improvements and \$45,000 (GL Key 134910) for equipment.

The Internal Service Fund for ISD (GL Key 060100) will be reduced by \$800,000 to transfer to the Road Fund project for Soquel Buffered Bike Lane project that already includes the \$800,000 as a funding source (GL Key 621100/P40670).

Within the flood control district funds, fund balances in the Santa Cruz County Flood Control and Water Conservation District-Zone 0 (GLKey 135462/P25220) and Pajaro Storm Drain Maintenance District-PSDMD (GLKey 622245//P24843) funds will each transfer \$305,000 into the Zone 7A (GLKey 622385/P27399) \$610,000 budget for the project.

### **Strategic Initiatives**

Equity Framework - Plans, Policies & Budgets  
Operational Plan - Operational Excellence

### **Submitted By:**

Carlos Palacios, County Administrative Officer

### **Recommended By:**

Carlos J. Palacios, County Administrative Officer

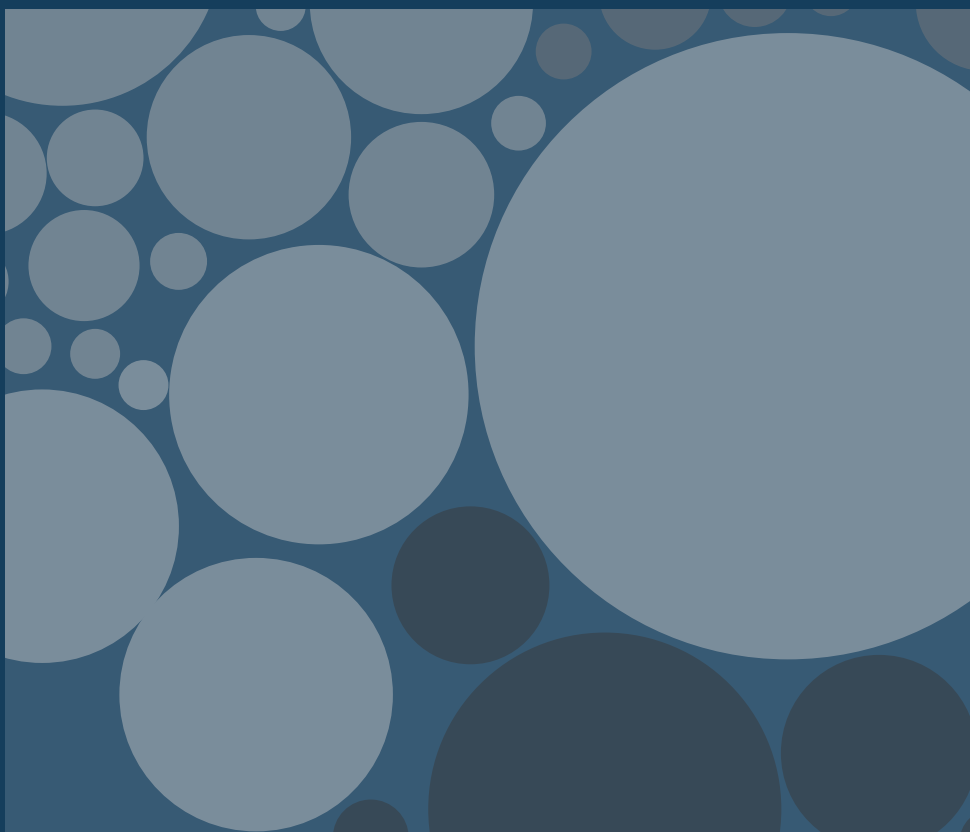
### **Artificial Intelligence Acknowledgment:**

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.



The 2025-26 Budget:

# Overview of the Governor's Budget



GABRIEL PETEK | LEGISLATIVE ANALYST  
JANUARY 2025



# Executive Summary

***Budget Remains Roughly Balanced.*** In November, we found that the underlying condition of the state's budget was roughly balanced. This remains true under the Governor's budget. There are a handful of differences in our estimates, but these changes are small enough on net that they do not substantively change our assessment of the budget condition. Specifically, the administration has higher revenue estimates than our office, but these are mostly offset by their higher spending estimates. We are not describing the budget condition as having a surplus or a deficit at this time. Unique budgetary conditions occurring this year—including atypical legislative action taken last year to both address the deficit and withdraw more in reserves this year—make interpretation of the budget position more complex. (On a technical basis, under the administration's estimates, we estimate the balance of the Special Fund for Economic Uncertainties would be about \$3 billion before the Governor's proposals.) That said, both our office and the administration anticipate the budget faces deficits in future years.

***Governor's Budget Includes Some Smaller Proposals.*** The Governor's budget includes three categories of discretionary proposals. First, some proposals provide short-term budget savings that create more budget capacity. These total \$2.2 billion. Second, the Governor's budget includes new discretionary proposals that use budget capacity by increasing spending or reducing revenues. These total roughly \$700 million. Finally, the Governor sets the balance of the Special Fund for Economic Uncertainties to \$4.5 billion—somewhat higher than the level enacted by recent budgets.

***Revenue Estimates Reasonable, but Risks Must Be Kept in Focus.*** The Governor's budget revenue upgrade, while somewhat higher than ours, is reasonable in light of the recent collection trends. That being said, we continue to be concerned that recent gains are on shaky ground. These gains are not tied to improvements in the state's broader economy, which has been lackluster, with elevated unemployment, a stagnant job market outside of government and healthcare, and sluggish consumer spending. Instead, the gains appear largely tied to the booming stock market, a situation which can change rapidly and without warning. The administration appears to share some of these concerns, noting recent job losses among high-wage workers and the risks posed by the inherent volatility of tax receipts tied to stock market gains. We suggest the Legislature take heed of these risks and avoid putting too much stock in the recent revenue rebound until it is accompanied by clear improvements in California's broader economy.

***Governor's Use of Reserves Remains Reasonable.*** The Governor's budget maintains an already planned withdrawal from the state's rainy day fund, which we think is a reasonable choice. Since 2023-24, the Legislature has addressed a cumulative total of \$82 billion in budget problems, but even including the withdrawal for 2025-26, has only used about half of the Budget Stabilization Account (BSA). Using some reserves this year is therefore warranted and gives the Legislature capacity to focus on addressing the budget's out-year condition.

***Maintain Momentum on Solving Budget Deficits.*** We recommend the Legislature maintain last year's momentum by developing a plan for addressing the budget problems on the horizon. The underlying budget dynamics today are particularly challenging for three reasons. First, revenues have not caught up with expenditures. Second, under our estimates, expenditure

growth exceeds estimated revenue growth. Third, the budget is currently balanced, but only because the Legislature took significant actions last year—nearly all of which involved one-time uses of funds, like reserve withdrawals, temporary revenue augmentations, and reductions in temporary spending. This means that, going forward, decisions to balance the budget will involve more difficult trade-offs. We recommend the Legislature use the next few months to review program performance to develop its own approach to addressing the deficits.

***Governor's Interest in Enhancing Reserve Policies Merited.*** The Governor has signaled interest in changing the state's reserve policy by: (1) increasing the cap on BSA required deposits from 10 percent of General Fund taxes to 20 percent of General Fund taxes, and (2) excluding the state's reserve deposits from the state appropriations limit. We agree that rethinking the state's reserve policies is merited, particularly in light of increasing volatility in state revenues. The two changes proposed by the Governor are reasonable first steps, but additional changes are warranted. For context, if policies like these had been in place over the last decade, the state would have been required to save only a few billion more in reserves. As such, if the Legislature wishes to have substantively more reserves available when responding to downturns or other emergencies, we would recommend also changing the formulas that set aside funds each year to increase how much is saved.

## INTRODUCTION

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On January 10, 2025, Governor Newsom's administration presented its proposed state budget to the California Legislature. In this report, we provide a brief summary of the Governor's budget

based on our initial review as of January 12. In the coming weeks, we will analyze the plan in more detail and release many additional issue-specific budget analyses.

## BUDGET ROUGHLY BALANCED

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In November, we found that the underlying condition of the state's budget was roughly balanced. This remains true under the Governor's budget. In other words, we are not describing the budget condition as having a surplus or a deficit at this time. These concepts are inherently tools of communication, not accounting, and are ultimately somewhat subjective. Moreover, specific budgetary conditions occurring this year—including legislative action taken last year to withdraw more in reserves this year—make interpretation of the budget position more complex.

### ***Legislative Action in June 2024 Addressed Anticipated Budget Problem Proactively.***

In June of 2024, the Legislature not only addressed the budget problem for 2024-25, but also made proactive decisions to address the anticipated budget problem for 2025-26. This is one of the key reasons that the budget remains balanced now. The June 2024 budget package committed to a total of \$28 billion in budget solutions for 2025-26, which included, \$12 billion in spending-related solutions and nearly \$16 billion in all other solutions, including \$5.5 billion in temporary revenue increases and a \$7 billion withdrawal from the state's rainy day fund, the Budget Stabilization Account (BSA). The Governor's budget does not propose any significant policy changes to the already-adopted budget solutions, but some of the assumed savings are now lower—totaling \$23 billion for 2025-26. Two key areas where these savings have eroded are in the managed care organization (MCO) tax package and reductions to state operations. These are described in the box on the next page. The forthcoming Appendix 1 will also provide a full list of the solutions from the 2024-25 budget package that generate savings in 2025-26.

### ***Budget Position Largely Similar to Our***

***Estimate.*** Before accounting for discretionary choices, the budget position under the administration's estimates is similar to what it was under our November estimates. That is, both of our offices have assessed that the budget is roughly balanced. There are a handful of differences in our estimates, but these changes are small enough on net that they do not substantively change our assessment of the budget condition. (On a technical basis, under the administration's estimates, we estimate the balance of the Special Fund for Economic Uncertainties [SFEU] would be about \$3 billion before the Governor's proposals.) The main differences between our estimates include:

- ***Revenue Estimates Higher by \$9 Billion.*** Over the budget window—2023-24 through 2025-26—the administration's estimates of revenues (excluding policy proposals) are higher than our November 2024 estimate by \$9 billion. Higher estimates for personal income taxes and corporation taxes each account for a bit under half of this difference, with the small remainder attributable to a variety of other revenues. This improves the budget's bottom line.
- ***School and Community College Spending Higher by \$5 Billion.*** Reflecting these higher revenue estimates, the administration's estimates of constitutionally required General Fund spending on K-14 education is \$4.7 billion higher than our November estimates. This partially offsets the revenue increase described above, deteriorating the budget's bottom line.

## Significant Changes to Solutions From June 2024 Budget Package

**Managed Care Organization (MCO) Tax Package.** Some of the largest budget solutions in the June budget package involved the MCO tax, a tax on health plans that supports the Medi-Cal program. Last year's budget notably increased the size of the MCO tax, generating more revenue for Medi-Cal. In addition, it used more tax funds to offset General Fund spending on Medi-Cal, in turn reducing planned spending on provider rate increases. These solutions yielded General Fund savings of \$11 billion through 2025-26. The Governor's budget reduces this amount by \$1.3 billion through 2025-26. The reason for the reduction is the recent voter approval of Proposition 35 (2024), which requires the state to spend less MCO tax money on offsetting General Fund spending and more money on provider rate increases.

**State Operations Reductions.** The 2024-25 budget package assumed that the Department of Finance would reduce state operations expenditures through two unallocated reductions across most state departments. These included (1) a \$1.5 billion (\$760 million General Fund) reduction through the permanent and ongoing reduction of 10,000 vacant positions and the associated funding and (2) a reduction to General Fund operating expenditures of \$2.2 billion in 2024-25 and \$2.8 billion in 2025-26 and ongoing. In total, the 2024-25 budget package assumed that state operations costs would be reduced by \$3.7 billion (\$3 billion General Fund) through these unallocated reductions. The Governor's budget assumes that the administration achieves significantly lower General Fund savings through these unallocated reductions. Specifically, the Governor's budget assumes (1) a \$620 million (\$230 million General Fund) reduction through the permanent elimination of 6,500 vacant positions and associated funding and (2) a \$1.5 billion (\$820 million General Fund) in 2024-25 and \$2 billion (\$1.2 billion General Fund) in 2025-26 and ongoing reduction to state operations expenditures. In total, the Governor's budget assumes that state operations costs are reduced by \$2.1 billion (\$1 billion General Fund) in 2024-25 and \$2.6 billion (\$1.4 billion General Fund) in 2025-26 and ongoing. Essentially, the Governor's budget assumes that the administration is able to achieve about one-half of the General Fund state operations savings assumed in the 2024-25 budget plan.

- **All Other Spending Lower by \$600 Million.**

Across the rest of the budget, the administration's estimates of baseline spending (for example, for caseload growth, federal reimbursements, and statutory cost increases) are lower than ours by \$600 million. This is a relatively small number on a net basis, but is the result of many, much larger, offsetting differences. For example, the administration's estimate of baseline costs in Medi-Cal, the state's Medicaid program, is higher than our November 2024 estimate by \$3.1 billion in 2025-26. This is largely due to increased pharmacy costs, higher caseload, and a lower General Fund offset from the MCO tax package. These higher costs are more than offset by a range of other areas where the administration's cost estimates

are lower. For example, constitutionally required debt payments are \$1.1 billion lower under the administration's estimates and the administration scores a higher entering fund balance—largely due to over \$1 billion in additional revenue accruals—in 2023-24. On a net basis, these items slightly improve the budget's bottom line.

Neither our November estimates nor the administration's estimates included any costs associated with the devastating wildfires in Southern California, as both were developed before those wildfires began. While we anticipate some state costs as well as state policy responses to this disaster, we do not yet have sufficient information about the extent of those costs.

## DISCRETIONARY PROPOSALS

The Governor's budget includes three categories of discretionary proposals, which are those that are not already committed to under current law or policy. First, some proposals provide short-term budget savings that create more budget capacity. These proposals generate a total of \$2.2 billion General Fund savings within the budget window. Second, the Governor's budget includes new discretionary proposals that use budget capacity by increasing spending or reducing revenues. These total roughly \$700 million. Finally, the Governor sets the balance of the SFEU to \$4.5 billion. We describe the major components of each of these categories below. The forthcoming Appendix 2 and 3 will also provide a complete list of the savings, spending, and tax expenditure proposals.

### Savings Proposals

#### ***Generates \$1.6 Billion School and Community College Settle-Up Obligation in 2024-25.***

The Governor's budget proposes providing \$1.6 billion less in total funding for schools and community colleges than the estimated constitutional minimum funding level for 2024-25. This provides one-time General Fund savings in that year, but also creates a "settle-up" obligation, which will need to be paid in a future year if revenues for 2024-25 were to remain unchanged. If revenues for 2024-25 come in below current projections, this obligation would also decline—potentially to zero. We understand that while the administration indicates it will provide this payment in the future—after the final calculation of the minimum funding requirement—it also has not scored this future obligation in its multiyear budget.

#### ***Increases Revenue by Around \$300 Million.***

The Governor's budget proposes to change the rules about how taxable profits are determined for financial institutions. The administration estimates this change would increase revenues on an ongoing basis by around \$300 million per year.

#### ***Shifts Nearly \$300 Million in General Fund Spending to Proposition 4 (2024) Climate Bond.***

Recent budget packages included significant General Fund appropriations for a variety of climate- and environmental-related activities.

The Governor proposes to reduce and revert nine of these prior appropriations totaling \$273 million, achieving General Fund savings. These include funds for water recycling, wildfire prevention activities at state parks, and dam safety activities. The proposal would then provide a like amount of funding from Proposition 4, the climate bond approved by voters in November 2024. This would result in maintaining prior funding levels for these activities but would preclude this amount of Proposition 4 funds from supporting expanded service levels or additional projects.

### Spending and Tax Expenditure Proposals

***New Spending Proposals of Nearly \$600 Million.*** The Governor's budget includes \$570 million in new discretionary General Fund spending in 2025-26. After 2025-26, these proposals would add about \$300 million in ongoing spending. Some of the largest spending augmentations proposed include: (1) \$60 million to provide additional grants under the Cal Competes program; (2) the intent to partially restore an ongoing reduction to the trial courts, which, if enacted, would cost \$42 million ongoing; and (3) the Governor's proposed expansion to College Corps, which would cost \$5 million in 2025-26, but grow to \$84 million ongoing.

#### ***New Tax Expenditures of \$150 Million.***

The Governor's budget includes some revenue proposals, which would expand existing tax expenditures and create new ones. This includes increasing the existing film tax credit from \$330 million to \$750 million per year and excluding some military retirement income from taxation. Taken together, the administration estimates these proposals would reduce revenues by around \$150 million in 2025-26, reaching \$300 million by 2028-29.

### Discretionary Reserves

***Sets Discretionary Reserve Balance to \$4.5 Billion.*** The SFEU is a general-purpose reserve commonly used to provide capacity for unanticipated expenditures, including state



costs associated with disasters and other emergencies. Technically, it is also the end balance of the state’s General Fund—the money that remains after accounting for all of the state’s expected revenues and spending. The state constitution has a balanced budget requirement, which means

the balance of the SFEU must be set above zero for the upcoming fiscal year. Any level above zero is up to the discretion of the Legislature. Recent budgets have set the SFEU between \$3.5 billion and \$4 billion. The Governor proposes a \$4.5 billion SFEU balance for the end of 2025-26.

## BUDGET CONDITION

In this section, we describe the overall condition of the General Fund budget after accounting for the Governor’s budget proposals. We also describe the condition of the school and community college budget.

### General Fund Condition

**Figure 1** shows the General Fund condition based on the Governor’s proposals and using the administration’s estimates and assumptions.

**Under Governor’s Budget, Reserves Would Total \$15 Billion by End of 2025-26.** Under the Governor’s budget, general purpose reserves would total \$15.4 billion by the end of 2025-26. (In addition, the state would have \$1.5 billion in the Proposition 98 Reserve, available only for school and community college programs.) As discussed earlier, this includes a balance in the SFEU of \$4.5 billion (somewhat above recently enacted levels), and \$11 billion in the state’s main

constitutional reserve, the BSA. These balances would be available to mitigate a future budget problem. (As noted earlier, the Governor’s budget maintains a roughly \$7 billion withdrawal from the BSA planned as part of last year’s budget. Although the state does not currently have a deficit, this withdrawal would still be allowable under the constitution’s budget emergency rules.)

**Multiyear Budget Condition.** The Governor’s budget includes estimates of multiyear revenues and spending. Under the administration’s projections, the state faces operating deficits of \$13 billion in 2026-27, \$19 billion in 2027-28, and \$15 billion in 2028-29. As shown in **Figure 2**, these deficits are somewhat smaller than our November 2024 projections of the budget’s position. Although our estimates were based on current law and policy, not the Governor’s budget proposals, the administration does not propose significant spending reductions or revenue increases in

future years, so these figures are mostly comparable.

The differences in our estimates are largely attributable to three factors. First, the administration assumes the state continues to suspend deposits into the BSA throughout the multiyear, while we assumed the state would make deposits of around \$3 billion to \$4 billion each year. Second, the administration’s estimates of revenues are somewhat higher than ours in 2026-27 and 2027-28. Third, the administration’s estimate of spending is notably lower than ours in 2028-29.

Figure 1

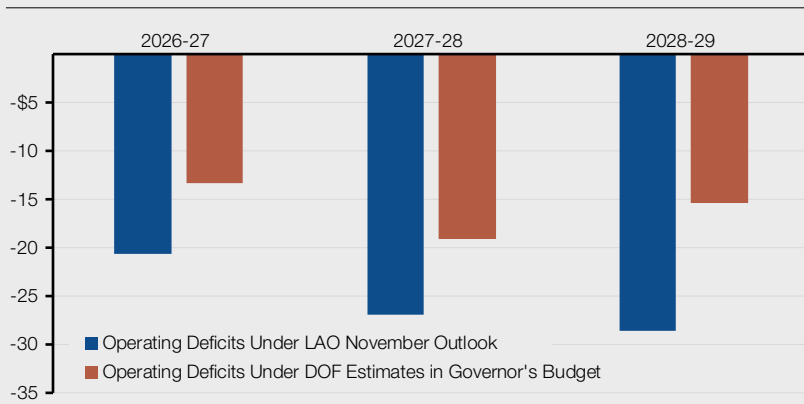
**General Fund Condition Summary**  
(In Millions)

	2023-24 Revised	2024-25 Revised	2025-26 Proposed
Prior-year fund balance	\$50,203	\$35,877	\$26,299
Revenues and transfers	193,269	222,473	225,095
Expenditures	207,595	232,051	228,892
<b>Ending Fund Balance</b>	<b>\$35,877</b>	<b>\$26,299</b>	<b>\$22,501</b>
Encumbrances	18,001	18,001	18,001
<b>SFEU balance</b>	<b>\$17,876</b>	<b>\$8,298</b>	<b>\$4,500</b>
<b>Reserves</b>			
BSA	\$22,902	\$18,045	\$10,945
SFEU	17,876	8,298	4,500
Safety net	900	—	—
<b>Total Reserves</b>	<b>\$41,678</b>	<b>\$26,343</b>	<b>\$15,445</b>

Figure 2

### Multiyear Deficits Persist

LAO and DOF Estimates of Multiyear Budget Condition (In Billions)



DOF = Department of Finance.

LAO

We do not have detail on the source of this final difference, but it seems to be driven in part by lower spending estimates in health and human services, higher education, and on required debt payments under Proposition 2. That said, in the scope of the budget's uncertainty for these years, the differences between our estimates and the administration's estimates are not particularly significant.

