

# FY 2025-26 Budget Hearings

## Budget Overview



# FY 2025-26 Budget Hearings Schedule

**Tuesday, June 10 at 9:00am**

- Public Comment on the Budget
- Budget Overview Presentation
- CAO Recommendations
- Deliberations
- Adoption of FY 2024-25 Budget (Tab 14), Financial Policies (Tab 11), and Prop 4 Approp. Limit (Tab 12)

# Budget Hearings Materials

Posted Online May 30: <https://sonomacounty.ca.gov/administrative-support-and-fiscal-services/county-administrators-office/budget-and-operations/budget-reports>

- Tab 01 - Overview Memo
- Tab 02 - Available Sources
- Tab 03 - CEO Recommendations and Budget Hearing Deliberation Tool
- Tab 04 - Add-Backs & Program Change Requests
- Tab 05 - General Fund Reserve Memo
- Tab 06 - Board Budget Requests
- Tab 07 - Board Information Requests
- Tab 08 - Supplemental Adjustments
- Tab 09 - Position Allocations
- Tab 10 - Financial Policies
- Tab 11 - Prop 4 appropriations limits
- Tab 12 - Budget Adoption Resolutions



# Budget Tools

## Budget Reports

Annually, the County Administrator's Office, in conjunction with all County Departments, works to develop a sound operating plan for the County of Sonoma for the approaching fiscal year.

This plan is initially approved by the Board of Supervisors to provide for operations in the new fiscal year until the books of the old fiscal year are closed. At that point, a series of adjustments are drawn up to reflect the actual ending/beginning balances for each of the funds the County maintains and actual progress on multi-year projects already underway.

The Board of Supervisors then holds public hearings on the recommended budget and any recommendations for adjustments. Staff compiles the approved adjustments and any other Board direction during the hearings and the result is the adopted budget for the year.

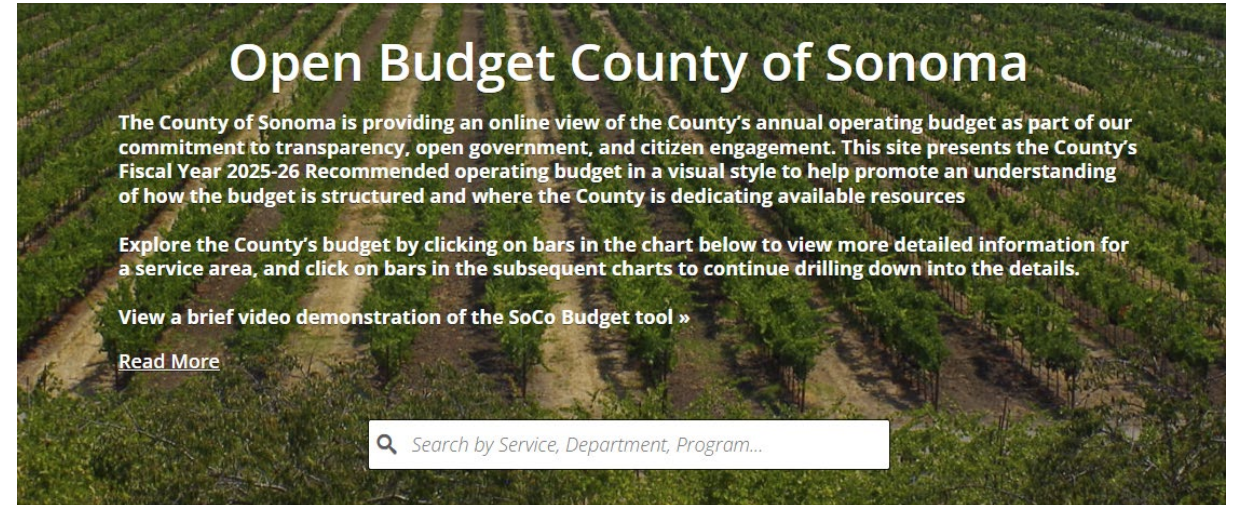
## Fiscal Year 2025-26 Budget Materials

[Fiscal Year 2025-26 Recommended Budget](#)

### Budget Hearing Materials

- [Tab 01 – Overview](#)
- [Tab 02 – Available Funding Sources](#)
- [Tab 03 – CAO Recommendation and Deliberation Tool](#)
- [Tab 04 – Add Backs and Program Change Requests](#)
- [Tab 05 – General Fund Reserve](#)

<https://sonomacounty.ca.gov/CAO/Public-Reports/Budget-Reports/>



## Open Budget County of Sonoma

The County of Sonoma is providing an online view of the County's annual operating budget as part of our commitment to transparency, open government, and citizen engagement. This site presents the County's Fiscal Year 2025-26 Recommended operating budget in a visual style to help promote an understanding of how the budget is structured and where the County is dedicating available resources

Explore the County's budget by clicking on bars in the chart below to view more detailed information for a service area, and click on bars in the subsequent charts to continue drilling down into the details.

