



# COUNTY OF SANTA CRUZ

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CARLOS J. PALACIOS, COUNTY ADMINISTRATIVE OFFICER

## NEWS RELEASE



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### **SANTA CRUZ COUNTY'S 2025-26 PROPOSED BUDGET APPROVED**

The Santa Cruz County Board of Supervisors on Tuesday approve the Proposed Fiscal Year 2025-26 Budget, a \$1.24 billion financial blueprint that supports critical County services while maintaining a commitment to fiscal sustainability.

The FY 2025-26 Proposed Budget reflects strategic investments aligned with the County's Operational Plan, including initiatives in behavioral health, housing, transportation, and environmental sustainability. In approving the budget, the Board also adopted several concluding actions to guide year-end adjustments and prepare for final adoption this fall.

Among the budget highlights is nearly \$3.5 million in new funding for road and infrastructure improvements; completion of the new Children's Crisis Center and 32-bed Behavioral Health Bridge Housing facility to support unhoused individuals; and expanded 24/7 mobile crisis response teams ensuring rapid, community-based interventions. It also includes funding for Juvenile Hall renovations and programs for justice-involved to keep them connected to family, school, and supportive services, and the continued expansion of services at the South County Government Center in Watsonville, among many other community investments.

The Board also requested and approved restoration of the Mental Health Client Action Network (MHCAN) contract to continue peer support and drop-in services; and the transition of Gemma House to Janus of Santa Cruz, ensuring the continued operation of a women's recovery residence without added County cost.

"This budget balances investment and responsibility," said County Executive Officer Carlos Palacios. "We are advancing core priorities and protecting essential services, even as we navigate significant funding risks from the state and federal levels."

Due to evolving fiscal conditions — including delayed federal disaster reimbursements and pending actions on the State and federal budget — County leaders cautioned that a mid-cycle review may be necessary.

The budget also sets the stage for a refresh of the County's Strategic Plan, reaffirming a community-driven vision for the future. For more, visit <https://www.santacruzcountyca.gov/VisionSantaCruz/Budget.aspx>.