### School and Community College Budget

#### ***Funding for Schools and Community Colleges Up \$7.1 Billion Across the Budget Window.***

Compared with the estimates from June 2024, the administration estimates the constitutional minimum funding level for schools and community colleges is up \$7.1 billion. Of this increase, \$3.9 billion is attributable to 2024-25 and \$3.2 billion is attributable to 2025-26. (Spending is unchanged in 2023-24.) The increase is due almost entirely to higher General Fund revenue estimates. Local property tax estimates, by contrast, are similar to the estimates from June. In addition, approximately \$4 billion in one-time spending expires in 2025-26, freeing-up the underlying funding for other school and community college purposes.

***Makes Required Reserve Deposits Into Proposition 98 Reserve.*** The Proposition 98 Reserve is a statewide reserve account for school and community college funding. Under

the Governor's budget, the state would make mandatory deposits of \$1.2 billion in 2024-25 and \$376 million in 2025-26. These deposits would bring the balance in the reserve to \$1.5 billion. (The state previously withdrew the entire balance to address shortfalls in 2023-24.) The mandatory deposit in 2024-25 replaces a \$1.1 billion discretionary deposit included in the June 2024 budget.

***Funds Some Ongoing Increases.*** The Governor's budget provides approximately \$2.5 billion to fund a 2.43 percent statutory cost-of-living adjustment for existing school and community college programs. Consistent with previous legislation, the budget sets aside \$1.1 billion to complete the expansion of transitional kindergarten in 2025-26. The budget also provides \$746 million to reduce student-to-adult ratios in transitional kindergarten classrooms from 12:1 to 10:1. The budget provides a \$435 million increase for the Expand Learning Opportunities Program. This augmentation is primarily to increase the number of school districts that must offer enrichment programs (such as after school activities and summer school) to all of their students. The budget also includes \$30 million to support 0.5 percent systemwide community college enrollment growth.

***Allocates One-Time Funds for Discretionary Grants, Staffing Enhancements, and Technology Activities.*** The largest one-time proposal is to provide \$1.8 billion for schools through a new discretionary block grant that could be used to fund new activities or cover costs of existing programs. The budget also includes \$500 million to fund literacy and mathematics coaches at high-poverty schools. This proposal would expand upon a program the state funded in previous budgets. In addition, the Governor proposes a series of initiatives intended to advance teacher training and recruitment efforts at schools and implement a common technology platform across the community college system.

**Delays \$1.6 Billion Payment in 2024-25 Pending Revised Revenue Data.** As described earlier, under the Governor’s budget, total funding for schools and community colleges in 2024-25 would be \$1.6 billion less than the administration’s estimate of the constitutional minimum funding level that year. The administration indicates it will provide this payment in the future after finalizing the calculation of the minimum requirement. According to the administration, this delay is intended to mitigate some of the downside risk to

its revenue estimates. More specifically, if state revenues come in below the levels estimated in the budget, the constitutional funding requirement also would decrease. Under this scenario, the state could reduce or eliminate the \$1.6 billion payment more easily than if it had already appropriated that amount for schools and community colleges. (The delay only affects 2024-25. For 2025-26, the total funding proposed in the budget equals the estimate of the constitutional minimum level.)

## COMMENTS

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**Revenue Estimates Reasonable, but Risks Must Be Kept in Focus.** Our November *Fiscal Outlook* included an upgrade to the state’s revenue outlook in recognition of positive trends in tax collection in recent months. Since then, this trend has continued with strong end-of-year income tax withholding and corporation tax payments. The Governor’s budget revenue upgrade, while somewhat higher than ours, is reasonable in light of these recent collection trends. That being said, we continue to be concerned that recent gains are on shaky ground. These gains are not tied to improvements in the state’s broader economy, which has been lackluster, with elevated unemployment, a stagnant job market outside of government and healthcare, and sluggish consumer spending. Instead, the gains appear largely tied to the booming stock market, a situation which can change rapidly and without warning. The administration appears to share some of these concerns, noting recent job losses among high-wage workers and the risks posed by the inherent volatility of tax receipts tied to stock market gains. Further complicating this muddled picture is the tax deadline delay in response to the Los Angeles fires, which will make it difficult to read tax collection trends over the next several months. We suggest the Legislature take heed of these risks and avoid putting too much stock in the recent revenue rebound until it is accompanied by clear improvements in California’s broader economy.

**State Faces Some Additional Cost Pressures.** The budget faces some cost pressures that are not included in the administration’s estimates. First, the wildfires in the Los Angeles region have brought devastation, and these events create some budgetary uncertainty for the state. The extent of the state costs from these fires will depend on the continually evolving situation, as well as decisions by the Legislature and federal government, including those related to cost sharing for response, clean up, recovery, and other possible assistance. Second, as described earlier, the Governor’s budget generates a settle-up obligation to schools and community colleges, which is not accounted for in the administration’s multiyear planning estimates. If revenues for 2024-25 remain at the level currently forecasted—or come in higher—the state would owe \$1.6 billion in additional payments to schools. If revenues are lower, this payment would be lower, but the overall condition of the budget would also be worse.

**Governor’s Use of Reserves Remains Reasonable.** Last year’s budget package planned for a \$7 billion withdrawal from the BSA in 2025-26. The Governor’s budget maintains this withdrawal. We think this is a reasonable choice. Since 2023-24, the Legislature has addressed a cumulative total of \$82 billion in budget problems, but even including the withdrawal for 2025-26, has only used about half of the BSA. Using some reserves this year is therefore warranted and gives the Legislature capacity to focus on addressing

the budget's out-year condition. The Governor's proposal would also leave another \$11 billion remaining in the BSA, which would help the Legislature address budget problems that are likely to occur in the future. As such, we recommend the Legislature maintain the Governor's approach on the use of reserves in its own budget plan.

***Maintain Momentum on Solving Budget***

***Deficits.*** We recommend the Legislature maintain last year's momentum by developing a plan for addressing the budget problems on the horizon. While out-year budget problems of this magnitude have been seen before, the underlying budget dynamics today are particularly challenging for three reasons. First, despite recent gains, revenues have not caught up with expenditures, and questions remain about the sustainability of those continued improvements. Second, under our November estimates, outyear expenditure growth exceeds historically average revenue growth. Ultimately, state revenues are unlikely to grow sufficiently to balance the budget. Third, the budget is currently balanced, but only because the Legislature took significant actions last year—nearly all of which involved one-time uses of funds, like reserve withdrawals, temporary revenue augmentations, and reductions in temporary spending. This means that, going forward, decisions to balance the budget will involve more difficult trade-offs.

***Oversight Provides Information Needed to Make Difficult Choices.*** Absent above average revenue growth, the Legislature will have to increase revenues or reduce spending to balance the budget in the coming years. Understanding which programs are working well and those ones in need of adjustment is a key starting place for considering these future budget solutions. While some programs have grown considerably in recent

years—and understanding the efficacy of those expansions is critical—the Legislature also could examine whether longer-standing programs still are achieving desired outcomes. The administration has signaled an interest in starting to address the structural deficits, which is warranted. However, the administration indicated they would not begin address the multiyear budget condition until the May Revision. We advise starting this work now. Waiting until May to conduct this oversight would be too late for the Legislature to exercise its priorities effectively in the final budget. As such, we recommend the Legislature use the next few months to review program performance to develop its own approach to addressing the deficits.

***Governor's Interest in Enhancing Reserve***

***Policies Merited.*** The Governor has signaled interest in changing the state's reserve policy by: (1) increasing the cap on BSA required deposits from 10 percent of General Fund taxes to 20 percent of General Fund taxes, and (2) excluding the state's reserve deposits from the state appropriations limit. We agree that rethinking the state's reserve policies is merited, particularly in light of increasing volatility in state revenues. The two changes proposed by the Governor are reasonable first steps, but additional changes are warranted. For context, if policies like these had been in place over the last decade, the state would have been required to save only a few billion more in reserves. Meanwhile, since 2023-24, the Legislature has addressed \$82 billion in budget problems. As such, if the Legislature wishes to have substantively more reserves available when responding to downturns or other emergencies, we would recommend also changing the formulas that set aside funds each year to increase how much is saved.

## LAO PUBLICATIONS

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This report was prepared by Ann Hollingshead, with contributions from analysts across the office and reviewed by Carolyn Chu. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.

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## **2025-26 Governor's Budget Proposal**

### **January 10, 2025**

TO: CSAC Board of Directors  
County Administrative Officers and County Executive Officers

FROM: Graham Knaus, CSAC Chief Executive Officer  
Jacqueline Wong-Hernandez, CSAC Chief Policy Officer

RE: **2025-26 Governor's Budget Proposal**

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Governor Newsom's \$322.2 billion budget proposal for 2025-26 arrives as California continues to battle devastating wildfires in Southern California. These fires remain active, with counties across the state stepping up to support Los Angeles County's extensive response efforts. This heroic collective action demonstrates the resilience and solidarity of Californians during crises. As the full impact of these fires becomes clearer, adjustments to the budget will be necessary to address the long-term recovery needs of affected communities.

In light of this devastation, one of the only certainties is that the fiscal plan included in the Governor's budget proposal cannot address all of the state's needs in 2025-26. As described in detail later in this publication, it is already estimated that the damage caused by the Los Angeles wildfires will yield the highest amount of insured losses in the nation's history, with some outlets estimating the insurance losses at over \$20 billion. This does not include estimated costs for emergency response, clean-up and reconstruction, or lost property tax revenue for local governments. Undoubtably, the fiscal fallout of this catastrophe will create intense pressure on California's already struggling insurance market, including the California Fair Access to Insurance Requirements (FAIR) Plan, California's insurer of last resort for individuals who cannot obtain insurance through the private insurance market.

With these fiscal pressures already on everyone's mind before the fires are contained, yesterday afternoon, Governor Newsom [announced](#) that President Biden has authorized increasing federal assistance to cover 100% of California's fire management and debris removal costs for 180 days, up from the traditional 75%. As encouraging as this news may be on January 10, it is not clear if this level of federal support will be continued by the incoming administration in ten scant days. As veteran emergency management professionals know, the immediate emergency response phase is a sprint, but the

emergency recovery phase is a marathon and presents an immense task in the coming weeks, months, and years ahead. The federal-state relationship will influence the efficacy of recovery efforts in Southern California.

Beyond the FAIR plan and FEMA reimbursement, the state's fiscal future will be further complicated by the rippling effects of bureaucratic actions necessary to shift from the "response" to "recovery" phase of emergency management. As many may recall, in 2023 the IRS extended the federal income tax filing deadline for residents of California counties affected by winter storms. The California Franchise Tax Board quickly conformed to this accommodation for the state income tax filing deadline as well. The result of this change, albeit an absolutely necessary extension for those affected, resulted in significant delays in revenue collection that impaired the state's ability to produce accurate fiscal forecasts. Into 2024, the state attempted to reconcile months of unknown revenue variables. CSAC will closely monitor any changes to tax filing deadlines and assess the potential impacts to the state's revenue forecasts as appropriate.

In years past, the state has consistently provided property tax backfills to counties with diminished property tax revenue due to wildfire-caused property damage. Most notably, the 2018 Budget Act included [\\$67 million](#) in direct assistance for disaster-impacted counties to backfill lost property tax revenue and to reimburse clean-up costs to communities devastated by wildfires and debris flows. A table showing state appropriations to compensate counties for lost property tax revenue caused by wildfires by fiscal year is included later in this publication. In the coming weeks and months, CSAC will engage in conversations with the Administration and the Legislature to advocate for the continuation of this tradition of providing fiscal relief to affected counties.

In the interim between this period of uncertainty and the next iteration of the state's budget plan for 2025-26, the Legislature has already taken some proactive steps to address the impending additional stress on California's insurance market. Yesterday afternoon, Assembly Speaker Robert Rivas [announced](#) that the Assembly intends to introduce legislation to support recovery efforts, including a bill focused on expediting insurance claims for homeowners.

In the midst of this tragedy, you can count on CSAC staff to continue to monitor the state's fiscal condition and advocate for a state budget plan that is fiscally responsible while equipping local leaders with the tools, funding, and flexibility needed to rebuild following the devastation of the wildfires and preserve core government functions. With California already facing profound devastation from wildfire, we are reminded that there is no bigger priority for CSAC than to protect our counties, our communities, and our residents.

*"We must remember that there are many ways to accomplish our goals, together."*

*~ Former President Jimmy Carter*



*If you have questions regarding the Budget Action Bulletin, please contact Jessica Sankus, CSAC Principal and Fiscal Policy Analyst, at [jsankus@counties.org](mailto:jsankus@counties.org)*

*For questions regarding wildfire response, please contact Catherine Freeman, CSAC Senior Legislative Advocate, at [cfreeman@counties.org](mailto:cfreeman@counties.org)*



## Agriculture, Environment, and Natural Resources

California is facing unprecedented threats from climate and weather driven events. Regional dry conditions, extreme wind events and the resulting wildfires are devastating communities from the rural forested regions to the largest urban populations across the state.

The Governor's budget proposal focuses on increased investments in climate resiliency through expenditure of the Climate Bond (Proposition 4). Baseline increases sustained in recent years for firefighting, wildfire resilience and flood protection are proposed to be enhanced through bond funds. Additionally, the proposed budget relies on recent federal investments and expects to receive further allocations to assist with funding climate change programs.

The current budget language provides a high-level overview, but CSAC staff will continue to monitor and share information as more details become available.

### **WILDFIRE, FOREST RESILIENCE AND EMERGENCY RESPONSE**

The Governor's budget proposes to continue baseline funding for firefighting activities, including the use of the emergency funds for the current extreme wildfire events in Southern California. In recent years, agreements with the CalFIRE firefighter bargaining unit resulted in a decreased workweek from 72 to 66 hours. Recent wildfire events will likely require adjustments in the overall wildfire budget in the coming months.

#### **Firefighting Investments and Aircraft Contract Increases**

The Governor's budget continues to support the additional CalFIRE training center as a key component of the implementation of the new 66-hour work week. Building upon the recent increase in California's contract for exclusive use of firefighting aircraft, the Governor's budget proposes to more than double the contract from \$27 million to \$65 million based on recent fire historical average use. The aircraft are used to quickly address fire conditions and support fire suppression contracts.

#### **Climate Bond Forestry and Fire Prevention Investments**

The Governor's budget proposes about \$325 million from Proposition 4 for various forest health and fire prevention programs (highlighted below). In addition to these specific program allocations, the budget proposes \$39 million (Proposition 4) for various wildfire and forest resilience projects and programs including defensible space, home hardening, reforestation and wood utilization. Counties will be pleased to see block grants available for regional projects, cutting down on the need for individual small-scale grant requests.

*Forest Health and Local Fire Prevention Projects*

The Governor's budget proposes to allocate bond funding for multiple wildfire mitigation and prevention projects. Counties are eligible for most of these programs either as individual applicants or in partnership with regional organizations (including state conservancies). The proposed Proposition 4 allocation includes:

- **Forest Health Program**—\$82.2 million for projects that improve forest health by reducing fuels, reintroducing beneficial fire, restoring degraded areas, and conserving threatened forests.
- **Regional Projects**—\$79.5 million for block grants to support landscape scale, multibenefit projects developed by forest collaboratives in high-risk regions.
- **Local Fire Prevention Grants**—\$59.1 million for the Wildfire Prevention Grants Program to support local projects in and near fire-threatened communities, including fuels reduction, wildfire prevention planning, and wildfire prevention education with an emphasis on improving public health and safety.
- **Resilient State-Owned Lands**—\$33.4 million to help restore health and resilience to 3.8 million acres of state-owned lands vulnerable to destructive wildfires, including expansion of beneficial fire.
- **State Conservancies**—\$22.4 million for various state conservancies for watershed improvement, forest health, biomass utilization, chaparral and forest restoration, and workforce development.
- **Wildfire Mitigation**—\$9.1 million for the Wildfire Mitigation Program, administered by the Office of Emergency Services and the Department of Forestry and Fire Protection, which offers financial assistance to vulnerable populations in wildfire-prone areas throughout the state for cost-effective structure hardening and retrofitting to create fire-resistant homes, as well as defensible space and vegetation management activities.

*California Wildfire Mitigation Financial Assistance Program.*

CSAC supported successful legislation (Chapter 402, Statutes of 2024) that extends the Emergency Management Assistance Compact (EMAC). The EMAC is a national interstate mutual aid agreement that enables states to share resources during times of disaster and a critical piece of our California wildfire response. The Governor's budget proposal includes \$529 million (General Fund) in the first year, and \$809 million ongoing for the EMAC. The EMAC serves as an additional tool to assist local jurisdictions in case of an emergency.

**Fire Insurance**

CSAC continues to monitor proposals addressing the fire insurance crisis. The Governor's proposed budget does not yield any insight on proposals, but legislation has been introduced relevant to the FAIR Plan, the state's insurer of last resort.

**WATER, DROUGHT, FLOOD, HABITAT and COASTAL RESILIENCE**

The Governor's proposed budget focuses on funding provided through the climate bond (Proposition 4) as well as recently passed legislation with funding for dam safety, regional projects and increasing water supply resources statewide.

**Investments in Flood Protection and Groundwater Management Activities***Flood Management Projects*

The Governor's budget proposes \$173.1 million (Proposition 4) for flood control projects to evaluate, repair, rehabilitate, reconstruct, expand or replace flood infrastructure and facilities both in the Central Valley (State Plan of Flood Control) as well as funding for the flood subvention projects covering the entire state.

*Salton Sea*

The Governor's budget proposes \$148.2 million (Proposition 4) to implement state water quality requirements for habitat and dust suppression on the exposed lakebed at the Salton Sea. The focus of these efforts is to both increase habitat and reduce exposure to toxic dust downwind from the Sea in Imperial and Riverside Counties. Later in spring, the Governor plans to introduce a proposal to establish the Salton Sea Conservancy which was established by SB 583 (Chapter 771, Statutes of 2024).

*Groundwater, Water Reuse and Recycling*

The Governor's budget proposes \$173.5 million (various funds) to improve water storage, replenish groundwater, improve conditions in streams and rivers, and complete various water resilience projects and programs.

The Governor's budget proposes \$148.2 million (Proposition 4) for water reuse and recycling projects that support storage, conveyance, or distribution facilities for potable and non-potable use. Funding is focused on infrastructure to service retrofit projects and multi-benefit projects that allow use of recycled water, including use for groundwater treatment projects.

**Critical Reductions in Water and Flood Programs***Dam Safety, Climate Resilience and Dam Removal*

In 2022, CSAC joined a large coalition of local agencies, water suppliers, and emergency managers to advocate for significant improvements to overall dam safety by securing \$100 million for investments at aging facilities which was subsequently reduced by half in the 2023 budget cuts. The 2023 comprehensive dam safety program approved includes a fee on dam structures with a 50% local cost share to sustain the program.

The Governor's budget proposes \$231.5 million (Proposition 4) to the Dam Safety and Climate Resilience Local Assistance Program for competitive grants for projects that support dam safety and reservoir operations, including funding for repairs, rehabilitation and enhancements.

The Governor's budget proposes \$30 million (\$10 million per year for three years) of federal trust fund authority for the Federal Emergency Management Agency's (FEMA) rehabilitation of high hazard potential dams grant program. The program provides eligible dam owners with technical, planning, design, and construction assistance for rehabilitation activities that reduce dam risk and increase community preparedness.

The Governor's budget proposes \$8.5 million for removal or retrofit of obsolete or inefficient dams to increase habitat connectivity, increase fisheries, and improve coastal sediment (sand) supply for beaches and shorelines.

### **Coastal Resilience and Sea Level Rise**

Following several years of legislation designed to increase local planning for sea level rise, the 2025 budget continues local grant funding through the climate bond for coastal resilience and sea level rise mitigation. Counties and regional associations are eligible for most of the programs.

#### *Sea Level Rise, Coastal Flooding and Resilience*

The Governor's budget proposes \$30.8 million (Proposition 4) for projects to protect coastal lands, public access facilities and habitat. An additional \$20 million (Proposition 4) is dedicated to the San Francisco Bay Area for sea level rise management, flood management and wetland restoration within the San Francisco Bay Restoration Authority Act and Conservancy Program.

#### *Coastal Planning*

The Governor's budget proposes \$20.3 million (Proposition 4) for local planning and implementation projects to help communities prepare for coastal flooding. Counties are eligible for programs that also support recent legislative mandates for sea level rise planning in Local Coastal Plans.

### **Habitat and Conservancies**

The Governor's budget proposes to allocate significant funding for large-scale habitat and wildlife projects, most of which would have co-benefits of increased water resilience and wildfire prevention. Funding is intended to flow through larger regional or state programs (including state conservancies). The largest allocation of \$176 million (Proposition 4) will go to multiple programs focused on land conservation, easements, floodplain restoration, and wildlife connectivity.

*State Conservancies*

The Governor's budget proposes \$80 million (Proposition 4) for nature-based solutions to state conservancies, including in particular the Sierra Nevada Conservancy, for projects to increase land conservation, enhance habitats, and improve natural watershed and wildfire resilient ecosystems and forests.

**COMMUNITY RESILIENCE & EXTREME HEAT**

During recent budget surplus years, important investments were made in several programs designed to help local communities and residents through extreme heat and other emergency events. This year, the budget increases funding for programs eligible in the Climate Bond.

*Fairgrounds*

CSAC was able to hear directly from the Department of Food and Agriculture at our annual meeting about plans to allocate \$37.6 million (General Fund) to modify or upgrade fairgrounds to enhance local emergency preparedness.

*Extreme Heat*

The Governor's budget proposes \$16.1 million (General Fund) to fund projects that reduce the impacts of extreme heat and build resilience for local extreme heat events.

**AGRICULTURE**

California's agriculture and ranching communities are facing increasing challenges, from water supply to global economic pressures and avian flu. The Governor's budget proposes funding for climate-focused agriculture programs through the Climate Bond as well as improvements to facilities and laboratory infrastructure. Proposals for mitigation of avian flu and invasive species or pests are likely to be introduced this spring.

**Key Agriculture Proposals***State Water Efficiency and Enhancement Program (SWEET)*

The Governor's budget proposes \$37.6 million (Proposition 4) for improving irrigation systems on farms and ranches to save water and reduce emissions from pumping.

*Healthy Soils*

The Governor's budget proposes \$35.9 million (Proposition 4) for sequestering carbon and reducing emissions through the implementation of soil health practices on farms and ranches.

**ENERGY**

The Governor's budget proposal continues investments in energy upgrades, grid improvements and safety. The Governor's budget discusses grid reliability and energy affordability, particularly given the costs of wildfire mitigation measures. There are no direct proposals to reduce energy costs statewide either through the Investor-Owned Utilities

(regulated by the California Public Utility Commission, such as Pacific Gas and Electric or Southern California Edison) or the Publicly Owned Utilities.

#### *Offshore Wind—Development of Port Upgrades*

The Governor's budget proposes \$228.2 million (various funds) for port upgrades, including construction and improvements of publicly owned port facilities for manufacturing, assembly, staging, and integration of components and vessels, to support the development of offshore wind generation and other activities.

### **CANNABIS**

Proposition 64 specifies that money collected through the Cannabis Tax Fund be prioritized for: Allocation 1) Regulatory and administrative costs, Allocation 2) Specified allocations, including research; and finally, the remaining funds are directed toward Allocation 3) Percentage allocations for programs listed below. The Governor's proposed budget estimates \$468.2 million will be available for Allocation 3 programs in 2025-26 as follows:

- *Education, prevention, and treatment of youth substance use disorders and school retention*—60% of Allocation 3 Funds (\$281 million)
- *Clean-up, remediation, and enforcement of environmental impacts created by illegal cannabis cultivation*—20% of Allocation 3 Funds (\$93.6 million)
- *Public safety-related activities*—20% of Allocation 3 Funds (\$93.6 million)

### **WASTE**

The Governor's proposed budget does not specify any new allocations toward local assistance grants for local governments to meet SB 1383 (2016) organic waste reduction goals. As of now, the proposal allocates funding toward implementation of legislation that CSAC supported such as (Chapter 452, Statutes of 2024), which expedites the construction of compost facilities and (Chapter 421, Statutes 2024) which extends (Chapter 395, Statutes of 2016) rural exemption.

### **CLIMATE BOND**

CSAC supported the passage of Proposition 4, which was approved by the voters in November 2024. The Governor's proposed budget breaks down the bond amount with \$2.7 billion allocated for budget year 2025-26. The bond investment is further being utilized to shift \$273 million from prior General Fund obligations to Climate Bond funding. The Administration plans to engage the Legislature on how to allocate funding that has yet to be scheduled.

<b>Climate Bond Expenditure Plan</b> (\$ in Millions)		
Investment Category	Bond Allocation	Proposed 2025-26
Safe Drinking Water, Drought, Flood & Water Resilience	\$3,800	\$1,074
Wildfire & Forest Resilience	\$1,500	\$325
Coastal Resilience	\$1,200	\$173
Extreme Heat Mitigation	\$450	\$102
Biodiversity & Nature-Based Solutions	\$1,200	\$286
Climate Smart Agriculture	\$300	\$134
Outdoor Access	\$700	\$286
Clean Air & Energy	\$850	\$275
Total	\$10,000	\$2,655



## Administration of Justice

### Local Public Safety

#### *Proposition 47 Savings Estimate*

The Governor's budget proposal includes an estimated total state savings of \$88.3 million in 2025-26. In comparison, the estimated net savings in June 2024 for 2024-25 was \$94.8 million. Each year, state savings from the implementation of Proposition 47 are allocated through grants to public agencies for various recidivism reduction programs such as mental health and substance use treatment services (65% of savings), truancy and dropout prevention (25% of savings), and victims' services (10% of savings). The estimated reduction in state savings is reflective of forecasted impacts due to voter approval of Proposition 36 last November, which repealed portions of Proposition 47, rendering specified drug and theft crimes from misdemeanors to felonies.

#### *Community Corrections Performance Incentive Grant*

The Community Corrections Performance Incentive Grant, established by SB 678 (Chapter 608, Statutes of 2009) was created to provide incentives for counties to reduce the number of individuals on felony probation, who are admitted to state prison. The Governor's budget proposal includes \$126.5 million General Fund in 2025-26 for probation departments. Funding under this grant was held constant due to impacts of the COVID-19 pandemic on probation populations, law enforcement practices, and court processes. The Governor's budget proposal includes a plan to update the methodology for calculating county payments, beginning this fiscal year, through close coordination with the Chief Probation Officers of California (CPOC) and the Legislature. The goal is to increase performance-based incentives to maximize public safety and reduce prison admissions, while stabilizing probation funding to achieve the aforementioned goals.

#### *California Highway Patrol (CHP) Child Sexual Abuse Investigations*

The Governor's budget proposal includes \$5 million ongoing General Fund for the CHP to expand its Computer Crimes Investigation Unit focused on the distribution and downloading of child sexual abuse material across the state in coordination with local, state and federal agencies and prosecutors. The expansion will support the development of leading strategies for combatting child sexual abuse in counties and cities.

### California Department of Corrections and Rehabilitation (CDCR)

#### *CDCR Adult Institutions*

The Governor's budget proposal includes total funding of \$13.9 billion for CDCR in 2025-26, of which \$4.1 billion General Fund is allocated for mental health, medical, and dental care programs and services. Despite recent trends showing a continual decline in the adult



incarcerated population, as with Proposition 47 savings, there is projected to be a modest reversal of the downward trend because of the passage of Proposition 36. Projections made in the fall indicate that the adult incarcerated population is now estimated to be 91,672, which is a 0.9% increase. In 2025-26 the population is estimated to be 93,278, which is an increase of 1,606 individuals. The state anticipates the impacts from Proposition 36 to be short term, resuming the downward trend in future years, leading to an estimated population of 90,998 in 2027-28. The overall average daily population for individuals on parole is projected to be 34,940 in 2024-25, declining slightly to 34,671 in 2025-26. Proposition 36 is projected to slightly increase the parole population in the near-term future, but like the adult incarcerated population, it is anticipated to stabilize in the coming years, dropping to an estimated 33,756 by June 30, 2029.

#### *CDCR Outlook and Reentry*

While the Governor's budget proposal does not include plans to close additional institutions or facilities within institutions, the Administration remains committed to addressing the needs of staff and the incarcerated population, in addition to spacing needs within prisons, as the state transforms to a more rehabilitative system. This is demonstrated by the Governor's investment in San Quentin Rehabilitation Center (formerly San Quentin State Prison).

- The Governor's budget proposal includes \$7.8 million in 2025-26 and \$13 million ongoing beginning in 2026-27 to increase staffing, programming, specialty treatment, and a new campus under the *California Model* at San Quentin Rehabilitation Center.
- Previous budget investments include the expansion of community correctional reentry centers, which CDCR is entering contracts for four new facilities in Sacramento, San Bernardino, Ontario, and Fresno projected to open in 2025-26.
- Preserves past investments to support the long-term financial sustainability of reentry programs and adds \$32 million General Fund, growing to \$42.9 million in 2029-30 to enable CDCR to increase contract rates and provide annual adjustments for 14 parole reentry contracts.
- Includes \$12.9 million one-time General Fund in 2025-26 and 2026-27 to continue the Returning Home Well (RHW) program, established in 2022-23 to provide wraparound services for those at risk of being unhoused upon release.
- Includes \$1.2 million General Fund in 2024-25, and \$2.3 million in 2025-26 and ongoing, as part of the Division of Adult Parole Operations' redistricting plan, which will create efficiencies by aligning staffing levels with caseload levels by geographic areas.

#### *Council on Criminal Justice and Behavioral Health (CCJBH)*

The Governor's budget proposal eliminates the CCJBH, saving \$1.8 million ongoing (\$662,000 General Fund and \$1.1 million Behavioral Health Services Fund). The CCJBH was established

in 2001 to identify and promote strategies to reduce the incarceration of individuals with mental illness and substance use disorders.

### Judicial Branch

The Governor's budget proposal includes \$5 billion (\$3.1 billion General Fund and \$1.9 billion other funds) in 2025-26 for the Judicial Branch, with \$2.9 billion specifically for trial court operations.

- *Indigent Defense* – provides for \$6.3 million ongoing General Fund to support an increase in hourly rates for appointed counsel representing indigent appellants.
- *Trial Court Operations* – includes \$40 million ongoing General Fund beginning in 2025-26 for increasing trial court operation costs.
- *Court Construction and Maintenance* – includes \$39.8 million General Fund for the courthouse in the Juvenile Addition and Renovation in Butte County, the New Solano Hall of Justice in Fairfield, the New Fresno Courthouse, the New San Luis Obispo Courthouse, the New Tracy Courthouse in San Joaquin County; \$9.5 million one-time General Fund for cost increases associated with an existing facility modification at the San Diego Hall of Justice; and \$5.4 million one-time General Fund in 2025-26 to complete the build-out of court facilities' lactation rooms.

### Department of Justice (DOJ)

The Governor's budget proposal provides for total funding of approximately \$1.3 billion, including \$496 million General Fund, to support DOJ. Various augmentations to support workloads across the DOJ, include the following to list a few:

- *DNA Identification (DNA ID) Fund Backfill* – A projected cashflow shortage has required adjustments to previous DNA ID backfill. Previously, the 2023 Budget Act provided for a three-year backfill through 2025-26. The Governor's budget proposes to make backfill an ongoing adjustment with \$37 million General Fund in 2026-27, \$36 million in 2027-28, and \$35 million ongoing beginning in 2028-29.
- *Bureau of Firearms Workload* – The Governor's budget proposal includes \$3.2 million and 26.0 positions in 2025-26 ongoing to address workload. Further, it includes \$2.2 million and 14 positions (2025-26) and \$1.9 million (2026-27) ongoing to address the increased number of Dealers Record of Sale transactions.
- *Chaptered Legislation: Firearms* – \$2.4 million and 7 positions in 2025-26 and \$1.2 million General Fund ongoing relating to firearm storage, sale, transfer, and relinquishment.

The Governor and Legislature are also seeking upwards of \$25 million to support litigation efforts protecting California laws from federal overreach, however no dollar amount was included in the Governor's budget proposal. The Governor and Legislature will determine the total amount of funding allocated and finalize details through the upcoming Special Session.

### **Office of Emergency Services (Cal OES)**

The Governor's budget proposal includes \$3.1 billion and 1,907 positions for Cal OES. One item of importance included in the Governor's budget proposal is the \$5 million ongoing General Fund to maintain funding levels for the California Internet Crimes Against Children Task Forces. Another item of importance that is not included in the Governor's budget proposal is supplemental funding to support the decline in local funding received through the federal, Victims of Crime Act (VOCA).

### **Cannabis**

Please see the Agriculture, Environment, and Natural Resources section for information on cannabis.

### **CARE Act**

Please see the Health and Human Services section for information on the CARE Act.

## Government Finance and Administration

### Property Tax Backfill for Counties Impacted by Disasters

Historically, the state has appropriated funding to backfill for property tax revenue lost due to wildfires from the previous fiscal year. Considering that devastating fires are still raging, the Governor's budget proposal includes no estimate of appropriations that will be needed to backfill for lost property taxes in 2025-26. The table below details property tax backfill appropriations from the past several fiscal years:

Fiscal Year	Appropriation (Backfill)	Citation
2018-19	\$33.0 million	<a href="#">SB 840 (Chapter 29, Statutes of 2018)</a>
2019-20	\$0.5 million	<a href="#">AB 74 (Chapter 23, Statutes of 2019)</a>
2020-21	\$0	
2021-22	\$11.0 million	<a href="#">AB 128 (Chapter 21, Statutes of 2021)</a>
2022-23	\$3.8 million	<a href="#">SB 154 (Chapter 43, Statutes of 2022)</a>
2023-24	\$0.6 million*	<a href="#">SB 101 (Chapter 12, Statutes of 2023)</a>
2024-25	\$1.6 million	<a href="#">AB 107 (Chapter 22, Statutes of 2024)</a>

\*This appropriation was made specifically for property tax revenue losses incurred in Sonoma County due to the 2019 Kincaid wildfire.

### Educational Revenue Augmentation Fund (ERAF)

The Governor's budget proposal lacks an estimate of an appropriation to backfill the insufficient ERAF amounts affected counties. Last year, Mono, Alpine, and San Mateo counties collectively required an appropriation of \$73.5 million to be held harmless under the Vehicle License Fee reduction made in 2004.

### Tax Proposals

The Governor's budget proposal includes several tax proposals that are estimated to increase General Fund revenues by a net total of \$186 million in 2025-26.

- **Single Sales Factor for Financial Institutions** – Beginning in tax year 2025, the budget proposes to move financial institutions to single sales factor apportionment, aligning financial institutions with nearly all other corporations. This results in an estimated increase in revenues of \$330 million in 2025-26 and by more than \$250 million annually thereafter.
- **Military Retirement Income Exclusion** – Beginning in tax year 2025, the budget proposes to exclude military retirement pay and survivor benefits as income for state tax purposes for taxpayers under certain income thresholds. This proposal is estimated to reduce revenues by \$130 million in 2025-26 and by \$85 million annually thereafter.
- **Film and Television Tax Credit** – Would increase the total annual Film and Television Tax Credit 4.0 award cap from \$330 million to \$750 million for 2025-26 through

2029-30. This proposal is expected to reduce revenues by \$15 million in 2025-26, increasing to a \$209 million reduction in 2028-29.

- Wildfire Settlements Income Exclusion – Would exempt all wildfire settlements from state taxation for settlements paid in tax years 2025 through 2029, regardless of when the fire occurred. In previous years, this exemption was considered on a case-by-case basis following certain large wildfires.

### State-Mandated Programs

The Governor's budget proposal includes an estimated \$94.5 million to reimburse local governments for costs incurred to implement state-mandated programs in 2025-26. A complete list of state-mandated programs that are proposed to be funded in 2025-26 (for payment of mandate claims for costs incurred in prior years) or mandates that are suspended were not included in the budget proposal, will be listed under Budget Item 8885-295-0001 in the 2025-26 Budget Bill(s).

To address revenue constraints or increasing costs, the state will suspend some mandated programs via the state budget. While a mandate is suspended, the requirement remains in law, however local governments are not required to comply with the state-mandated requirements in that fiscal year and the state has no reimbursement obligation.

While the California Constitution requires the state to reimburse local agencies for all valid mandate claims, specific payment deadlines for any mandate that is suspended or repealed in the following fiscal year is unclear. Consequently, local governments can spend significant resources to meet state-imposed mandates without any certainty of reimbursement. Interest on unpaid claims accrues until the claims are fully paid. According to the [State Controller's Office](#), as of April 2024 local agencies are collectively owed \$870 million for the cost to deliver state-mandated programs since 2004, a decrease of \$60 million from the prior year.

### Libraries

The Governor's January budget proposal includes \$6.8 million in one-time General Fund to pay for the California State Library Parks Pass program, which allows library users to obtain free access to California's state parks. Last year, the Governor's January budget proposal included no funding for the program, however funding was restored through the enacted budget.

## Health and Human Services

The Governor's budget proposal includes \$296.1 billion (\$83.7 billion General Fund – over 35% of the state's overall General Fund budget expenditures) for all health and human services programs in 2025-26. Significant investments have been made in health and human services programs over the last few years, with a focus on the state's most vulnerable communities, to expand access to care and benefits; advance health care affordability and the Master Plan for Aging; and strengthen the behavioral health continuum, health and human services workforce, and public health infrastructure.

### Realignment

The Governor's budget proposal includes revenue assumptions for 1991 Realignment and 2011 Realignment. The projections for 2024-25 and 2025-26 indicate revenue growth for both Realignments in each year. For 1991 Realignment, the 2024-25 estimates indicate that all of the sales tax growth would go to caseload growth and there would only be general growth for vehicle license fee revenues. The Realignment revenue tables, including specific projections by subaccount, are included in the appendix at the end of this Budget Action Bulletin.

## HEALTH

### Behavioral Health Services Act (Proposition 1)

The 2024 Budget Act included \$85 million (\$50 million General Fund) for counties to begin administering the Behavioral Health Services Act (BHSA) as passed by the voters under Proposition 1 in March 2024. The Governor's budget proposal maintains the \$85 million for counties in 2024-25 and includes an additional \$93.5 million (\$55 million General Fund) in 2025-26 for counties to continue implementation efforts under the BHSA.

Additionally, the Department of Health Care Services (DHCS) will propose budget trailer bill language seeking to address BHSA revenue stability to effectuate the report required to be submitted by June 30, 2025, to the Governor's Office and Legislature. The report will include recommendations to reduce BHSA revenue volatility and propose prudent reserve levels to support the sustainability of county programs and services.

### Community Assistance, Recovery and Empowerment (CARE) Act

The Governor's budget proposal continues to support statewide implementation of the CARE Act. General Fund support for state and county CARE Act activities consists of \$90.1 million in 2024-25, \$107.6 million in 2025-26, and \$111.8 million in 2026-27 and annually thereafter.

Specifically, the Governor's budget proposal includes \$36.6 million in 2024-25, \$47.1 million in 2025-26, and \$51.1 million in 2026-27 and annually thereafter for county behavioral health agency activities. These estimates reflect a decrease from the 2024 Budget Act due to a



reduction in caseload assumptions based on actual data and a reduction to the ramp up rate for 2024-25 to reflect statewide implementation on December 1, 2024. Increased funding in 2025-26 reflects an increase in the number of estimated CARE Act respondents and a 3% increase in rates for claimable activities.

The Governor's budget proposal also includes \$17.6 million in 2024-25 and \$18.4 million in 2025-26 and annually thereafter to support qualified legal services projects/centers and public defenders for legal services for CARE Act activities.

### **Medi-Cal**

The Medi-Cal budget includes \$174.6 billion (\$37.6 billion General Fund) in 2024-25 and \$188.1 billion (\$42.1 billion General Fund) in 2025-26. Medi-Cal is projected to cover approximately 15 million Californians in 2024-25 and 14.5 million in 2025-26—more than one-third of the state's population. The Governor's budget proposal includes increased Medi-Cal expenditures of approximately \$2.8 billion General Fund in 2024-25 compared to the 2024 Budget Act due to higher-than-projected enrollment, caseload, and pharmacy costs, offset by additional support from the Managed Care Organization (MCO) Tax.

#### *Public Health Emergency Unwinding Flexibilities and Medi-Cal Caseload*

The Governor's budget proposal includes the continuation of eligibility redetermination flexibilities initiated during the COVID-19 pandemic through June 30, 2025, resulting in reduced Medi-Cal disenrollment and increased costs of approximately \$3 billion (\$1.1 billion General Fund) in 2024-25 compared to the 2024 Budget Act. Caseload is anticipated to modestly decline in 2025-26 as unwinding flexibilities end, however, the Governor's proposed budget projects an increase in the average cost per Medi-Cal enrollee. Implementation of several significant state initiatives and federal policies has added complexity to Medi-Cal caseload projections. Further, additional variabilities are possible with any potential future changes in federal policy.

#### *Continued Funding for Expansion to Individuals Regardless of Immigration Status*

The Governor's budget proposal continues to support implementation of significant investments made to date in the Medi-Cal program, including fully funding the expansion of benefits to adults regardless of immigration status.

#### *MCO Provider Tax and Proposition 35*

Proposition 35, approved by voters in November 2024, continues the MCO tax enacted by AB 119 (Chapter 13, Statutes of 2023) permanently and specifies permissible uses of tax revenues starting with the 2025 tax year. Provider payment increases and investments that were new and authorized in the 2024 Budget Act are repealed as of January 1, 2025. Tax revenues will continue to support provider rate increases for primary care, maternal care, and non-specialty mental health services that were implemented in 2024. Proposition 35 also requires DHCS to consult with a stakeholder advisory committee to develop and implement new or modified payment methodologies.

Compared to the 2024 Budget Act, support for the existing Medi-Cal program is estimated to increase by \$1 billion in 2024-25 due to updated estimates of available tax revenues but support for the existing Medi-Cal program is estimated to decrease by \$2.2 billion in 2025-26 due to implementation of Proposition 35. The proposed spending plan reflected in the Governor's budget proposal is subject to change, pending consultation with the stakeholder advisory committee referenced above.

*Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Demonstration*

In December 2024, the federal Centers for Medicare & Medicaid Services (CMS) approved approximately \$8 billion (state, local, and federal funds) for the BH-CONNECT Demonstration effective January 1, 2025, through December 31, 2029, to expand access to and strengthen the continuum of behavioral health services for Medi-Cal members living with behavioral health needs. The funding will support activities and services administered by the DHCS, the Department of Social Services, and the Department of Health Care Access and Information.

*Senate Bill 525 Health Care Minimum Wage Impacts*

On October 16, 2024, specified health care minimum wage increases pursuant to SB 525 (Chapter 890, Statutes of 2023) were triggered by DHCS [notifying](#) the Joint Legislative Budget Committee that it had initiated the data retrieval process necessary to implement an increase to the Hospital Quality Assurance Fee (HQAF) beginning January 1, 2025, to fund increased supplemental Medi-Cal payments to hospitals. Pursuant to [Labor Code section 1182.14\(c\)\(5\)](#), minimum wage increases for health care facilities owned, affiliated, or operated by counties began on January 1, 2025.

On December 11, 2024, DHCS submitted a request to CMS to significantly increase the Private Hospital Directed Payment Program (PHDP) by approximately \$6 billion total funds beginning on January 1, 2025, to provide increased supplemental Medi-Cal managed care payments to hospitals for services delivered in 2025, subject to final federal approval.

**Lanterman-Petris-Short (LPS) Conservatorships (SB 43/SB 1238)**

Additional counties have begun implementation of SB 43 (Chapter 637, Statutes of 2023) prior to the statutory deadline of January 1, 2026. The Governor's budget proposal does not include additional funding for counties to implement the bill's requirements.

Relatedly, DHCS will submit a request for resources and expenditure authority to implement the provisions of SB 1238 (Chapter 644, Statutes of 2024), which authorizes county behavioral health agencies to designate specified facilities such as psychiatric health facilities and mental health rehabilitation centers to serve the population eligible under the expanded definition of "gravely disabled" enacted under SB 43. SB 1238 also requires DHCS to issue guidance regarding Medi-Cal reimbursement for covered Medi-Cal services provided to an



individual receiving involuntary treatment for a severe substance use disorder. Details of the funding request to implement SB 1238 were pending at the time of this publication.

## HUMAN SERVICES

### **California Work Opportunity and Responsibility to Kids (CalWORKs)**

The CalWORKs program is California's version of the federal Temporary Assistance for Needy Families (TANF) program, which provides temporary cash assistance to low-income families with children to meet basic needs as well as welfare-to-work services to help families become self-sufficient. The Governor's budget proposal assumes \$9.5 billion in total state, local, and federal TANF expenditures in 2025-26. Of this, \$6.4 billion is included for CalWORKs program expenditures which is a net increase of \$50.2 million reflecting increased caseload and funding restorations for expanded subsidized employment and mental health and substance abuse services. For 2025-26, the average monthly CalWORKs caseload is estimated to be 361,834 families.

#### *Federal Pilot Program*

California is one of five states that were selected in November 2024 to participate in a federal TANF pilot program to test alternative performance measures. With this pilot program, California will utilize the CalWORKs Outcomes and Accountability Review (Cal-OAR) framework to focus on supportive and barrier removal services to improve employment and well-being.

#### *Single Allocation*

The Governor's budget proposal includes \$1.6 billion total funds for the CalWORKs Single Allocation in 2025-26. This reflects a \$44.5 million decrease from the 2024 Budget Act due to a lower projected Employment Services caseload.

#### *Projected CalWORKs Grant Increase*

The Governor's budget proposal includes an approximate 0.2% increase to CalWORKs Maximum Aid Payment levels, projected to begin October 1, 2025, with an estimated cost of \$9.1 million. The May Revision will include a determination and update of the projected grant increase. The projected increased costs would be funded by the Child Poverty and Family Supplemental Support Subaccount within 1991 Realignment and would be in addition to the 0.3% statutory increase that occurred in October 2024.

### **In-Home Supportive Services**

The In-Home Supportive Services (IHSS) program provides assistance and services to eligible older or disabled individuals to help them remain safely in their homes. For 2025-26, the Governor's budget proposal includes \$28.5 billion for IHSS, of which \$10.6 billion is from the General Fund. This is an increase of \$3.3 billion (\$1.4 billion General Fund) from the 2024 Budget Act due to increased caseload, costs per hour, and number of hours. The estimated average monthly caseload is 771,650 recipients in 2025-26.

*IHSS Collective Bargaining*

As required by the 2023 Budget Act, the California Department of Social Services (CDSS) will soon be releasing an analysis of the costs and benefits of moving IHSS collective bargaining responsibilities from counties to the state level. The Governor's budget does not contain any proposals related to moving IHSS collective bargaining responsibilities to the state. CSAC was an active member of the workgroup that CDSS convened to analyze this issue over the past year and will share the final report with counties once it becomes available.

**Child Welfare and Foster Care**

Child welfare services and foster care provide a range of services for children who are at risk of or have been victims of abuse and neglect. The Governor's budget proposal includes \$1 billion General Fund for services to children and families. Total funding for children's programs is more than \$10.8 billion when federal funding and 1991 and 2011 Realignment revenues are included.

*Child and Adolescent Needs and Strengths (CANS)*

The Governor's Budget proposal includes \$1.7 million (\$1.2 million General Fund) to support implementation of the CANS Fidelity and training activities. This work is being done in preparation for the implementation of the Tiered Rate Structure (TRS) for foster care rates.

**Child Care and Early Childhood***Child Care*

The Governor's budget proposal includes \$7.1 billion (\$4.6 billion General Fund) for child care and development programs administered by CDSS. These programs include, among others, CalWORKs Stages One, Two, and Three, the Emergency Child Care Bridge Program, Alternative Payment Programs, and General Child Care.

Consistent with requirements related to the reimbursement floor for state-subsidized child care providers established in the 2024 Budget Act, the Governor's budget proposal maintains funding to continue the Cost of Care Plus Rate monthly payments. The Administration is continuing to work towards a single rate structure and utilization of an alternative methodology for estimating the costs of care. As required in a 2024 budget bill (Chapter 73, Statutes of 2024), the Administration will provide the Legislature with a timeline for transitioning to reimbursement rates informed by the cost of care under the state's alternative methodology, rather than the current structure that is largely informed by private market rates. The current Memorandum of Understanding with Child Care Providers United-California (CCPU) is set to expire on June 30, 2025.

*Diaper Initiative*

The Governor's budget proposal includes up to \$7.4 million General Fund in 2025-26 and \$12.5 million General Fund in 2026-27 for the Department of Health Care Access and Information to contract for the provision of a three-month supply of diapers to Californians with newborns via hospital systems.

## Homelessness

While not containing any new homelessness funding proposals, the Governor's budget proposal does outline several actions to improve statewide administration of these programs and increase accountability for current and future funding. CSAC will continue to be fully engaged on homelessness budget issues as a top CSAC advocacy priority consistent with the AT HOME plan.

### **New Housing and Homelessness Agency**

The Governor's budget proposes to create a new California Housing and Homelessness Agency. Currently, the Business, Consumer Services, and Housing Agency oversees numerous departments covering a range of issues including consumer affairs, cannabis, and civil rights in addition to housing and homelessness. The purpose of creating an agency solely focused on housing and homelessness is to allow the state to have a more integrated framework for addressing the efforts in these areas and to allow for better planning and alignment between these initiatives and related policy areas. The remaining departments would be housed in a new Consumer Protection Agency. The next step for this agency reformation will be the submission of a Reorganization Plan to the Little Hoover Commission in the spring.

### **Homelessness Accountability**

The Governor's budget proposal maintains existing commitments for Homeless Housing, Assistance and Prevention (HHAP) grant program and the Encampment Resolution Fund grants and indicates that the Administration is open to working with the Legislature related to additional funding for homelessness programs. Numerous actions are outlined in the Governor's budget proposal related to increasing accountability for homelessness funding.

For existing homelessness funding, the Administration will take several steps to increase accountability. These include:

- The Housing and Community Development Department (HCD) will ramp up review of Homeless Data Integration System (HDIS) fiscal and outcome reporting to ensure grantees are staying timely with reporting requirements.
- HCD will also focus on enforcing requirements for progress on implementing activities prior to releasing subsequent disbursements of HHAP funding.
- The state intends to work with some local governments to conduct a review of their overall housing and homelessness programs to identify best practices and look for opportunities for growth.
- HCD will host regional convenings with the HHAP regions that will focus on strengthening data and reporting, improving regional Memorandums of Understanding (MOUs), and achieving homelessness reduction goals.

- The Housing and Homelessness Accountability, Results, and Partnership Unit will work to ensure grantees are reaching HHAP Rounds 5 and 6 collaboration commitments by reviewing MOUs and plans.

For future homelessness funding, the Governor's budget proposal indicates that additional accountability measures must be incorporated. These include:

- Requirement for a local government to have a compliant Housing Element to be eligible for funding.
- Requirement for a local government to have a local encampment policy consistent with state guidance to be eligible for funding.
- Prioritization of funding for local governments that have a Pro-Housing Designation.
- Reallocation of funding to other jurisdictions when local governments fail to meet program requirements or show progress on key metrics.

## Housing, Land Use, and Transportation

In the Housing, Land Use and Transportation area there are no significant or notable proposals for new funding or appropriation changes. This is mainly due to the minor budget surplus the Administration is projecting as well as their commitment to honor the agreements made with the Legislature to restructure significant housing and transportation augmentations made with General Fund resources that were included in the 2024 Budget Act.

### Broadband

The Governor's budget proposes no major augmentations or modifications to the state's current efforts on broadband infrastructure. The Governor's budget proposal adheres to the funding shifts and delays agreed to in the 2024 Budget Act, with the most salient issues for counties being the continued delay of \$550 million funding for Last Mile Broadband project grants in 2027-28. The lack of augmentations or fund shifts indicates the Administration is focusing on constructing the state's Middle-Mile network and spending previously provided federal funds.

### Housing

The most significant issue in the housing policy area is the Governor's proposal to split the functions of the existing Business, Consumer Services and Housing Agency into two separate agencies (the Housing and Homelessness Agency and Consumer Protection Agency). Please see the Health and Human Services section for more information regarding the proposed Housing and Homelessness Agency. The Governor is not proposing any new funding or a reduction of funding to existing housing programs. However, the Governor's budget proposal reaffirms a commitment to the following policy principals for housing:

- Reduce Costs: The state seeks lower housing construction costs by streamlining processes and removing unnecessary barriers to development, such as delays associated with project approvals and permitting. Additionally, the state will pursue policies to reduce costs associated with existing laws that hinder housing production and increase costs and development risks.
- Enhance Accountability: The state will strengthen mechanisms to ensure jurisdictions meet their state housing obligations and comply with existing laws, including the Housing Accountability Act and Permit Streamlining Act.
- Housing and Transportation: The state will advance policies that remove barriers to infill housing near transit, including efforts to align long-term housing and transportation planning. Finally, the state will support policies that support the ability to utilize housing as a project impact mitigation strategy for infrastructure projects.

The Governor's budget proposal includes policies that seek to increase the Department of Housing and Community Development's (HCD) authority to shift funding between programs within their department, which is not typical for a state department. The Governor's budget proposes for HCD to update housing programs to promote affordability and expand existing California Environmental Quality Act streamlining tools to accelerate infill housing production. The Administration will most likely propose budget trailer bill language in the coming weeks to enact these policies.

## Transportation

The Governor's budget proposes no new funding or significant changes to existing transportation programs. The main theme is the commitment to honor the \$2 billion included in the 2024 Budget Act for the 2025-26 fiscal year. The Governor's proposed budget includes \$1.6 billion General Fund resources and \$393 million in Greenhouse Gas Reduction Fund (GGRF) resources for transportation programs. The following transportation programs are relevant to all counties:

### Active Transportation Program

The Active Transportation Program (ATP) encourages projects that increase the use of active modes of transportation, such as walking and biking. The goals of the ATP include, but are not limited to, increasing the proportion of trips accomplished by walking and biking, increasing the safety and mobility of non-motorized users, advancing efforts of regional agencies to achieve greenhouse gas reduction goals, enhancing public health, and providing a broad spectrum of projects to benefit many types of users including disadvantaged communities. The Governor's budget proposes for the program to receive \$100 million in General Fund resources.

### Transit and Intercity Rail Capital Program

The Transit and Intercity Rail Capital Program (TIRCP) was created to fund transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion.

- **Competitive Program:** The original TIRCP operates as a competitive grant program to support eligible transportation projects. The Governor's budget proposes for the program to receive \$564 million in combined resources from the General Fund (\$384 million) and Greenhouse Gas Reduction Fund (\$180 million).
- **Formula Program:** The 2023 Budget Act (SB 125, 2023) created a sub-program which distributes funding through the TIRCP on a population-based formula to regional transportation planning agencies, which can use the money to fund transit operations or capital improvements. The Governor's budget proposes for the program to receive \$1 billion in combined resources from the General Fund (\$812 million) and Greenhouse Gas Reduction Fund (\$188 million).

### **Formula Funding for Local Streets and Roads**

The Governor's budget proposal estimates essentially flat or mild increase year-over-year of 0.4% in gasoline excise tax revenue and a modest 3.2% growth in diesel excise tax revenue from 2024-25 to 2025-26. However, CSAC notes that any drop in fuel consumption driven by the overall economy may result in revenue decreases. These revenue streams fully fund county Highway User Tax Account allocations and provide approximately 70% of county Road Maintenance and Rehabilitation Account (RMRA) allocations. Transportation Improvement Fee revenues, which fund approximately 30% of county RMRA allocations, are estimated to grow by approximately 4%. CSAC will provide counties detailed revenue estimates for 2024-25 and 2025-26 in the coming weeks.



## The State's Fiscal Condition and Future Uncertainty

### Don't Count Your Chickens (Appropriations) Before They Are Hatched (Enacted)

As iterated earlier in this publication, the Governor's budget proposal for 2025-26 is subject to transformation, more so than typical years. Specifically, identified risks to monitor and major changes to the state's revenue forecast between January and May could include:

- Wildfire recovery in Southern California.
- Federal fiscal policy regarding global trade and the federal-state funding relationship generally.
- Geopolitical instability, including further escalation in the Middle East or the Russian invasion of Ukraine.
- Stock market and asset price volatility.
- Constrained labor supply and lower than average labor force participation rates.

### Does the state have a deficit or a surplus?

The Department of Finance's press conference to provide the details of the Governor's budget proposal was followed by many questions about how the state is characterizing this as a balanced budget despite borrowing from the Rainy Day Fund. Foremost, it is important to recall that the budget development process is not limited to a single fiscal year. The state addresses fiscal future years in tandem with the upcoming fiscal year at hand, with every decision having future implications. This budgeting practice has been especially embraced by the Newsom Administration to address short-term problems. At this time, the Administration's response to whether they have a deficit or a surplus appears to be, "you say to-MAY-to, I say to-MAH-to."

Therefore, how did the Department of Finance arrive at a modest surplus of \$363 million in 2025-26? The explanation begins in mid-2024:

- **Step 1:** In June 2024, the 2024 Budget Act allocated \$5.1 billion in reserves in 2024-25 and \$7.1 billion in 2025-26 to bridge the budget gap (address the deficit).
- **Step 2:** Development of the 2025-26 Governor's budget proposal begins with the underlying assumption that the architecture of the 2025-26 fiscal year will include \$7.1 billion in drawn-down reserves, as agreed to by the Governor and the Legislature in the 2024 Budget Act.
- **Step 3:** The state's updated fiscal forecast as of January 2025 includes increased revenues of \$16.5 billion across several fiscal years compared to revenue estimates as of mid-2024.
- **Step 4:** After accounting for increased expenditures in the aggregate of approximately \$15 billion in 2025-26—a combination of programmatic expenditures



and mandatory transfers to reserves for economic uncertainties pursuant to Proposition 2 (2014)—balanced against increased revenue estimates and the starting point of using \$7.1 billion in reserves, the state is left with a \$363 million “surplus.”

### **A Note on Debt Service and other Interest Payments**

Beyond the headlines of new programs, reductions to existing programs, and the creation of new state agencies, there also exists the important but less glamorous world of unfunded liabilities and debt service. Although we expect much change between now and the May Revision, debt service, especially to the federal government, is not discretionary. For example, the 2025-26 Governor's budget proposal includes \$634.3 million one-time General Fund to pay the annual interest payment on the state's Unemployment Insurance loan balance. California's Unemployment Insurance Fund was exhausted during the COVID-19 pandemic, and has an outstanding balance owed to the U.S. Department of Labor of approximately \$20 billion. In addition, debt service (interest) on general obligation and lease-revenue bonds is expected to be \$8 billion in 2024-25, \$8.6 billion in 2025-26, and increasing to \$9.5 billion by 2028-29. This assumes that only limited new lease revenue bonds are authorized in the next few years.

Issuing bonds is a method of financing capital projects through long-term borrowing. The state raises money by issuing financial securities (i.e. selling bonds) to investors. The state repays investors (principal and interest) over a scheduled period of time, usually decades. The term “debt service” is used by the state to describe the amount of money required to pay interest on outstanding bonds and the principal of maturing bonds. Usually, the state's General Fund pays the principal and interest on general obligation bonds.

## Appendix: Revenue Table

2025-26 Revenue Sources (Dollars in Millions)				
	General Fund	Special Funds	Total	Change from 2024-25
Personal Income Tax	\$133,685	\$3,586	\$137,271	\$12,933
Sales and Use Tax	35,121	15,994	51,115	1,403
Corporation Tax	37,697	-	37,697	-5,502
Highway Users Taxes	-	9,484	9,484	70
Insurance Tax	4,341	-	4,341	277
Alcoholic Beverage Taxes and Fees	428	-	428	5
Cigarette Tax	35	1,210	1,245	-42
Motor Vehicle Fees	46	12,632	12,678	351
Other	6,642	47,699	54,341	-3,597
<b>Subtotal</b>	217,995	90,605	\$308,600	5,898
Transfers to/from the Budget Stabilization Account/Rainy Day Fund	7,100	-7,100	-	-
<b>Total</b>	<b>\$225,095</b>	<b>\$83,505</b>	<b>\$308,600</b>	<b>\$5,898</b>

## Appendix: Expenditure Table

2025-26 Total State Expenditures by Agency (Dollars in Millions)				
	General Fund	Special Funds	Bond Funds	Totals
Legislative, Judicial and Executive	\$8,198	\$4,968	\$374	\$13,541
Business, Consumer Services & Housing	517	1,338	538	2,392
Transportation	754	17,299	97	18,151
Natural Resources	5,426	2,749	2,466	10,640
Environmental Protection	137	4,308	369	4,814
Health and Human Services	83,385	43,294	437	127,115
Corrections and Rehabilitations	13,637	3,964	-	17,601
K-12 Education	83,067	104	1,513	84,704
Higher Education	23,324	105	566	23,995
Labor and Workforce Development	963	1,157	-	2,119
Government Operations	3,590	175	12	3,778
General Operations:				
Non-Agency Departments	1,303	2,069	171	3,543
Tax Relief/Local Governments	556	3,634	-	4,191
Statewide Expenditures	4,016	1,670	-	5,686
<b>Total</b>	<b>\$228,892</b>	<b>\$86,834</b>	<b>\$6,543</b>	<b>\$322,269</b>

Note: Numbers may not add due to rounding.

**5195 1991 State-Local Realignment - Continued****1991 Realignment Estimate at 2025 Governor's Budget**

\$s in Thousands

2023-24 State Fiscal Year (Actual)							
Amount	CalWORKs MOE	Health	Social Services	Mental Health	Family Support	Child Poverty	Total
<b>Base Funding</b>							
Sales Tax Account	\$752,888	\$119,642	\$2,521,843	\$339,948	\$496,208	\$523,585	\$4,754,113
Vehicle License Fee Account	367,663	1,093,203	216,223	149,879	185,798	472,549	2,485,315
<b>Subtotal Base</b>	<b>\$1,120,551</b>	<b>\$1,212,845</b>	<b>\$2,738,066</b>	<b>\$489,826</b>	<b>\$682,006</b>	<b>\$996,133</b>	<b>\$7,239,428</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	\$-	\$0	\$0	\$0	\$-	\$0	\$0
Caseload Subaccount	-	-	0	-	-	0	0
General Growth Subaccount	-	0	-	0	-	0	0
Vehicle License Fee Growth Account	-	22,704	-	46,053	-	54,270	123,026
<b>Subtotal Growth</b>	<b>\$-</b>	<b>\$22,704</b>	<b>\$0</b>	<b>\$46,053</b>	<b>\$-</b>	<b>\$54,270</b>	<b>\$123,026</b>
<b>Total Realignment 2023-24<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,235,549</b>	<b>\$2,738,066</b>	<b>\$535,879</b>	<b>\$682,006</b>	<b>\$1,050,403</b>	<b>\$7,362,455</b>
2024-25 State Fiscal Year (Projected)							
<b>Base Funding</b>							
Sales Tax Account	\$752,888	\$171,028	\$2,521,843	\$339,948	\$444,822	\$523,585	\$4,754,113
Vehicle License Fee Account	367,663	1,115,907	216,223	195,932	185,798	526,818	2,608,341
<b>Subtotal Base</b>	<b>\$1,120,551</b>	<b>\$1,286,936</b>	<b>\$2,738,066</b>	<b>\$535,879</b>	<b>\$630,620</b>	<b>\$1,050,403</b>	<b>\$7,362,455</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	\$-	\$0	\$108,315	\$0	\$-	\$0	\$108,315
Caseload Subaccount	-	-	(108,315)	-	-	-	(108,315)
General Growth Subaccount	-	0	-	0	-	0	0
Vehicle License Fee Growth Account	-	16,332	-	33,129	-	39,040	88,501
<b>Subtotal Growth</b>	<b>\$-</b>	<b>\$16,332</b>	<b>\$108,315</b>	<b>\$33,129</b>	<b>\$-</b>	<b>\$39,040</b>	<b>\$196,815</b>
<b>Total Realignment 2024-25<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,303,268</b>	<b>\$2,846,380</b>	<b>\$569,008</b>	<b>\$630,620</b>	<b>\$1,089,442</b>	<b>\$7,559,270</b>
2025-26 State Fiscal Year (Projected)							
<b>Base Funding</b>							
Sales Tax Account	\$752,888	\$173,592	\$2,630,158	\$339,948	\$442,258	\$523,585	\$4,862,428
Vehicle License Fee Account	367,663	1,132,240	216,223	229,060	185,798	565,858	2,696,842
<b>Subtotal Base</b>	<b>\$1,120,551</b>	<b>\$1,305,832</b>	<b>\$2,846,380</b>	<b>\$569,008</b>	<b>\$628,056</b>	<b>\$1,089,442</b>	<b>\$7,559,270</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	\$-	\$3,601	\$105,949	\$7,303	\$-	\$8,606	\$125,460
Caseload Subaccount	-	-	(105,949)	-	-	-	(105,949)
General Growth Subaccount	-	(3,601)	-	(7,303)	-	(8,606)	(19,510)
Vehicle License Fee Growth Account	-	13,262	-	26,900	-	31,700	71,862
<b>Subtotal Growth</b>	<b>\$-</b>	<b>\$16,862</b>	<b>\$105,949</b>	<b>\$34,204</b>	<b>\$-</b>	<b>\$40,306</b>	<b>\$197,322</b>
<b>Total Realignment 2025-26<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,322,694</b>	<b>\$2,952,330</b>	<b>\$603,212</b>	<b>\$628,056</b>	<b>\$1,129,749</b>	<b>\$7,756,592</b>

<sup>1/</sup> Excludes \$14 million in Vehicle License Collection Account moneys not derived from realignment revenue sources.

\* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

**5196 2011 State-Local Realignment - Continued****2011 Realignment Estimate at 2025 Governor's Budget\***

(\$ millions)

	2023-24	2023-24 Growth	2024-25	2024-25 Growth	2025-26	2025-26 Growth
<b>Law Enforcement Services</b>	<b>\$3,428.3</b>		<b>\$3,432.1</b>		<b>\$3,538.4</b>	
Trial Court Security Subaccount	\$646.0	0.0	\$646.8	10.6	657.5	10.2
Enhancing Law Enforcement Activities Subaccount <sup>1</sup>	\$489.9	374.4	\$489.9	395.5	489.9	402.7
Community Corrections Subaccount	\$1,962.2	0.0	\$1,964.7	79.8	2,044.4	76.3
District Attorney and Public Defender Subaccount	\$81.4	0.0	\$81.5	5.3	86.8	5.1
Juvenile Justice Subaccount	\$248.9	0.0	\$249.2	10.6	259.8	10.2
Youthful Offender Block Grant Special Account	(235.1)		(235.4)		(245.5)	
Juvenile Reentry Grant Special Account	(13.7)		(13.8)		(14.3)	
<b>Growth, Law Enforcement Services</b>		<b>374.4</b>		<b>501.8</b>		<b>504.4</b>
<b>Mental Health<sup>2</sup></b>	<b>1,120.6</b>	0.0	<b>1,120.6</b>	9.9	<b>1,120.6</b>	9.4
<b>Support Services</b>	<b>5,287.2</b>		<b>5,293.9</b>		<b>5,481.6</b>	
Protective Services Subaccount	<b>3,060.4</b>	0.0	3,064.3	88.9	3,153.2	85.0
Behavioral Health Subaccount	<b>2,226.8</b>	0.0	2,229.6	98.8	2,328.4	94.4
Women and Children's Residential Treatment Services	(5.1)		(5.1)		(5.1)	
<b>Growth, Support Services</b>		<b>0.0</b>		<b>197.5</b>		<b>188.8</b>
<b>Account Total and Growth</b>	<b>\$10,210.5</b>		<b>\$10,545.9</b>		<b>\$10,833.8</b>	
<b>Revenue</b>						
1.0625% Sales Tax	9,306.0		9,617.8		9,897.7	
General Fund Backfill <sup>3</sup>	40.1		42.8		43.4	
Motor Vehicle License Fee	864.3		885.4		892.6	
<b>Revenue Total</b>	<b>\$10,210.5</b>		<b>\$10,545.9</b>		<b>\$10,833.8</b>	

\*This chart reflects estimates of the 2011 Realignment subaccount and growth allocations based on current revenue forecasts and in accordance with the formulas outlined in Chapter 40, Statutes of 2012 (SB 1020).

<sup>1</sup>Base Allocation is capped at \$489.9 million. Growth does not add to the base.

<sup>2</sup>Base Allocation is capped at \$1,120.6 million. Growth does not add to the base.

<sup>3</sup>Reflects General Fund backfill for exempt sales tax categories.

\* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

## FY 2022/23 Redirection Summary

CMSP	Previously Redirected	Calculated Redirection	Reconciliation
Alpine	\$ 13,150.00	\$ 13,150.00	\$ -
Amador	\$ 620,264.00	\$ 620,264.00	\$ -
Butte	\$ 5,950,593.00	\$ 5,950,593.00	\$ -
Calaveras	\$ 913,959.00	\$ 913,959.00	\$ -
Colusa	\$ 799,988.00	\$ 799,988.00	\$ -
Del Norte	\$ 781,358.00	\$ 781,358.00	\$ -
El Dorado	\$ 3,535,288.00	\$ 3,535,288.00	\$ -
Glenn	\$ 787,933.00	\$ 787,933.00	\$ -
Humboldt	\$ 6,883,182.00	\$ 6,883,182.00	\$ -
Imperial	\$ 6,394,422.00	\$ 6,394,422.00	\$ -
Inyo	\$ 1,100,257.00	\$ 1,100,257.00	\$ -
Kings	\$ 2,832,833.00	\$ 2,832,833.00	\$ -
Lake	\$ 1,022,963.00	\$ 1,022,963.00	\$ -
Lassen	\$ 687,113.00	\$ 687,113.00	\$ -
Madera	\$ 2,882,147.00	\$ 2,882,147.00	\$ -
Marin	\$ 7,725,909.00	\$ 7,725,909.00	\$ -
Mariposa	\$ 435,062.00	\$ 435,062.00	\$ -
Mendocino	\$ 1,654,999.00	\$ 1,654,999.00	\$ -
Modoc	\$ 469,034.00	\$ 469,034.00	\$ -
Mono	\$ 369,309.00	\$ 369,309.00	\$ -
Napa	\$ 3,062,967.00	\$ 3,062,967.00	\$ -
Nevada	\$ 1,860,793.00	\$ 1,860,793.00	\$ -
Plumas	\$ 905,192.00	\$ 905,192.00	\$ -
San Benito	\$ 1,086,011.00	\$ 1,086,011.00	\$ -
Shasta	\$ 5,361,013.00	\$ 5,361,013.00	\$ -
Sierra	\$ 135,888.00	\$ 135,888.00	\$ -
Siskiyou	\$ 1,372,034.00	\$ 1,372,034.00	\$ -
Solano	\$ 6,871,127.00	\$ 6,871,127.00	\$ -
Sonoma	\$ 13,183,359.00	\$ 13,183,359.00	\$ -
Sutter	\$ 2,996,118.00	\$ 2,996,118.00	\$ -
Tehama	\$ 1,912,299.00	\$ 1,912,299.00	\$ -
Trinity	\$ 611,497.00	\$ 611,497.00	\$ -
Tuolumne	\$ 1,455,320.00	\$ 1,455,320.00	\$ -
Yuba	\$ 2,395,580.00	\$ 2,395,580.00	\$ -
CMSP Board	\$ 246,481,354.76	\$ 246,481,354.76	\$ -
<b>SUBTOTAL</b>	<b>\$ 335,550,315.76</b>	<b>\$ 335,550,315.76</b>	<b>\$ -</b>
Article 13 60 40	Previously Redirected	Calculated Redirection	Reconciliation
Placer	\$ 3,723,662.48	\$ 3,664,363.98	\$ (59,298.50)
Sacramento	\$ 36,179,241.05	\$ 35,682,902.90	\$ (496,338.15)
Santa Barbara	\$ 9,228,524.14	\$ 9,101,871.55	\$ (126,652.59)
Stanislaus	\$ 12,380,385.90	\$ 12,210,572.62	\$ (169,813.28)
Yolo	\$ 943,110.00	\$ 943,110.00	\$ -
<b>SUBTOTAL</b>	<b>\$ 62,454,923.57</b>	<b>\$ 61,602,821.05</b>	<b>\$ (852,102.52)</b>
Article 13 Formula	Previously Redirected	Calculated Redirection	Reconciliation
Fresno	\$ 18,044,306.02	\$ 18,044,306.02	\$ -
Merced	\$ 4,081,952.56	\$ 3,269,987.15	\$ (811,965.41)
Orange	\$ 47,912,244.38	\$ 47,912,244.38	\$ -
San Diego	\$ 51,821,488.19	\$ 51,821,488.19	\$ -
San Luis Obispo	\$ 3,325,430.65	\$ 3,325,430.65	\$ -
Santa Cruz	\$ 4,326,307.55	\$ 4,326,307.55	\$ -
Tulare	\$ 7,175,870.76	\$ 7,653,024.31	\$ 477,153.55
<b>SUBTOTAL</b>	<b>\$ 136,687,600.11</b>	<b>\$ 136,352,788.26</b>	<b>\$ (334,811.85)</b>
DPH	Previously Redirected	Calculated Redirection	Reconciliation
Alameda	\$ -	\$ 47,928,985.27	\$ 47,928,985.27

Contra Costa	\$ -	\$ -		\$ -
Merced	\$ 18,155,884.43	\$ 18,317,209.09	MAX	\$ 161,324.66
Los Angeles	\$ -	\$ -		\$ -
Monterey	\$ 6,819,965.64	\$ -		\$ (6,819,965.64)
Riverside	\$ 42,760,897.16	\$ 19,669,596.33		\$ (23,091,300.83)
San Bernardino	\$ 34,521,153.48	\$ 34,609,266.90	MAX	\$ 88,113.42
San Francisco	\$ -	\$ -		\$ -
San Joaquin	\$ -	\$ -		\$ -
San Mateo	\$ -	\$ -		\$ -
Santa Clara	\$ -	\$ -		\$ -
Ventura	\$ 17,023,827.93	\$ 17,417,654.45	MAX	\$ 393,826.52
<b>SUBTOTAL</b>	<b>\$ 119,281,728.64</b>	<b>\$ 137,942,712.04</b>		<b>\$ 18,660,983.40</b>
<b>DHCS Total</b>	<b>\$ 255,969,328.75</b>	<b>\$ 274,295,500.30</b>		<b>\$ 18,326,171.55</b>
<b>Grand Total</b>	<b>\$ 653,974,568.08</b>	<b>\$ 671,448,637.11</b>		<b>\$ 17,474,069.03</b>

**FY25-26 Interim Redirection  
Redirection Calculation**

CMSP	25-26 Realignment		Maintenance of Effort	60 <input type="checkbox"/> Realignment <input type="checkbox"/> 60 <input type="checkbox"/> MOE	Jurisdictional Risk Limitation	Adjustment to CMSP Board	Redirection
	Sales Tax	VLF					
Alpine	\$ 61,626.92	\$ 129,198.11	\$ 21,465.00	\$ 127,374.02	\$ 13,150.00	\$ 114,224.02	\$ 13,150.00
Amador	\$ 937,203.57	\$ 1,827,134.43	\$ 278,460.00	\$ 1,825,678.80	\$ 620,264.00	\$ 1,205,414.80	\$ 620,264.00
Butte	\$ 6,857,293.59	\$ 12,489,792.27	\$ 724,304.00	\$ 12,042,833.92	\$ 5,950,593.00	\$ 6,092,240.92	\$ 5,950,593.00
Calaveras	\$ 1,058,702.10	\$ 1,974,694.22	\$ -	\$ 1,820,037.79	\$ 913,959.00	\$ 906,078.79	\$ 913,959.00
Colusa	\$ 860,353.42	\$ 1,590,369.72	\$ 237,754.00	\$ 1,613,086.28	\$ 799,988.00	\$ 813,098.28	\$ 799,988.00
Del Norte	\$ 964,254.41	\$ 1,825,040.96	\$ 44,324.00	\$ 1,700,171.62	\$ 781,358.00	\$ 918,813.62	\$ 781,358.00
El Dorado	\$ 3,914,847.10	\$ 7,240,178.47	\$ 704,192.00	\$ 7,115,530.54	\$ 3,535,288.00	\$ 3,580,242.54	\$ 3,535,288.00
Glenn	\$ 938,436.39	\$ 1,766,760.72	\$ 58,501.00	\$ 1,658,218.87	\$ 787,933.00	\$ 870,285.87	\$ 787,933.00
Humboldt	\$ 7,073,574.61	\$ 12,855,462.92	\$ 589,711.00	\$ 12,311,249.12	\$ 6,883,182.00	\$ 5,428,067.12	\$ 6,883,182.00
Imperial	\$ 6,956,467.10	\$ 12,608,772.88	\$ 772,088.00	\$ 12,202,396.79	\$ 6,394,422.00	\$ 5,807,974.79	\$ 6,394,422.00
Inyo	\$ 1,284,865.79	\$ 2,407,859.03	\$ 561,262.00	\$ 2,552,392.09	\$ 1,100,257.00	\$ 1,452,135.09	\$ 1,100,257.00
ings	\$ 3,370,908.18	\$ 6,166,625.05	\$ 466,273.00	\$ 6,002,283.74	\$ 2,832,833.00	\$ 3,169,450.74	\$ 2,832,833.00
Lake	\$ 1,417,142.01	\$ 2,636,413.01	\$ 118,222.00	\$ 2,503,066.21	\$ 1,022,963.00	\$ 1,480,103.21	\$ 1,022,963.00
Lassen	\$ 967,012.89	\$ 1,867,705.10	\$ 119,938.00	\$ 1,772,793.59	\$ 687,113.00	\$ 1,085,680.59	\$ 687,113.00
Madera	\$ 3,372,311.20	\$ 6,110,976.41	\$ 81,788.00	\$ 5,739,045.37	\$ 2,882,147.00	\$ 2,856,898.37	\$ 2,882,147.00
Marin	\$ 8,018,913.26	\$ 14,731,465.93	\$ 1,196,515.00	\$ 14,368,136.51	\$ 7,725,909.00	\$ 6,642,227.51	\$ 7,725,909.00
Mariposa	\$ 538,494.05	\$ 1,018,819.31	\$ -	\$ 934,388.02	\$ 435,062.00	\$ 499,326.02	\$ 435,062.00
Mendocino	\$ 2,098,619.88	\$ 3,871,451.28	\$ 347,945.00	\$ 3,790,809.70	\$ 1,654,999.00	\$ 2,135,810.70	\$ 1,654,999.00
Modoc	\$ 591,637.77	\$ 1,120,680.25	\$ 70,462.00	\$ 1,069,668.01	\$ 469,034.00	\$ 600,634.01	\$ 469,034.00
Mono	\$ 745,679.13	\$ 1,495,970.72	\$ 409,928.00	\$ 1,590,946.71	\$ 369,309.00	\$ 1,221,637.71	\$ 369,309.00
Napa	\$ 3,339,146.87	\$ 6,148,366.22	\$ 546,957.00	\$ 6,020,682.05	\$ 3,062,967.00	\$ 2,957,715.05	\$ 3,062,967.00
Nevada	\$ 2,104,583.74	\$ 3,873,765.86	\$ 96,375.00	\$ 3,644,834.76	\$ 1,860,793.00	\$ 1,784,041.76	\$ 1,860,793.00
Plumas	\$ 928,411.10	\$ 1,682,319.12	\$ 66,295.00	\$ 1,606,215.13	\$ 905,192.00	\$ 701,023.13	\$ 905,192.00
San Benito	\$ 1,244,236.57	\$ 2,334,022.04	\$ -	\$ 2,146,955.17	\$ 1,086,011.00	\$ 1,060,944.17	\$ 1,086,011.00
Shasta	\$ 5,988,135.02	\$ 10,801,401.00	\$ 184,049.00	\$ 10,184,151.01	\$ 5,361,013.00	\$ 4,823,138.01	\$ 5,361,013.00
Sierra	\$ 190,818.44	\$ 363,945.10	\$ 7,330.00	\$ 337,256.12	\$ 135,888.00	\$ 201,368.12	\$ 135,888.00
Siskiyou	\$ 1,606,932.52	\$ 2,996,930.56	\$ 287,627.00	\$ 2,934,894.05	\$ 1,372,034.00	\$ 1,562,860.05	\$ 1,372,034.00
Solano	\$ 8,323,322.00	\$ 15,134,911.04	\$ 115,800.00	\$ 14,144,419.82	\$ 6,871,127.00	\$ 7,273,292.82	\$ 6,871,127.00
Sonoma	\$ 13,923,819.37	\$ 25,153,890.67	\$ 438,234.00	\$ 23,709,566.42	\$ 13,183,359.00	\$ 10,526,207.42	\$ 13,183,359.00
Sutter	\$ 3,242,029.64	\$ 6,008,897.22	\$ 674,240.00	\$ 5,955,100.12	\$ 2,996,118.00	\$ 2,958,982.12	\$ 2,996,118.00
Tehama	\$ 2,156,214.19	\$ 4,010,730.19	\$ 446,992.00	\$ 3,968,361.83	\$ 1,912,299.00	\$ 2,056,062.83	\$ 1,912,299.00
Trinity	\$ 847,937.78	\$ 1,628,250.62	\$ 292,662.00	\$ 1,661,310.24	\$ 611,497.00	\$ 1,049,813.24	\$ 611,497.00
Tuolumne	\$ 1,656,038.58	\$ 3,096,881.95	\$ 305,830.00	\$ 3,035,250.32	\$ 1,455,320.00	\$ 1,579,930.32	\$ 1,455,320.00
Yuba	\$ 2,720,686.95	\$ 4,902,049.71	\$ 187,701.00	\$ 4,686,262.60	\$ 2,395,580.00	\$ 2,290,682.60	\$ 2,395,580.00
Yolo	\$ 1,961,813.71	\$ 4,158,661.17	\$ 1,081,388.00	\$ 4,321,117.73	\$ 943,110.00	\$ 3,378,007.73	\$ 943,110.00
CMSP Board	\$ 60,109,911.68	\$ 185,797,900.55	\$ -	\$ 147,544,687.34	NA	NA	\$ 245,907,812.23
<b>SUBTOTAL</b>	<b>\$ 162,372,381.53</b>	<b>\$ 373,828,293.81</b>	<b>\$ 11,534,612.00</b>	<b>\$ 328,641,172.40</b>	<b>\$ 90,012,071.00</b>	<b>\$ 91,084,414.07</b>	<b>\$ 335,919,883.23</b>



Article 13 60 40	25-26 Realignment		Maintenance of Effort	FY 10-11 Total Realignment		MOE Capped at 14.6% of 10-11 Realignment	Redirection
	Sales Tax	VLF		Sales Tax	VLF		
Placer	\$ 1,975,592.93	\$ 4,020,409.57	\$ 368,490.00	\$ 1,223,351.24	\$ 3,475,002.90	\$ 368,490.00	\$ 3,818,695.50
Sacramento	\$ 18,049,007.18	\$ 37,366,960.63	\$ 7,128,508.00	\$ 11,073,547.81	\$ 32,428,453.58	\$ 6,351,292.20	\$ 37,060,356.01
Santa Barbara	\$ 4,481,621.65	\$ 9,654,382.40	\$ 3,794,166.00	\$ 2,695,565.51	\$ 8,405,681.53	\$ 1,620,782.07	\$ 9,454,071.67
Stanislaus	\$ 6,144,066.01	\$ 12,818,900.21	\$ 3,510,803.00	\$ 3,756,009.76	\$ 11,132,596.16	\$ 2,173,736.46	\$ 12,682,021.61
<b>SUBTOTAL</b>	<b>\$ 30,650,287.77</b>	<b>\$ 63,860,652.81</b>	<b>\$ 14,801,967.00</b>	<b>\$ 18,748,474.32</b>	<b>\$ 55,441,734.17</b>	<b>\$ 10,514,300.74</b>	<b>\$ 63,015,144.79</b>
Article 13 Formula	25-26 Realignment		Health Realignment Indigent Care %	Total Revenue FY 25-26	Total Costs FY 25-26	Savings	Calculated Redirection
	Sales Tax	VLF					
Fresno	\$ 13,440,421.85	\$ 28,326,039.90	44.38%				\$ 18,535,955.72
Merced	\$ 3,234,940.48	\$ 6,423,355.08	43.41%				\$ 4,192,666.10
Orange	\$ 32,534,617.97	\$ 62,059,616.36	52.02%				\$ 49,207,920.70
San Diego	\$ 38,489,880.34	\$ 69,389,107.45	49.33%				\$ 53,216,704.68
San Luis Obispo	\$ 2,445,923.75	\$ 5,239,552.89	44.45%				\$ 3,416,194.37
Santa Cruz	\$ 2,995,510.53	\$ 6,540,189.29	46.61%				\$ 4,444,589.69
Tulare	\$ 5,763,188.37	\$ 11,465,163.32	47.88%				\$ 7,914,266.90
<b>SUBTOTAL</b>	<b>\$ 98,904,483.29</b>	<b>\$ 189,443,024.29</b>		<b>\$ 10,319,034.24</b>	<b>\$ 426,200.61</b>	<b>\$ 9,892,833.63</b>	<b>\$ 140,928,298.16</b>
Opted for Historical Percentage							
DPH	25-26 Realignment		Health Realignment Indigent Care %	Total Revenue FY 25-26	Total Costs FY 25-26	Savings	Calculated Redirection
	Sales Tax	VLF					
Alameda	\$ 20,988,794.84	\$ 45,579,441.11	81.68%	\$ 896,970,443.94	\$ 904,612,753.43	\$ (7,642,309.49)	\$ -
Contra Costa	\$ 10,752,060.58	\$ 23,159,331.18	80.50%	\$ 509,203,601.60	\$ 702,975,460.07	\$ (193,771,858.46)	\$ -
Eastern	\$ 9,110,406.29	\$ 19,287,315.38	66.26%	\$ 399,103,505.97	\$ 328,779,022.83	\$ 70,324,483.14	\$ 18,816,330.38
Los Angeles	\$ 167,056,399.65	\$ 364,779,212.00	83.00%	\$ 6,360,653,092.79	\$ 7,184,827,070.24	\$ (824,173,977.45)	\$ -
Monterey	\$ 4,343,876.10	\$ 9,382,550.28	51.19%	\$ 298,334,994.04	\$ 286,624,640.89	\$ 11,710,353.15	\$ 7,026,557.66
Riverside	\$ 17,291,561.43	\$ 36,072,644.65	84.44%	\$ 389,886,300.71	\$ 752,335,859.27	\$ (362,449,558.56)	\$ -
San Bernardino	\$ 20,452,347.43	\$ 40,270,356.11	58.54%	\$ 577,400,064.99	\$ 516,346,375.73	\$ 61,053,689.26	\$ 35,547,070.65
San Francisco	\$ 31,866,825.99	\$ 69,582,171.48	57.36%	\$ 674,096,019.47	\$ 926,340,416.38	\$ (252,244,396.91)	\$ -
San Joaquin	\$ 7,891,343.67	\$ 15,826,872.02	96.74%	\$ 296,262,831.36	\$ 285,125,230.35	\$ 11,137,601.01	\$ 8,910,080.81
San Mateo	\$ 7,479,257.32	\$ 16,162,457.87	80.82%	\$ 235,970,649.53	\$ 282,198,595.16	\$ (46,227,945.63)	\$ -
Santa Clara	\$ 18,092,201.37	\$ 38,867,345.60	85.00%	\$ 1,642,378,407.23	\$ 2,087,336,076.03	\$ (444,957,668.80)	\$ -
Ventura	\$ 7,087,707.64	\$ 15,106,147.95	80.62%	\$ 394,597,733.74	\$ 340,244,194.78	\$ 54,353,538.95	\$ 17,892,686.38
<b>SUBTOTAL</b>	<b>\$ 322,412,782.31</b>	<b>\$ 694,075,845.63</b>		<b>\$ 12,674,857,645.37</b>	<b>\$ 14,597,745,695.16</b>	<b>\$ (1,922,888,049.79)</b>	<b>\$ 88,192,725.88</b>
<b>FY25-26 Interim Redirection \$</b>							<b>628,056,052.05</b>

**BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA**

**Resolution No.**

On the motion of Supervisor  
Duly seconded by Supervisor  
The following resolution is adopted:

**RESOLUTION ACCEPTING UNANTICIPATED REVENUE**

WHEREAS, the County of Santa Cruz is the recipient of funds, in the amount of \$ 46,137 ,  
from Human Services Department ,  
for the Human Services Department Server Room Project program; and

WHEREAS, the above-referenced funds are either in excess of those anticipated or are not specifically set forth in the current fiscal year budget for the County; and

WHEREAS, pursuant to Government Code section 29130(b), such funds may be made available for specific appropriation by four-fifths vote of the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector accept the amount of \$ 46,137 for the  
Human Services Department Server Room Project program.

GL Key	GL Object	JL Key	JL Object	Amount	Account Description
191507	42462			46,137	OPERATING TRANSFER IN

**and that such funds be and are hereby appointed as follows:**

GL Key	GL Object	JL Key	JL Object	Amount	Account Description
191507	86110			46,137	BUILDINGS AND IMPROVEMENTS

PASSED AND ADOPTED BY THE Board of Supervisors of the County of Santa Cruz, State of California,  
 this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by the following vote  
 (requires four-fifths vote for approval):

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
 Chair of the Board

ATTEST: \_\_\_\_\_  
 Clerk of the Board

DEPARTMENT HEAD I hereby certify that the fiscal provisions have been researched and that the  
 Revenue(s) (has been)(will be) received within the current fiscal year.

BY: DocuSigned by:  
Michael Beaton Date: 11/27/2024  
 4A48A36400C8467...  
 Department Head

COUNTY ADMINISTRATIVE OFFICER / X / Recommended to Board

DocuSigned by:  
Ryan Friedrich / \_\_\_\_\_ / Not Recommended to Board  
 46B5A998D85C437...

APPROVED AS TO FORM:

Signed by:  
Arthur G. Wille 2/13/2025  
 F6310C222C094D8...  
 Office of the County Counsel

APPROVED AS TO ACCOUNTING DETAIL:

Signed by:  
Steve Salatti 11/27/2024  
 90FD5DD1F612471...  
 Auditor-Controller-Treasurer-Tax Collector

Distribution:

Auditor-Controller-Treasurer-Tax Collector  
 County Counsel  
 County Administrative Officer  
 Originating Department

## Certificate Of Completion

Envelope Id: F693FC58-9EFC-4F3D-A4DA-CEDCA35D7766  
 Subject: Complete with Docusign: AUD60 HSD Server Room Project - signed.pdf  
 Source Envelope:  
 Document Pages: 2  
 Certificate Pages: 5  
 AutoNav: Enabled  
 Envelopeld Stamping: Enabled  
 Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Status: Completed  
 Envelope Originator:  
 Ted Morton  
 701 Ocean Street  
 Santa Cruz, CA 95060  
 Ted.Morton@santacruzcountyca.gov  
 IP Address: 63.194.190.100

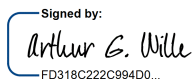
## Record Tracking

Status: Original 2/13/2025 1:18:46 PM	Holder: Ted Morton Ted.Morton@santacruzcountyca.gov	Location: DocuSign
Security Appliance Status: Connected	Pool: FedRamp	
Storage Appliance Status: Connected	Pool: County of Santa Cruz	Location: DocuSign

## Signer Events

Arthur G. Wille  
 Arthur.Wille@santacruzcountyca.gov  
 County of Santa Cruz  
 Assistant County Counsel  
 Security Level: Email, Account Authentication (None)

## Signature

Signed by:  
  
 FD318C222C994D0...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 63.194.190.100

## Timestamp

Sent: 2/13/2025 1:23:46 PM  
 Viewed: 2/13/2025 1:25:17 PM  
 Signed: 2/13/2025 1:26:10 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 2/13/2025 1:25:17 PM  
 ID: 61390efd-e1d0-456e-8b83-3eaf6a13f8dd

## In Person Signer Events

## Signature

## Timestamp

## Editor Delivery Events

## Status

## Timestamp

## Agent Delivery Events

## Status

## Timestamp

## Intermediary Delivery Events

## Status

## Timestamp

## Certified Delivery Events

## Status

## Timestamp

## Carbon Copy Events

## Status

## Timestamp

Marcus Pimentel  
 Marcus.Pimentel@santacruzcountyca.gov  
 County Budget Manager  
 County of Santa Cruz, CA  
 Security Level: Email, Account Authentication (None)  
**Electronic Record and Signature Disclosure:**  
 Accepted: 7/7/2023 2:58:57 PM  
 ID: fbe1758b-aead-4cf4-83b3-2b4746e00735

**COPIED**

Sent: 2/13/2025 1:26:11 PM  
 Viewed: 2/13/2025 2:24:37 PM

## Witness Events

## Signature

## Timestamp

## Notary Events

## Signature

## Timestamp

## Envelope Summary Events

## Status

## Timestamps

Envelope Sent	Hashed/Encrypted	2/13/2025 1:23:47 PM
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Envelope Summary Events	Status	Timestamps
Certified Delivered	Security Checked	2/13/2025 1:25:17 PM
Signing Complete	Security Checked	2/13/2025 1:26:10 PM
Completed	Security Checked	2/13/2025 1:26:11 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, County of Santa Cruz (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

### **How to contact County of Santa Cruz:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us)

### **To advise County of Santa Cruz of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

### **To request paper copies from County of Santa Cruz**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

### **To withdraw your consent with County of Santa Cruz**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify County of Santa Cruz as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by County of Santa Cruz during the course of your relationship with County of Santa Cruz.



**BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA**

**Resolution No.**

On the motion of Supervisor  
Duly seconded by Supervisor  
The following resolution is adopted:

**RESOLUTION ACCEPTING UNANTICIPATED REVENUE**

WHEREAS, the County of Santa Cruz is the recipient of funds, in the amount of \$ 50,000 ,  
from District 3's board directed funding included in the Adopted 2024-25 Budget ,  
for the Davenport Drought Relief Water Tank Project program; and

WHEREAS, the above-referenced funds are either in excess of those anticipated or are not specifically set forth in the current fiscal year budget for the County; and

WHEREAS, pursuant to Government Code section 29130(b), such funds may be made available for specific appropriation by four-fifths vote of the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector accept the amount of \$ 50,000 for the Davenport Drought Relief Water Tank Project program.

GL Key	GL Object	JL Key	JL Object	Amount	Account Description
625125	42462			50,000	OPERATING TRANSFER IN

**and that such funds be and are hereby appointed as follows:**

GL Key	GL Object	JL Key	JL Object	Amount	Account Description
625125	86110	P51709	6610	50,000	BUILDING & IMPROVEMENTS

PASSED AND ADOPTED BY THE Board of Supervisors of the County of Santa Cruz, State of California,  
 this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by the following vote  
 (requires four-fifths vote for approval):

AYES:


NOES:

ABSENT:

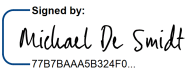
\_\_\_\_\_  
 Chair of the Board

ATTEST: \_\_\_\_\_  
 Clerk of the Board

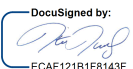
DEPARTMENT HEAD I hereby certify that the fiscal provisions have been researched and that the  
 Revenue(s) (has been)(will be) received within the current fiscal year.

BY:  Date: 2/6/2025  
 \_\_\_\_\_  
 Department Head

COUNTY ADMINISTRATIVE OFFICER /   x   / Recommended to Board  
 /        / Not Recommended to Board

APPROVED AS TO FORM:  
 2/5/2025

Office of the County Counsel

APPROVED AS TO ACCOUNTING DETAIL:  
 2/4/2025

Public Works Department on behalf of  
 Auditor-Controller-Treasurer-Tax Collector

Distribution:  
 Auditor-Controller-Treasurer-Tax Collector  
 County Counsel  
 County Administrative Officer  
 Originating Department

## Certificate Of Completion

Envelope Id: F42CD8FC-EDFF-4BB8-937C-C354B0D02493

Subject: AUD60 Davenport Water Project

Source Envelope:

Document Pages: 2

Certificate Pages: 5

AutoNav: Enabled

Envelopeld Stamping: Enabled

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Status: Completed

Envelope Originator:

Blanca Martinez

701 Ocean Street

Santa Cruz, CA 95060

Blanca.Martinez@santacruzcountyca.gov

IP Address: 63.194.190.100

## Record Tracking

Status: Original

2/4/2025 7:38:49 AM

Security Appliance Status: Connected

Storage Appliance Status: Connected

Holder: Blanca Martinez

Blanca.Martinez@santacruzcountyca.gov

Pool: FedRamp

Pool: County of Santa Cruz

Location: DocuSign

Location: DocuSign

## Signer Events

Italo Jimenez

italo.jimenez@santacruzcountyca.gov

Chief of Fiscal Services

County of Santa Cruz

Security Level: Email, Account Authentication  
(None)

## Signature

DocuSigned by:

ECAF121B1F8143F...

Signature Adoption: Uploaded Signature Image

Using IP Address: 63.194.190.100

## Timestamp

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Viewed: 2/4/2025 4:01:25 PM

Signed: 2/4/2025 4:01:31 PM

## Electronic Record and Signature Disclosure:

Accepted: 4/8/2024 1:17:45 PM

ID: e241a10f-ab0b-4db6-bb82-2ef8a1716c49

Michael De Smidt

Michael.DeSmidt@santacruzcountyca.gov

Approved as to Form by District Counsel

Santa Cruz County Sanitation District

Security Level: Email, Account Authentication  
(None)

Signed by:

77B7BAAA5B324F0...

Signature Adoption: Pre-selected Style

Using IP Address: 63.194.190.100

Sent: 2/4/2025 4:01:33 PM

Viewed: 2/5/2025 8:16:07 AM

Signed: 2/5/2025 8:16:27 AM

## Electronic Record and Signature Disclosure:

Accepted: 2/5/2025 8:16:07 AM

ID: 41942375-e674-4753-8d05-e09fa6d6ec19

Matt Machado

Matt.Machado@santacruzcountyca.gov

Director of Community Development & Infrastructure

County of Santa Cruz

Security Level: Email, Account Authentication  
(None)

DocuSigned by:

50EBAC64454C48C...

Signature Adoption: Pre-selected Style

Using IP Address: 63.194.190.100

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Viewed: 2/6/2025 9:56:21 AM

Signed: 2/6/2025 9:56:27 AM

## Electronic Record and Signature Disclosure:

Accepted: 3/1/2022 8:22:46 AM

ID: 82550d6a-8dcd-4ff4-b394-1d902bcd64c7

Lana Martinez Davis

Lana.MartinezDavis@santacruzcountyca.gov

Security Level: Email, Account Authentication  
(None)

**Completed**

Using IP Address: 63.194.190.100

Sent: 2/6/2025 9:56:29 AM

Resent: 2/7/2025 12:50:06 PM

Resent: 2/11/2025 9:10:15 AM

Resent: 2/12/2025 8:10:06 AM

Viewed: 2/12/2025 12:10:13 PM

Signed: 2/12/2025 12:10:50 PM

## Electronic Record and Signature Disclosure:

Accepted: 8/2/2024 5:08:52 PM

ID: 00fe921b-d9f2-4b1b-85c0-1e8c46158ce4

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Italo Jimenez Italo.Jimenez@santacruzcountyca.gov Chief of Fiscal Services County of Santa Cruz Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Accepted: 4/8/2024 1:17:45 PM ID: e241a10f-ab0b-4db6-bb82-2ef8a1716c49	<div>COPIED</div>	Sent: 2/4/2025 11:00:47 AM Viewed: 2/4/2025 4:00:41 PM
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/4/2025 7:40:43 AM
Certified Delivered	Security Checked	2/12/2025 12:10:13 PM
Signing Complete	Security Checked	2/12/2025 12:10:50 PM
Completed	Security Checked	2/12/2025 12:10:50 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

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### **To withdraw your consent with County of Santa Cruz**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
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**BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA**

**Resolution No.**

On the motion of Supervisor

Duly seconded by Supervisor

The following resolution is adopted:

**RESOLUTION ACCEPTING UNANTICIPATED REVENUE**

WHEREAS, the County of Santa Cruz is the recipient of funds, in the amount of \$ 610,000,  
from Pajaro Storm and Drainage Main. District and SC Flood Ctrl & Wtr Conservation Dist.,  
for the Zone 7A SC Flood control project design engineering program; and

WHEREAS, the above-referenced funds are either in excess of those anticipated or are not specifically set forth in the current fiscal year budget for the County; and

WHEREAS, pursuant to Government Code section 29130(b), such funds may be made available for specific appropriation by four-fifths vote of the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector accept the amount of \$ 610,000 for the  
Zone 7A SC Flood control project design engineering program.

GL Key	GL Object	JL Key	JL Object	Amount	Account Description
622385	95225	P27399		610,000	INTRA-FUND TRF IN-OTHER

**and that such funds be and are hereby appointed as follows:**

GL Key	GL Object	JL Key	JL Object	Amount	Account Description
622385	62330	P27307		610,000	DPW SERVICES-GENERAL MONEY



PASSED AND ADOPTED BY THE Board of Supervisors of the County of Santa Cruz, State of California,  
 this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by the following vote  
 (requires four-fifths vote for approval):

AYES:


NOES:

ABSENT:

\_\_\_\_\_  
 Chair of the Board


ATTEST: \_\_\_\_\_  
 Clerk of the Board

DEPARTMENT HEAD I hereby certify that the fiscal provisions have been researched and that the  
 Revenue(s) (has been)(will be) received within the current fiscal year.

BY:  Date: 2/11/2025  
 \_\_\_\_\_  
 Department Head

COUNTY ADMINISTRATIVE OFFICER /   x   / Recommended to Board  
 /        / Not Recommended to Board

APPROVED AS TO FORM:

 2/11/2025  
 \_\_\_\_\_

Office of the County Counsel

APPROVED AS TO ACCOUNTING DETAIL:

 2/11/2025  
 \_\_\_\_\_

Public Works Department on behalf of  
 Auditor-Controller-Treasurer-Tax Collector

Distribution:

Auditor-Controller-Treasurer-Tax Collector  
 County Counsel  
 County Administrative Officer  
 Originating Department

Certificate Of Completion

Envelope Id: 07B8F905-4F57-4B24-B6B6-A70F53967748  
Subject: AUD60 for Zone7A  
Source Envelope:  
Document Pages: 2  
Certificate Pages: 5  
AutoNav: Enabled  
Envelopeld Stamping: Enabled  
Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Status: Completed  
  
Envelope Originator:  
Blanca Martinez  
701 Ocean Street  
Santa Cruz, CA 95060  
Blanca.Martinez@santacruzcountyca.gov  
IP Address: 99.162.76.230

Record Tracking

Status: Original 2/11/2025 3:49:08 PM	Holder: Blanca Martinez Blanca.Martinez@santacruzcountyca.gov	Location: DocuSign
Security Appliance Status: Connected	Pool: FedRamp	
Storage Appliance Status: Connected	Pool: County of Santa Cruz	Location: DocuSign

Signer Events

Italo Jimenez  
Italo.Jimenez@santacruzcountyca.gov  
Chief of Fiscal Services  
County of Santa Cruz  
Security Level: Email, Account Authentication (None)

Signature


DocuSigned by:  
  
ECAAF121B1F8143F...  
  
Signature Adoption: Uploaded Signature Image  
Using IP Address: 63.194.190.100

Timestamp

Sent: 2/11/2025 3:52:19 PM  
Viewed: 2/11/2025 3:56:38 PM  
Signed: 2/11/2025 3:58:19 PM

Electronic Record and Signature Disclosure:  
Accepted: 4/8/2024 1:17:45 PM  
ID: e241a10f-ab0b-4db6-bb82-2ef8a1716c49


Natalie Kirkish  
Natalie.Kirkish@santacruzcountyca.gov  
Security Level: Email, Account Authentication (None)

Signed by:  
  
D52DC6AA0E74498...  
  
Signature Adoption: Pre-selected Style  
Using IP Address: 98.51.47.121

Sent: 2/11/2025 3:58:20 PM  
Viewed: 2/11/2025 4:08:22 PM  
Signed: 2/11/2025 4:09:11 PM

Electronic Record and Signature Disclosure:  
Accepted: 8/1/2024 2:49:37 PM  
ID: b763e46b-8c75-436f-b147-3f5717480ab2

Matt Machado  
Matt.Machado@santacruzcountyca.gov  
Director of Community Development & Infrastructure  
County of Santa Cruz  
Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
50EBAC64454C48C...  
  
Signature Adoption: Pre-selected Style  
Using IP Address: 63.194.190.100

Sent: 2/11/2025 4:09:13 PM  
Viewed: 2/11/2025 4:20:58 PM  
Signed: 2/11/2025 4:21:04 PM

Electronic Record and Signature Disclosure:  
Accepted: 3/1/2022 8:22:46 AM  
ID: 82550d6a-8dcd-4ff4-b394-1d902bcd64c7

Lana Martinez Davis  
Lana.MartinezDavis@santacruzcountyca.gov  
Security Level: Email, Account Authentication (None)

Completed  
  
Using IP Address: 63.194.190.100

Sent: 2/11/2025 4:21:05 PM  
Resent: 2/12/2025 8:09:54 AM  
Viewed: 2/12/2025 12:08:13 PM  
Signed: 2/12/2025 12:08:51 PM

Electronic Record and Signature Disclosure:  
Accepted: 8/2/2024 5:08:52 PM  
ID: 00fe921b-d9f2-4b1b-85c0-1e8c46158ce4

<b>In Person Signer Events</b>	<b>Signature</b>	<b>Timestamp</b>
<b>Editor Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Agent Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Intermediary Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Certified Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Carbon Copy Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Witness Events</b>	<b>Signature</b>	<b>Timestamp</b>
<b>Notary Events</b>	<b>Signature</b>	<b>Timestamp</b>
<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	2/11/2025 3:52:19 PM
Certified Delivered	Security Checked	2/12/2025 12:08:13 PM
Signing Complete	Security Checked	2/12/2025 12:08:51 PM
Completed	Security Checked	2/12/2025 12:08:51 PM
<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
<b>Electronic Record and Signature Disclosure</b>		

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, County of Santa Cruz (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

### **How to contact County of Santa Cruz:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us)

### **To advise County of Santa Cruz of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

### **To request paper copies from County of Santa Cruz**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

### **To withdraw your consent with County of Santa Cruz**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify County of Santa Cruz as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by County of Santa Cruz during the course of your relationship with County of Santa Cruz.

**BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA**

**Resolution No.**

On the motion of Supervisor  
Duly seconded by Supervisor  
The following resolution is adopted:

**RESOLUTION ACCEPTING UNANTICIPATED REVENUE**

WHEREAS, the County of Santa Cruz is the recipient of funds, in the amount of \$ 36,872 ,  
from Capitola Library Friends ,  
for the Capitola Library solar panel installation project program; and

WHEREAS, the above-referenced funds are either in excess of those anticipated or are not specifically set forth in the current fiscal year budget for the County; and

WHEREAS, pursuant to Government Code section 29130(b), such funds may be made available for specific appropriation by four-fifths vote of the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector accept the amount of \$ 36,872 for the  
Capitola Library solar panel installation project program.

GL Key	GL Object	JL Key	JL Object	Amount	Account Description
191407	42372			36,872	CONTRIBUTIONS AND DONATIONS

**and that such funds be and are hereby appointed as follows:**

GL Key	GL Object	JL Key	JL Object	Amount	Account Description
191407	86110	MI25002	86110	36,872	BUILDINGS AND IMPROVEMENTS

PASSED AND ADOPTED BY THE Board of Supervisors of the County of Santa Cruz, State of California,  
 this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by the following vote  
 (requires four-fifths vote for approval):

AYES:

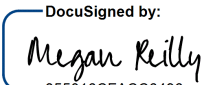
NOES:

ABSENT:

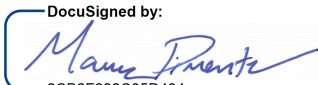
\_\_\_\_\_  
 Chair of the Board

ATTEST: \_\_\_\_\_  
 Clerk of the Board

DEPARTMENT HEAD I hereby certify that the fiscal provisions have been researched and that the  
 Revenue(s) (has been)(will be) received within the current fiscal year.

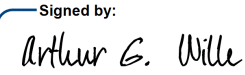
BY:  DocuSigned by:  
355016CFACC6496... \_\_\_\_\_ Date: 1/31/2025  
 Department Head

COUNTY ADMINISTRATIVE OFFICER /   X   / Recommended to Board

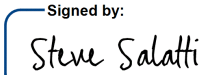
 DocuSigned by:  
2CB2F282C05D434... / \_\_\_\_\_ / Not Recommended to Board

 Initial

APPROVED AS TO FORM:

 Signed by:  
FD310C222C094D8... \_\_\_\_\_ 2/13/2025  
 Office of the County Counsel

APPROVED AS TO ACCOUNTING DETAIL:

 Signed by:  
38FD5DD1F012471... \_\_\_\_\_  
 Auditor-Controller-Treasurer-Tax Collector

Distribution:

Auditor-Controller-Treasurer-Tax Collector  
 County Counsel  
 County Administrative Officer  
 Originating Department



## Certificate Of Completion

Envelope Id: D2CAE4BF-5D64-4CED-9CDF-238E377824B8

Status: Completed

Subject: Complete with Docusign: AUD60 Capitola Library Solar Panel Project.pdf

Source Envelope:

Document Pages: 2

Signatures: 1

Envelope Originator:

Certificate Pages: 5

Initials: 0

Ted Morton

AutoNav: Enabled

701 Ocean Street

Envelopeld Stamping: Enabled

Santa Cruz, CA 95060

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Ted.Morton@santacruzcountyca.gov

IP Address: 63.194.190.100

## Record Tracking

Status: Original

Holder: Ted Morton

Location: DocuSign

2/13/2025 2:56:12 PM

Ted.Morton@santacruzcountyca.gov

Security Appliance Status: Connected

Pool: FedRamp

Storage Appliance Status: Connected

Pool: County of Santa Cruz

Location: DocuSign

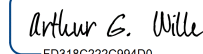
## Signer Events

### Signature

### Timestamp

Arthur G. Wille

Signed by:

  
FD318C222C994D0...

Sent: 2/13/2025 2:58:01 PM

Arthur.Wille@santacruzcountyca.gov

Viewed: 2/13/2025 3:51:12 PM

County of Santa Cruz

Signed: 2/13/2025 3:53:26 PM

Assistant County Counsel

Signature Adoption: Pre-selected Style

Security Level: Email, Account Authentication  
(None)

Using IP Address: 63.194.190.100

## Electronic Record and Signature Disclosure:

Accepted: 2/13/2025 3:51:12 PM

ID: 9e352562-fa72-41f0-9da4-b622bd6d5460

## In Person Signer Events

### Signature

### Timestamp

## Editor Delivery Events

### Status

### Timestamp

## Agent Delivery Events

### Status

### Timestamp

## Intermediary Delivery Events

### Status

### Timestamp

## Certified Delivery Events

### Status

### Timestamp

## Carbon Copy Events

### Status

### Timestamp

Marcus Pimentel

**COPIED**

Sent: 2/13/2025 3:53:27 PM

Marcus.Pimentel@santacruzcountyca.gov

Viewed: 2/13/2025 3:57:52 PM

County Budget Manager

County of Santa Cruz, CA

Security Level: Email, Account Authentication  
(None)

## Electronic Record and Signature Disclosure:

Accepted: 7/7/2023 2:58:57 PM

ID: fbe1758b-aead-4cf4-83b3-2b4746e00735

## Witness Events

### Signature

### Timestamp

## Notary Events

### Signature

### Timestamp

## Envelope Summary Events

### Status

### Timestamps

Envelope Sent

Hashed/Encrypted

2/13/2025 2:58:01 PM

Envelope Summary Events	Status	Timestamps
Certified Delivered	Security Checked	2/13/2025 3:51:12 PM
Signing Complete	Security Checked	2/13/2025 3:53:26 PM
Completed	Security Checked	2/13/2025 3:53:27 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

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- ii. send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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**COUNTY OF SANTA CRUZ**  
REQUEST FOR TRANSFER OR REVISION  
OF BUDGET APPROPRIATIONS AND / OR FUNDS

Department: County Administrative Office  
Fund Number: 10  
To: Board of Supervisors  
Requires 4/5 vote: No

Date: 2/11/25

I hereby request your approval of the following transfer of budget appropriations and/or funds in the fiscal year ending June 30, 2025

AUDITOR-CONTROLLER USE ONLY		
Document #:		
Description:	/ /	#
	Board Name	Agenda Date (mm/dd/yy)
Entered by:		Date:

		GL Key	GL Object	JL Key	JL Object	Amount	Account Description
TRANSFER	To	Various	Various			1,233,495	See attached AUD74 detail- General Fund
	From	Various	Various			1,233,495	See attached AUD74 detail- General Fund

Explanation:

See attached AUD74 detail- General Fund realignments with NO county contributions

Name: Marcus Pimentel Title: County Budget Manager Date: 2/11/25

Auditor-Controller's Action: I hereby certify that the unencumbered balance(s) is/are available in the appropriations/funds and in the amounts indicated

Auditor-Controller, by Steve Salatti, Deputy Date: 2/11/2025  
90ED5DD1E612471

Administrative Officer's Action: ( ☒ ) Recommended to Board ( ☐ ) Approved ( ☐ ) Not Recommended or Approved

Administrative Officer Marcus Pimentel Date: 2/11/2025  
2CB2F282C05D434

State of California } ss. As the Clerk of the Board of Supervisors of the County of Santa Cruz, I do hereby certify that the foregoing  
County of Santa Cruz transfer was approved by said Board of Supervisors as recommended by the County Administrative Officer  
by an order duly entered in the minutes of said Board on

\_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, Deputy Clerk

**COUNTY OF SANTA CRUZ**Request for Transfer or Revision  
of Budget Appropriations and/or Funds

MidYearAUD74 detail-GF

**Accounting detail for various department appropriation realignments within 2024-25:****County of Santa Cruz's total amount requested for transfer or revision of budget appropriations and/or funds:****General Fund****\$1,233,495**

Transfer To/From	Department	GL KEY	GL Object	Amount	Account Description	Explanation
Transfer To	General Fund's General Purpose Revenue	191099	86110	\$ 350,000	BUILDINGS AND IMPROVEMENTS	To reclass remaining Board Directed pending funding for District 3 (\$150,000) and District 4 (\$200,000).
Transfer From	Redevelopment Successor Agency Projects	197100	95226	\$ (350,000)	INTRA-FUND TRF OUT-OTHER	
Transfer To	General Fund's General Purpose Revenue	131220	90000	\$ 50,000	OPERATING TRANSFERS OUT	To correct Board Directed funding for District 3 and provide for a transfer out to the Davenport Sanitation District
Transfer From	Redevelopment Successor Agency Projects	197100	95226	\$ (50,000)	INTRA-FUND TRF OUT-OTHER	
Transfer To	Human Services Department	391200	62831	\$ 200,000	PROF & SPECIAL SERV-OTHER	Per the Adopted Budget, transfer \$200,000 of Measure A funds to the Human Services Department Housing for Health Division to amend an existing contract (25W4121) with the Housing Authority of the County of Santa Cruz (HACSC) to providing financial assistance to households in the unincorporated County.
Transfer From	General Fund Contingency	131375	98700	\$ (200,000)	APPROP FOR CONTINGENCIES	
Transfer To	Health Services Agency	363210	62367	\$ 400,000	MEDICAL SERVICES-OTHER	Per the Adopted Budget, transfer \$400,000 of Measure A funds to the Health Services Agency's Behavioral Health Division.
Transfer From	General Fund Contingency	131375	98700	\$ (400,000)	APPROP FOR CONTINGENCIES	
Transfer To	Office of Response, Recovery, and Resilience	186000	86001	\$ 233,495	LAND PURCHASE	Transfer appropriations to develop an alternate emergency only egress out of the Lompico Valley by negotiating for acquisition of easements over an existing road and private property.
Transfer From	General Fund Contingency	131375	98700	\$ (233,495)	APPROP FOR CONTINGENCIES	

## Certificate Of Completion

Envelope Id: BA9A5DA9-ED16-48D1-A344-3F3E66AACC90  
 Subject: Complete with Docusign: ResolutionAUD74-GeneralFund for DocuSign.pdf  
 Source Envelope:  
 Document Pages: 2  
 Certificate Pages: 5  
 AutoNav: Enabled  
 Envelopeld Stamping: Enabled  
 Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Status: Completed  
 Envelope Originator:  
 Marcus Pimentel  
 701 Ocean Street  
 Santa Cruz, CA 95060  
 Marcus.Pimentel@santacruzcountyca.gov  
 IP Address: 63.194.190.100

## Record Tracking

Status: Original  
 2/11/2025 12:56:57 PM  
 Security Appliance Status: Connected  
 Storage Appliance Status: Connected  
 Holder: Marcus Pimentel  
 Marcus.Pimentel@santacruzcountyca.gov  
 Pool: FedRamp  
 Pool: County of Santa Cruz  
 Location: DocuSign  
 Location: DocuSign

## Signer Events

Steve Salatti  
 Steve.Salatti@santacruzcountyca.gov  
 Security Level: Email, Account Authentication  
 (None)

## Signature

Signed by:  
  
 90FD5DD1F612471...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 63.194.190.100

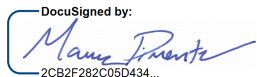
## Timestamp

Sent: 2/11/2025 1:03:57 PM  
 Viewed: 2/11/2025 1:13:41 PM  
 Signed: 2/11/2025 1:14:02 PM

## Electronic Record and Signature Disclosure:

Accepted: 8/8/2023 12:05:33 PM  
 ID: 37022c2d-855d-40d5-8f1e-6b96d88b8301

Marcus Pimentel  
 marcus.pimentel@santacruzcountyca.gov  
 County Budget Manager  
 County of Santa Cruz, CA  
 Security Level: Email, Account Authentication  
 (None)

DocuSigned by:  
  
 2CB2F282C05D434...  
 Signature Adoption: Uploaded Signature Image  
 Using IP Address: 63.194.190.100

Sent: 2/11/2025 1:14:04 PM  
 Viewed: 2/11/2025 1:49:06 PM  
 Signed: 2/11/2025 1:49:24 PM

## Electronic Record and Signature Disclosure:

Accepted: 7/7/2023 2:58:57 PM  
 ID: fbe1758b-aead-4cf4-83b3-2b4746e00735

## In Person Signer Events

## Signature

## Timestamp

## Editor Delivery Events

## Status

## Timestamp

## Agent Delivery Events

## Status

## Timestamp

## Intermediary Delivery Events

## Status

## Timestamp

## Certified Delivery Events

## Status

## Timestamp

## Carbon Copy Events

## Status

## Timestamp

Lana Martinez Davis  
 Lana.MartinezDavis@santacruzcounty.us  
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Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/11/2025 1:03:57 PM
Certified Delivered	Security Checked	2/11/2025 1:49:06 PM
Signing Complete	Security Checked	2/11/2025 1:49:24 PM
Completed	Security Checked	2/11/2025 1:49:24 PM
Payment Events	Status	Timestamps
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If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

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You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us)

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To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

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- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

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- Until or unless you notify County of Santa Cruz as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by County of Santa Cruz during the course of your relationship with County of Santa Cruz.

COUNTY OF SANTA CRUZ  
REQUEST FOR TRANSFER OR REVISION  
OF BUDGET APPROPRIATIONS AND / OR FUNDS

Department: Parks/CSA11  
Fund Number: 22290  
To: Board of Supervisors  
Requires 4/5 vote: No

Date: 10/01/24

I hereby request your approval of the following transfer of budget appropriations and/or funds in the fiscal year ending June 30, 25

AUDITOR-CONTROLLER USE ONLY		
Document #:		
Description:	#	
	Board Name	Agenda Date (mm/dd/yy) Item No.
Entered by:	Date:	

		GL Key	GL Object	JL Key	JL Object	Amount	Account Description
TRANSFER	To	134910	86110			67,980	CSA#11 / BUILDINGS AND IMPROVEMENTS
		134910	86204			45,000	CSA#11 / EQUIPMENT
	From	134910	34400			112,980	CSA#11 / FUND BALANCE

Explanation:  
Request for transfer of appropriations from CSA11 fund balance to include:  
1) \$67,980 for purchase of fixed asset Trane Outdoor Gas Heating Unit (HVAC) approved by the Board on 3/12/24 (DOC-2024-198) but erroneously omitted during re-budget process  
2) \$45,000 for purchase of equipment included in BOS-approved list of Fixed Assets but erroneously omitted in budget appropriations  
Name: Emilia Gamboa Title: DFO Date: 10/01/24

Auditor-Controller's Action: I hereby certify that the unencumbered balance(s) is/are available in the appropriations/funds and in the amounts indicated

Auditor-Controller, by Steve Salatti, Deputy Date: 10/1/2024

Administrative Officer's Action: ( ) Recommended to Board ( ) Approved ( ) Not Recommended or Approved

Administrative Officer Peter Dellefs Mary Truente Nicole Colburn Date: 10/30/2024

State of California }  
County of Santa Cruz ss. As the Clerk of the Board of Supervisors of the County of Santa Cruz, I do hereby certify that the foregoing transfer was approved by said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered in the minutes of said Board on  
20 \_\_, by \_\_, Deputy Clerk



**County of Santa Cruz Board of Supervisors**

**Agenda Item Submittal**

**From:** Parks, Open Space & Cultural Services

(831) 454-7901

**Subject:** Approve Fixed Asset Purchases and Transfer of Appropriations

**Meeting Date:** March 12, 2024

**Recommended Actions**

- 1) Approve the purchase of fixed asset Trane Outdoor Gas Heating Unit (HVAC) in the amount of \$67,980;
- 2) Approve the purchase of fixed asset Teledyne Laars Model AP1200 IN 09 R 1A NT (Boiler) in the amount of \$21,840;
- 3) Approve the purchase of fixed asset freezer in the amount of \$9,218; and
- 4) Approve the transfer of appropriations in the amount of \$99,038 within the Parks, Open Space, & Cultural Services Budget.

**Executive Summary**

The Parks Department is requesting approval for the purchase of a replacement Trane Outdoor Gas Heating Unit (R3-0284), Teledyne Laars Model AP1200 IN 09 R 1A NT (R3-0291), and a freezer. The current units have failed and are beyond repair. These purchases would ensure the public's health and safety is maintained while mitigating the loss of revenue due to lack of programmable recreational space.

**Discussion**

County purchasing policy requires Board approval of equipment costing \$20,000 or more as a fixed asset. There were two emergency R numbers issued for the replacement of both the HVAC and Boiler units. The HVAC unit is a vital piece of equipment used to maintain proper air and ventilation conditions within the Simpkins Swim Center locker rooms (R3-0284). The Teledyne unit ensures the water temperature remains constant in the programmable warm water pool (R3-0291). Parks completed an informal bidding process to select the vendor for the work and replacement of the units. The current freezer in the community rooms has become inoperable and needs to be replaced. Replacement of the freezer will meet requirements needed to have an operable commercial kitchen in the Simpkins Swim Center Community Rooms for members that reserve the space to use.

The requested equipment is essential to the health and safety of the public and allows for business to continue by enhancing community play areas while improving equitable public access and opportunities.

Replacement of this equipment will help Parks achieve Strategic Plan Goal 1: Great Facilities and 3: Awesome Programs.

## **Financial Impact**

\$89,820 is being transferred from existing CSA 11 Fund Balance to CSA 11 Fixed Assets (134910 / 86110) for the Simpkins locker room HVAC and warm water pool boiler, and \$9,218 is being transferred from appropriations in CSA 11 Field Equipment (134910 / 86206) to CSA 11 Equipment (134910 / 86204) for the Simpkins freezer.

## **Strategic Initiatives**

- 1.A (Comprehensive Health and Safety: Health Equity)
- 4.A (Sustainable Environment: Outdoor Experience)
- 5.B (Dynamic Economy: Community Vitality)
- 6.A (Operational Excellence: Customer Experience)
- 6.C (Operational Excellence: County Infrastructure)

### **Submitted by:**

Jeff Gaffney, Director of Parks, Open Spaces & Cultural Services

### **Recommended by:**

Carlos J. Palacios, County Administrative Officer

### **Attachments:**

- a AUD74 Request for Transfer of Budget Appropriations (eSign)

## COUNTY OF SANTA CRUZ

## PROPOSED 2024-25 BUDGET:

## Fixed Asset Schedule-F0604

## Fixed Asset Schedule

Department	GLKey	Item	Quantity	New or Replacement	2024-25 Proposed Amount
Community Development and Infrastructure*	622115	CSA#9 HOLOHAN/152 SIGNAL UPGRADE +	1	New	\$ 10,000
Community Development and Infrastructure*	622120	CSA#9A State Park Dr/Searidge-Seacliff Vill. +	1	New	\$ 10,000
Community Development and Infrastructure*	622245	PAJ - S&I PAJARO ST DRAIN MAINT	1	New	\$ 443,931
Community Development and Infrastructure*	622350	ZONE5 38Th Ave Detention Basin Pipe Repair/Repl.	1	New	\$ 110,000
Community Development and Infrastructure*	622365	ZONE5 Minor Projects	1	New	\$ 90,000
Community Development and Infrastructure*	135462	Z0 - DWR FREP ROUND 3 X-BAND	1	New	\$ 80,000
Community Development and Infrastructure*	625105	CSA#7 EQ TANK REPLACEMENT	1	Replacement	\$ 811,000
Community Development and Infrastructure*	625110	CSA#9C Maintenance Facility Repairs	1	New	\$ 226,000
Community Development and Infrastructure*	625110	CSA#9C TRANSFER TRUCK	1	Replacement	\$ 560,000
Community Development and Infrastructure*	625110	CSA#9C 938 LOADER	1	Replacement	\$ 380,800
Community Development and Infrastructure*	625110	BAILER BLTS RECYCLE CENTER	1	New	\$ 162,400
Community Development and Infrastructure*	625110	TOOLS FOR SHOP SERVICE TRUCK	N/A	New	\$ 5,600
Community Development and Infrastructure*	625110	CSA#9C WELDER	1	Replacement	\$ 7,840
Community Development and Infrastructure*	625110	CSA#9C TIRE BALANCER	1	Replacement	\$ 11,200
Community Development and Infrastructure*	625125	DSD WATER TANK REHAB	1	New	\$ 483,807
Community Development and Infrastructure*	625125	DSD DROUGHT RELIEF WATER TANK +	1	New	\$ 1,379,278
Community Development and Infrastructure*	625125	DSD Water Main Rehabilitation	1	Replacement	\$ 660,000
Community Development and Infrastructure*	625140	FSD Small Pump Station Improvements	1	Replacement	\$ 100,000
Community Development and Infrastructure*	625140	FSD FREEDOM SEWER REHAB PH2 +	1	New	\$ 600,000
Community Development and Infrastructure*	625200	CSA#5 SD LEACH PIT REPAIR	1	New	\$ 6,000
Community Development and Infrastructure*	625230	CSA#20 REPLACE / REPAIR RUSTED ITEMS	1	Replacement	\$ 9,422
Community Development and Infrastructure*	601100	LIGHT TRUCK PURCHASES	3+	Replacement	\$ 100,000
Community Development and Infrastructure*	601100	FRONT LOADERS	3	Replacement	\$ 750,000
Community Development and Infrastructure*	601100	FLEET TELEMATICS	1	Replacement	\$ 15,000
Community Development and Infrastructure*	601000	Various Yard Improvements	N/A	Replacement	\$ 50,000



## COUNTY OF SANTA CRUZ

## PROPOSED 2024-25 BUDGET:

## Fixed Asset Schedule-F0604

## Fixed Asset Schedule

Department	GLKey	Item	Quantity	New or Replacement	2024-25 Proposed Amount
Human Services Department	392140	Server(s)	1+	Replacement	\$ 118,000
Information Services Department*	431000	Generator	1	Replacement	\$ 10,000
Information Services Department*	424400	Mobile Device Computers	9	New	\$ 59,412
Information Services Department*	424200	Network Switches	2	Replacement	\$ 60,000
Information Services Department*	424200	Blades	3	Replacement	\$ 75,000
Parks, Open Space, and Cultural Services	134910	Parks Department Simpkins Upstairs Windows	1	New	\$ 60,000
Parks, Open Space, and Cultural Services	134910	Utility Vehicle	1	New	\$ 30,000
Parks, Open Space, and Cultural Services	134910	Utility Vehicle	1	Replacement	\$ 30,000
Parks, Open Space, and Cultural Services	134910	Power Winder for Pool Covers	1	Replacement	\$ 15,000
Parks, Open Space, and Cultural Services	134910	John Deere Wide Area Mower 1600 Turbo	1	Replacement	\$ 60,000
Parks, Open Space, and Cultural Services	134910	Bobcat Excavator	1	New	\$ 100,000
Parks, Open Space, and Cultural Services	134910	Chipper – Limbs & Shrubs	1	Replacement	\$ 35,000
Parks, Open Space, and Cultural Services	134910	Trailer for Polo Grounds office	1	Replacement	\$ 20,000
Parks, Open Space, and Cultural Services	134910	Bobcat Skid Steer Attachment	2	New	\$ 30,000
Parks, Open Space, and Cultural Services	134910	Mid-Size Mower	1	Replacement	\$ 35,000
Parks, Open Space, and Cultural Services	134910	Top Dresser	1	Replacement	\$ 25,000
Parks, Open Space, and Cultural Services	134910	Leak Detector	1	New	\$ 15,000
Parks, Open Space, and Cultural Services	134910	Plumbing Snake with Scope	1	New	\$ 15,000
Parks, Open Space, and Cultural Services	134910	Chipper Truck	1	New	\$ 100,000
Sheriff-Coroner	661410	Autopsy Carts	3	Replacement	\$ 30,000
Sheriff-Coroner	661405	Discover Pro Plus Crime Lite Auto Kit	1	New	\$ 90,000
Sheriff-Coroner	661420	CSI 360 Camera OSMO System	1	New	\$ 25,000
Sheriff-Coroner	662405	Dental Room Xray equipment	1	Replacement	\$ 25,000
Sheriff-Coroner	661420	Livescan fingerprinting station	4	Replacement	\$ 150,000

\* Equipment for Internal Service Enterprise Funds is offset and capitalized over the useful life of the asset.

**TOTAL \$ 8,274,690**

**24-25 Fixed Asset**

#	Item Description	QTY	New or Replacement	GL Key	Object	Amount
1	Parks Department Upstairs Windows	1	New	134910	86110	\$ 60,000.00
2	Utility Vehicle	1	New	134910	86209	\$ 30,000.00
3	Utility Vehicle	1	Replacement	134910	86209	\$ 30,000.00
4	Power Winder for Pool Covers	1	Replacement	134910	86204	\$ 15,000.00
5	John Deere Wide Area Mower 1600 Turbo	1	Replacement	134910	86209	\$ 60,000.00
6	Bobcat Excavator	1	New	134910	86209	\$ 100,000.00
7	Chipper - Limbs & Shrubs	1	Replacement	134910	86206	\$ 35,000.00
8	Trailer for Polo Grounds office	1	Replacement	134910	86209	\$ 20,000.00
9	Bobcat Skid Steer Attachment	2	New	134910	86209	\$ 30,000.00
10	Mid-Size Mower	1	Replacement	134910	86209	\$ 35,000.00
11	Top Dresser	1	Replacement	134910	86209	\$ 25,000.00
12	Leak Detector	1	New	134910	86204	\$ 15,000.00
13	Plumbing Snake with Scope	1	New	134910	86204	\$ 15,000.00
14	Chipper Truck	1	New	134910	86209	\$ 100,000.00
					<b>Subtotal</b>	<b>\$ 570,000.00</b>

## Revenue/Expenditure Balances

As Of = @current-fiscal-year-end; Years = 1; Revenues/Expenditures = R,E

GL Key [134910]

			FY 2025			
GL Key	Object	GL Object Title	Adopted Budget	Adjusted Budget	Year-To-Date Actual	Year-To-Date Encumbrances
<b>GL Key: 134910 – CSA #11-PARKS &amp; REC</b>						
<b>Character: 01 – TAXES</b>						
134910	40100	PROPERTY TAX-CURRENT SEC-GEN	589,729.00	589,729.00		
134910	40110	PROPERTY TAX-CURRENT UNSEC-GEN	9,000.00	9,000.00	10,564.92	
134910	40130	PROPERTY TAX-PRIOR UNSEC-GEN			112.58	
134910	40150	SUPP PROP TAX-CURRENT SEC	2,000.00	2,000.00	608.08	
134910	40151	SUPP PROP TAX-CURRENT UNSEC			71.09	
134910	40160	SUPP PROP TAX-PRIOR SEC			240.29	
134910	40161	SUPP PROP TAX-PRIOR UNSEC			41.72	
134910	40205	SUPPLEMENTAL ALLOCATION PLAN	1,135,000.00	1,135,000.00		
Total 01 – TAXES			1,735,729.00	1,735,729.00	11,638.68	0.00
<b>Character: 07 – FINES, FORFEITURES &amp; ASSMNTS</b>						
134910	44142	PENALTIES FOR DELINQUENT TAXES			19.31	
134910	44143	REDMPTN PNLTIES FOR DELINQ TXS			23.86	
Total 07 – FINES, FORFEITURES & ASSMNTS			0.00	0.00	43.17	0.00
<b>Character: 10 – REV FROM USE OF MONEY &amp; PROP</b>						
134910	40430	INTEREST	90,000.00	90,000.00	16,753.05	
Total 10 – REV FROM USE OF MONEY & PROP			90,000.00	90,000.00	16,753.05	0.00
<b>Character: 15 – INTERGOVERNMENTAL REVENUES</b>						
134910	40830	ST-HOMEOWNERS' PROP TAX RELIEF	2,572.00	2,572.00		
134910	40852	ST-OTHR TAX RELIEF SUBVENTIONS	350.00	350.00		
134910	41162	RDA PASS-THROUGHS	5,000.00	5,000.00	458.23	
Total 15 – INTERGOVERNMENTAL REVENUES			7,922.00	7,922.00	458.23	0.00
<b>Character: 60 – SERVICES AND SUPPLIES</b>						
134910	62301	ACCOUNTING AND AUDITING FEES	750.00	750.00		
134910	62380	POSCS SERVICES	2,055,367.00	2,055,367.00		
Total 60 – SERVICES AND SUPPLIES			-2,056,117.00	-2,056,117.00	0.00	0.00
<b>Character: 70 – OTHER CHARGES</b>						
134910	74110	PRINCIPAL ON LONG-TERM DEBT	70,433.00	70,433.00	23,163.52	44,947.48
134910	74425	INTEREST ON LONG-TERM DEBT	42,371.00	42,371.00	14,437.75	30,256.25
134910	75315	COUNTY OVERHEAD A87/CP	17,247.00	17,247.00	4,311.75	
Total 70 – OTHER CHARGES			-130,051.00	-130,051.00	-41,913.02	-75,203.73

Revenue/Expenditure Balances

As Of = @current-fiscal-year-end; Years = 1; Revenues/Expenditures = R,E  
GL Key [134910]

			FY 2025			
GL Key	Object	GL Object Title	Adopted Budget	Adjusted Budget	Year-To-Date Actual	Year-To-Date Encumbrances
<b>GL Key: 134910 – CSA #11-PARKS &amp; REC</b>						
<b>Character: 80 – FIXED ASSETS</b>						
134910	86110	BUILDINGS AND IMPROVEMENTS	60,000.00	60,000.00	65,000.00	0.00
134910	86204	EQUIPMENT				0.00
134910	86206	FIELD EQUIPMENT	35,000.00	35,000.00		31.24
134910	86209	MOBILE EQUIPMENT	430,000.00	430,000.00		0.00
Total 80 – FIXED ASSETS			-525,000.00	-525,000.00	-65,000.00	-31.24
<b>Character: 90 – OTHER FINANCING USES</b>						
134910	90003	OP/TR OUT-TO 131215 CERTS	29,410.00	29,410.00		
Total 90 – OTHER FINANCING USES			-29,410.00	-29,410.00	0.00	0.00
Total 134910 – CSA #11-PARKS & REC			-906,927.00	-906,927.00	-78,019.89	-75,234.97
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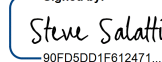
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Steve Salatti

Steve.Salatti@santacruzcountyca.gov

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Peter Detlefs

Peter.Detlefs@santacruzcountyca.gov

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Marcus Pimentel

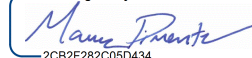
Marcus.Pimentel@santacruzcountyca.gov

County Budget Manager

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Nicole Coburn

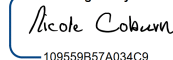
Nicole.Coburn@santacruzcountyca.gov

Asst. County Admin. Officer

County of Santa Cruz

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DocuSigned by:

  
109559B57A034C9...

Sent: 10/29/2024 10:52:17 AM

Viewed: 10/30/2024 11:29:37 AM

Signed: 10/30/2024 11:30:10 AM

Signature Adoption: Pre-selected Style

Using IP Address: 63.194.190.100

**Electronic Record and Signature Disclosure:**

Signer Events	Signature	Timestamp
Accepted: 3/1/2022 2:48:10 PM ID: dd2f823d-befd-4aaf-95fa-e035f71d4315		
In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	10/1/2024 3:16:57 PM
Envelope Updated	Security Checked	10/22/2024 6:27:54 AM
Envelope Updated	Security Checked	10/22/2024 6:27:54 AM
Envelope Updated	Security Checked	10/22/2024 6:27:54 AM
Certified Delivered	Security Checked	10/30/2024 11:29:37 AM
Signing Complete	Security Checked	10/30/2024 11:30:10 AM
Completed	Security Checked	10/30/2024 11:30:10 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, County of Santa Cruz (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

### **How to contact County of Santa Cruz:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us)

### **To advise County of Santa Cruz of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

### **To request paper copies from County of Santa Cruz**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

### **To withdraw your consent with County of Santa Cruz**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:



- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify County of Santa Cruz as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by County of Santa Cruz during the course of your relationship with County of Santa Cruz.

**COUNTY OF SANTA CRUZ**  
**REQUEST FOR TRANSFER OR REVISION**  
**OF BUDGET APPROPRIATIONS AND / OR FUNDS**

Department: ISD  
Fund Number: 60100  
To: Board of Supervisors  
Requires 4/5 vote: No

Date: 2/11/2025

I hereby request your approval of the following transfer of budget appropriations and/or funds in the fiscal year ending June 30, 2025

AUDITOR-CONTROLLER USE ONLY		
Document #:		
Description:	/ /	#
	Board Name	Agenda Date (mm/dd/yy)
Entered by:		Date:

		GL Key	GL Object	JL Key	JL Object	Amount	Account Description
TRANSFER	To	424200	90000			800,000	OPERATING TRANSFERS OUT
	From	060100	34400			(800,000)	FUND BALANCE

Explanation:

The Department of Public Works (DPW) is implementing the Soquel Buffered Bike Lane Project, which includes critical infrastructure improvements. The Information Services Department (ISD) is contributing \$800,000 to this project to fund the installation of fiber optic cabling, which will enhance the County's communication network and improve connectivity in the region.

Name: Trevor MacGruer Title: ASM Date: 2/11/2025

Auditor-Controller's Action: I hereby certify that the unencumbered balance(s) is/are available in the appropriations/funds and in the amounts indicated

Auditor-Controller, by , Deputy Date: 2/11/2025

Administrative Officer's Action: ( ☒ ) Recommended to Board ( ☐ ) Approved ( ☐ ) Not Recommended or Approved

Administrative Officer  Date: 2/12/2025

State of California }  
ss. As the Clerk of the Board of Supervisors of the County of Santa Cruz, I do hereby certify that the foregoing  
County of Santa Cruz transfer was approved by said Board of Supervisors as recommended by the County Administrative Officer  
by an order duly entered in the minutes of said Board on

\_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, Deputy Clerk

## Certificate Of Completion

Envelope Id: 2F141794-C346-455C-A2FC-1A3C2669EED4

Status: Sent

Subject: Complete with Docusign: AUD74 Soquel Buffered Bike Lane Fiber Optic.pdf

Source Envelope:

Document Pages: 1

Signatures: 2

Envelope Originator:

Certificate Pages: 5

Initials: 0

Trevor MacGruer

AutoNav: Enabled

701 Ocean Street

Envelopeld Stamping: Enabled

Santa Cruz, CA 95060

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Trevor.MacGruer@santacruzcountyca.gov

IP Address: 63.194.190.100

## Record Tracking

Status: Original

Holder: Trevor MacGruer

Location: DocuSign

2/11/2025 3:02:58 PM

Trevor.MacGruer@santacruzcountyca.gov

Security Appliance Status: Connected

Pool: FedRamp

Storage Appliance Status: Connected

Pool: County of Santa Cruz

Location: DocuSign

## Signer Events

### Signature

### Timestamp

Steve Salatti

Signed by:

90FD5DD1F612471...

Sent: 2/11/2025 3:05:54 PM

Steve.Salatti@santacruzcountyca.gov

Viewed: 2/11/2025 4:09:56 PM

Security Level: Email, Account Authentication (None)

Signed: 2/11/2025 4:22:51 PM

Signature Adoption: Pre-selected Style

Using IP Address: 63.194.190.100

## Electronic Record and Signature Disclosure:

Accepted: 8/8/2023 12:05:33 PM

ID: 37022c2d-855d-40d5-8f1e-6b96d88b8301

Ryan Friedrich

DocuSigned by:

46B5A998D85C437...

Sent: 2/11/2025 4:22:53 PM

ryan.friedrich@santacruzcountyca.gov

Viewed: 2/12/2025 8:50:01 AM

Sr. Admin Analyst

Signed: 2/12/2025 8:50:37 AM

Security Level: Email, Account Authentication (None)

Signature Adoption: Pre-selected Style

Using IP Address: 24.6.91.71

## Electronic Record and Signature Disclosure:

Accepted: 10/27/2023 1:25:26 PM

ID: 66a73482-9ce0-4c91-9f12-6b634cee7156

Security Level: Email, Account Authentication (None)

## Electronic Record and Signature Disclosure:

Not Offered via DocuSign

## In Person Signer Events

### Signature

### Timestamp

## Editor Delivery Events

### Status

### Timestamp

## Agent Delivery Events

### Status

### Timestamp

Trevor MacGruer

Sent: 2/12/2025 8:50:39 AM

trevor.macgruer@santacruzcountyca.gov

Viewed: 2/12/2025 8:55:56 AM

Administrative Services Manager

County of Santa Cruz

Security Level: Email, Account Authentication (None)

Agent Delivery Events	Status	Timestamp
Electronic Record and Signature Disclosure: Accepted: 3/1/2022 11:58:58 AM ID: cc335709-ee41-430b-bd54-96a463e073d5		
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/11/2025 3:05:54 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

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- ii. send us an email to [nada.algharib@santacruzcounty.us](mailto:nada.algharib@santacruzcounty.us) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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Department	GLKey	Item	Quantity	New or Replacement	Previously Approved Amount	2024-25 Approved Amount	2024-25 Adjustments to Approved			2024-25 Adjusted Amount
							Quantity	New or Replacement	Adjusted Amount	
Community Development and Infrastructure*	622115	CSA#9 HOLOHAN/152 SIGNAL UPGRADE +	1	New		\$ 10,000				\$ 10,000
Community Development and Infrastructure*	622120	CSA#9A State Park Dr/Searidge-Seacliff Vill. +	1	New		\$ 10,000				\$ 10,000
Community Development and Infrastructure*	622245	PAJ - S&I PAJARO ST DRAIN MAINT	1	New		\$ 443,931				\$ 443,931
Community Development and Infrastructure*	622350	ZONE5 38Th Ave Detention Basin Pipe Repair/Repl.	1	New		\$ 110,000				\$ 110,000
Community Development and Infrastructure*	622365	ZONE5 Minor Projects	1	New		\$ 90,000				\$ 90,000
Community Development and Infrastructure*	135462	Z0 - DWR FREP ROUND 3 X-BAND	1	New		\$ 80,000				\$ 80,000
Community Development and Infrastructure*	625105	CSA#7 EQ TANK REPLACEMENT	1	Replacement		\$ 811,000				\$ 811,000
Community Development and Infrastructure*	625110	CSA#9C Maintenance Facility Repairs	1	New		\$ 226,000				\$ 226,000
Community Development and Infrastructure*	625110	CSA#9C TRANSFER TRUCK	1	Replacement		\$ 560,000				\$ 560,000
Community Development and Infrastructure*	625110	CSA#9C 938 LOADER	1	Replacement		\$ 380,800				\$ 380,800
Community Development and Infrastructure*	625110	BAILER BLTS RECYCLE CENTER	1	New		\$ 162,400				\$ 162,400
Community Development and Infrastructure*	625110	TOOLS FOR SHOP SERVICE TRUCK	N/A	New		\$ 5,600				\$ 5,600
Community Development and Infrastructure*	625110	CSA#9C WELDER	1	Replacement		\$ 7,840				\$ 7,840
Community Development and Infrastructure*	625110	CSA#9C TIRE BALANCER	1	Replacement		\$ 11,200				\$ 11,200
Community Development and Infrastructure*	625125	DSD WATER TANK REHAB	1	New		\$ 483,807				\$ 483,807
Community Development and Infrastructure*	625125	DSD DROUGHT RELIEF WATER TANK +	1	New		\$ 1,379,278				\$ 1,379,278
Community Development and Infrastructure*	625125	DSD Water Main Rehabilitation	1	Replacement		\$ 660,000				\$ 660,000
Community Development and Infrastructure*	625140	FSD Small Pump Station Improvements	1	Replacement		\$ 100,000				\$ 100,000
Community Development and Infrastructure*	625140	FSD FREEDOM SEWER REHAB PH2 +	1	New		\$ 600,000				\$ 600,000
Community Development and Infrastructure*	625200	CSA#5 SD LEACH PIT REPAIR	1	New		\$ 6,000				\$ 6,000
Community Development and Infrastructure*	625230	CSA#20 REPLACE / REPAIR RUSTED ITEMS	1	Replacement		\$ 9,422				\$ 9,422
Community Development and Infrastructure*	601100	LIGHT TRUCK PURCHASES	3+	Replacement		\$ 100,000			\$ (5,000)	\$ 95,000
Community Development and Infrastructure*	601100	FRONT LOADERS	3	Replacement		\$ 750,000			\$ (127,293)	\$ 622,707
Community Development and Infrastructure*	601100	FLEET TELEMATICS	1	Replacement		\$ 15,000	-1		\$ (15,000)	\$ -
Community Development and Infrastructure*	601100	Various Yard Improvements	N/A	Replacement		\$ 50,000				\$ 50,000
Community Development and Infrastructure*	601100	Fleet Service Truck					1	Replacement	\$ 170,000	\$ 170,000
Community Development and Infrastructure*	601100	Litter Truck Chassis					1	Replacement	\$ 65,000	\$ 65,000
Community Development and Infrastructure*	601100	Pavement Roller Trailer					1	Replacement	\$ 13,000	\$ 13,000
Community Development and Infrastructure*	601100	Engineering E-Bikes (approved in FY 2023-24)	2	New	\$ 20,000		-2		\$ (20,000)	\$ (20,000)
Community Development and Infrastructure*	601100	Copiers					2	Replacement	\$ 40,000	\$ 40,000
Community Development and Infrastructure*	601100	Pave Box- Off Road (approved in FY 2022-23)	1	Replacement	\$ 147,166		-1		\$ (147,166)	\$ (147,166)
Community Development and Infrastructure*	601100	Pavement Roller- Off Road (approved in FY 2022-23)					1	Replacement	\$ 48,677	\$ 48,677
Community Development and Infrastructure*	601100	Combination Vacuum/ Flush Unit (approved FY 2023-24)					1	Replacement	\$ 609,519	\$ 609,519
Human Services Department	392140	Server(s)	1+	Replacement		\$ 118,000				\$ 118,000
Information Services Department*	431000	Generator	1	Replacement		\$ 10,000				\$ 10,000
Information Services Department*	424400	Mobile Device Computers	9	New		\$ 59,412				\$ 59,412
Information Services Department*	424200	Network Switches	2	Replacement		\$ 60,000				\$ 60,000
Information Services Department*	424200	Blades	3	Replacement		\$ 75,000				\$ 75,000
Parks, Open Space, and Cultural Services	134910	Parks Department Simpkins Upstairs Windows	1	New		\$ 60,000				\$ 60,000



Department	GLKey	Item	Quantity	New or Replacement	Previously Approved Amount	2024-25 Approved Amount	Quantity	New or Replacement	Adjusted Amount	2024-25 Adjusted Amount
Parks, Open Space, and Cultural Services	134910	Utility Vehicle	1	New		\$ 30,000				\$ 30,000
Parks, Open Space, and Cultural Services	134910	Utility Vehicle	1	Replacement		\$ 30,000				\$ 30,000
Parks, Open Space, and Cultural Services	134910	Power Winder for Pool Covers	1	Replacement		\$ 15,000				\$ 15,000
Parks, Open Space, and Cultural Services	134910	John Deere Wide Area Mower 1600 Turbo	1	Replacement		\$ 60,000				\$ 60,000
Parks, Open Space, and Cultural Services	134910	Bobcat Excavator	1	New		\$ 100,000				\$ 100,000
Parks, Open Space, and Cultural Services	134910	Chipper - Limbs & Shrubs	1	Replacement		\$ 35,000				\$ 35,000
Parks, Open Space, and Cultural Services	134910	Trailer for Polo Grounds office	1	Replacement		\$ 20,000				\$ 20,000
Parks, Open Space, and Cultural Services	134910	Bobcat Skid Steer Attachment	2	New		\$ 30,000				\$ 30,000
Parks, Open Space, and Cultural Services	134910	Mid-Size Mower	1	Replacement		\$ 35,000				\$ 35,000
Parks, Open Space, and Cultural Services	134910	Top Dresser	1	Replacement		\$ 25,000				\$ 25,000
Parks, Open Space, and Cultural Services	134910	Leak Detector	1	New		\$ 15,000				\$ 15,000
Parks, Open Space, and Cultural Services	134910	Plumbing Snake with Scope	1	New		\$ 15,000				\$ 15,000
Parks, Open Space, and Cultural Services	134910	Chipper Truck	1	New		\$ 100,000				\$ 100,000
Sheriff-Coroner	661410	Autopsy Carts	3	Replacement		\$ 30,000				\$ 30,000
Sheriff-Coroner	661405	Discover Pro Plus Crime Lite Auto Kit	1	New		\$ 90,000				\$ 90,000
Sheriff-Coroner	661420	CSI 360 Camera OSMO System	1	New		\$ 25,000				\$ 25,000
Sheriff-Coroner	662405	Dental Room Xray equipment	1	Replacement		\$ 25,000				\$ 25,000
Sheriff-Coroner	661420	Livescan fingerprinting station	4	Replacement		\$ 150,000				\$ 150,000
TOTAL					\$ 167,166	\$ 8,274,690			\$ 631,737	\$ 8,906,427

\* Equipment for Internal Service Enterprise Funds is offset and capitalized over the useful life of the asset.