[View a brief video demonstration of the SoCo Budget tool »](#)

[Read More](#)

<https://sonomacounty.budget.socrata.com/>

A close-up photograph of a desk with financial documents. Several line charts with blue areas and lines are visible, showing data trends over months like MAY, JUN, JUL, AGO, SEP, OCT, and NOV. A silver calculator is in the top left, and a black fountain pen with gold accents lies across the charts. A pair of gold-rimmed glasses is positioned on the right side, resting on one of the charts. A white rectangular box with the word 'Projections' in red text is centered over the middle of the image.

# Projections

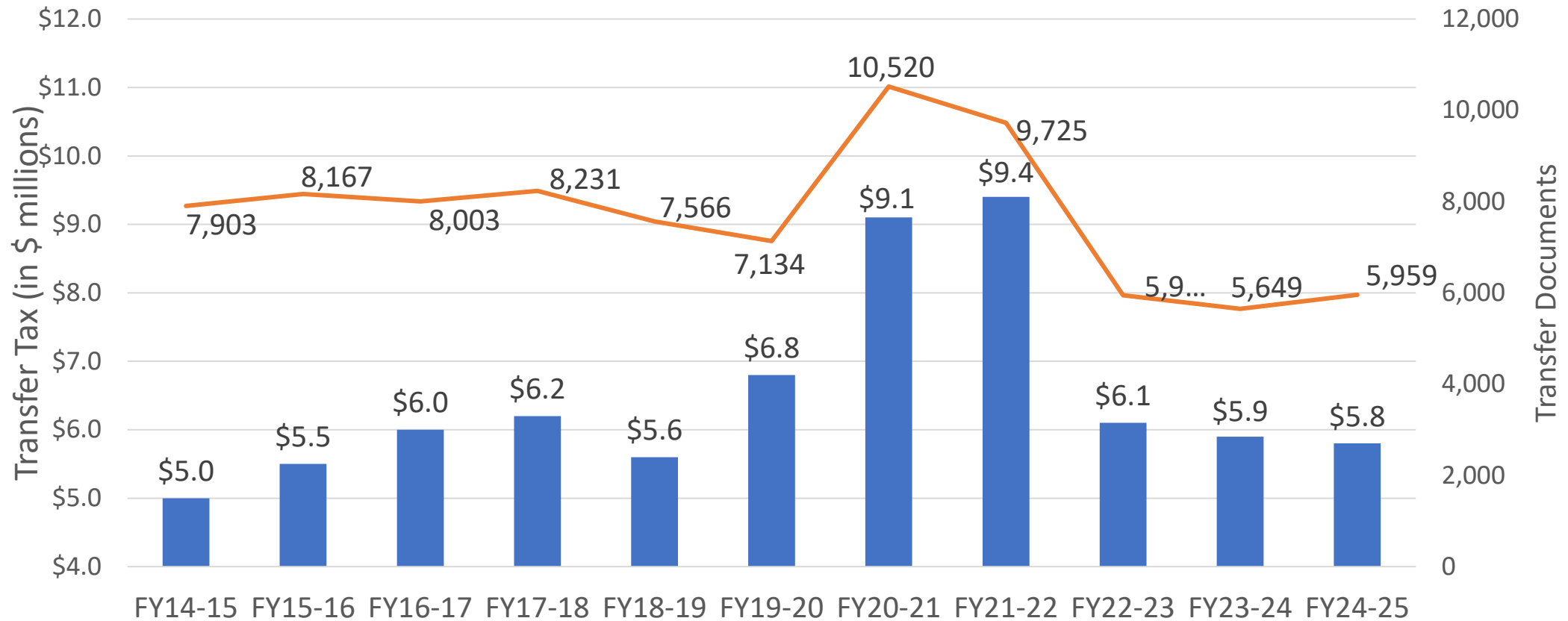


# General Fund Fiscal Forecast

In Millions of Dollars

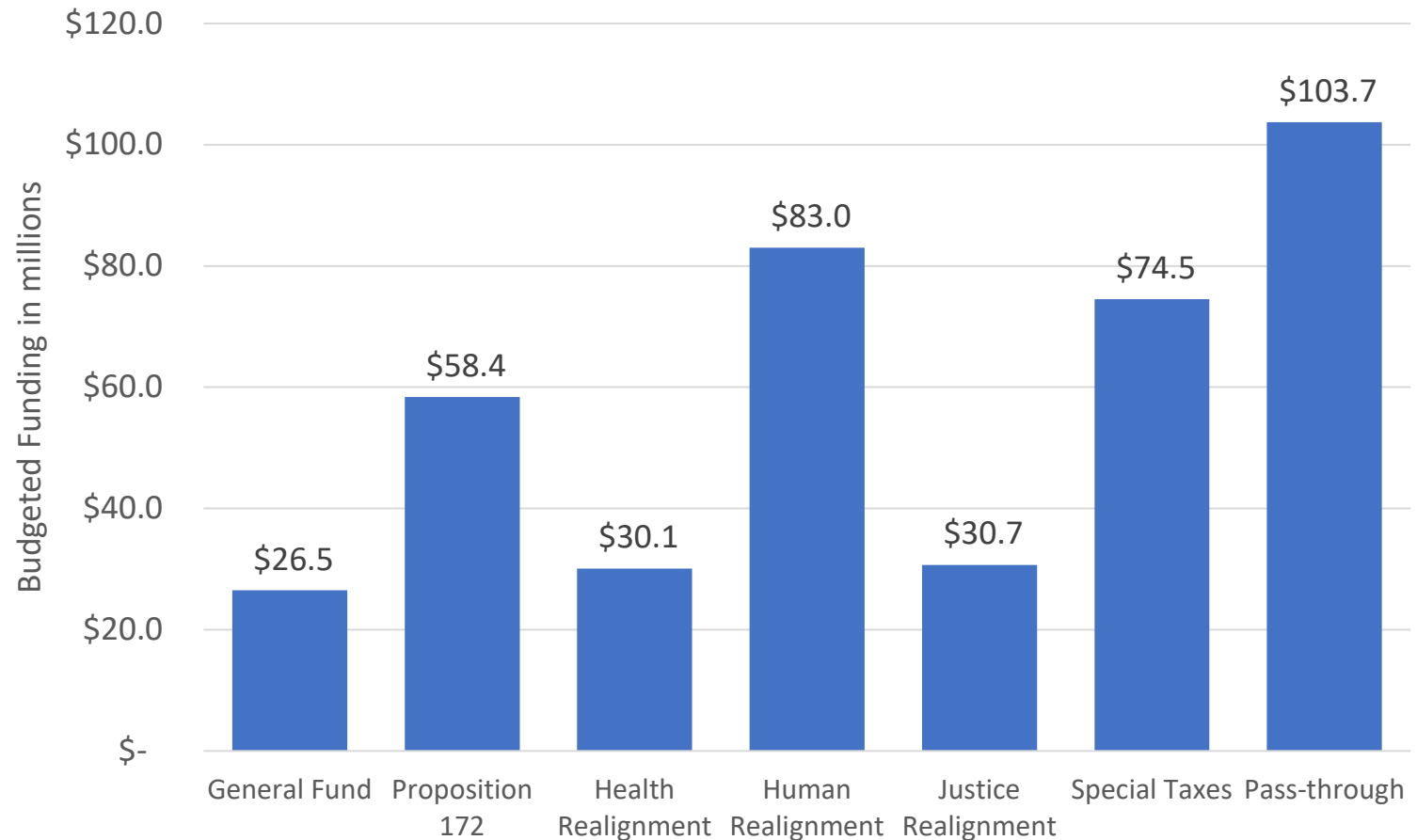
Fiscal Year	FY 24-25 Estimated	FY 25-26 Budget	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected	FY 29-30 Projected
Sources	\$749.6	\$736.3	\$750.6	\$768.5	\$788.8	\$809.8
Expenditures	\$737.0	\$736.3	\$757.3	\$782.0	\$804.4	\$823.7
Surplus or (Deficit)	\$12.6	\$0.0	(\$6.7)	(\$13.4)	(\$15.6)	(\$13.9)

# Property Transfers – Informs Future Property Tax Growth



# Sales Tax Dependent Revenues

- County Relies on \$303.1 million in sales tax-derived revenues
- Additional \$103.7 million collected by County and passed through to other entities
- Sales tax has been largely flat since FY 2021-22
- Can drop quickly in an economic downturn





# Federal Funding at Risk

## **Executive Orders / Notifications from Funding Agencies**

- Executive order that continued federal financial support hinges on compliance with federal immigration enforcement and a rejection of certain diversity, equity, and inclusion (DEI) practices
- Department of Transportation released a letter that requires certification of compliance as a requirement to receive federal transportation funds
- Other funding agencies may implement similar requirements
- Funding agencies or the Office of Inspector General (OIG) could include these requirements in future audits and claw funding back if they determine County policies do not comply with federal requirements

# Funding by Federal Agency

## FY 23/24 Funding by Agency (in Millions)

**Federal Funding  
in FY23/24 =  
\$289 Million**



Dept. of Health and Human Services

**\$134**

Dept. of Housing and Urban Development

**\$65**

Dept. of Transportation

**\$31**

Dept. of Agriculture

**\$19**

Dept. of Treasury

**\$17**

Dept. of Homeland Security

**\$16**

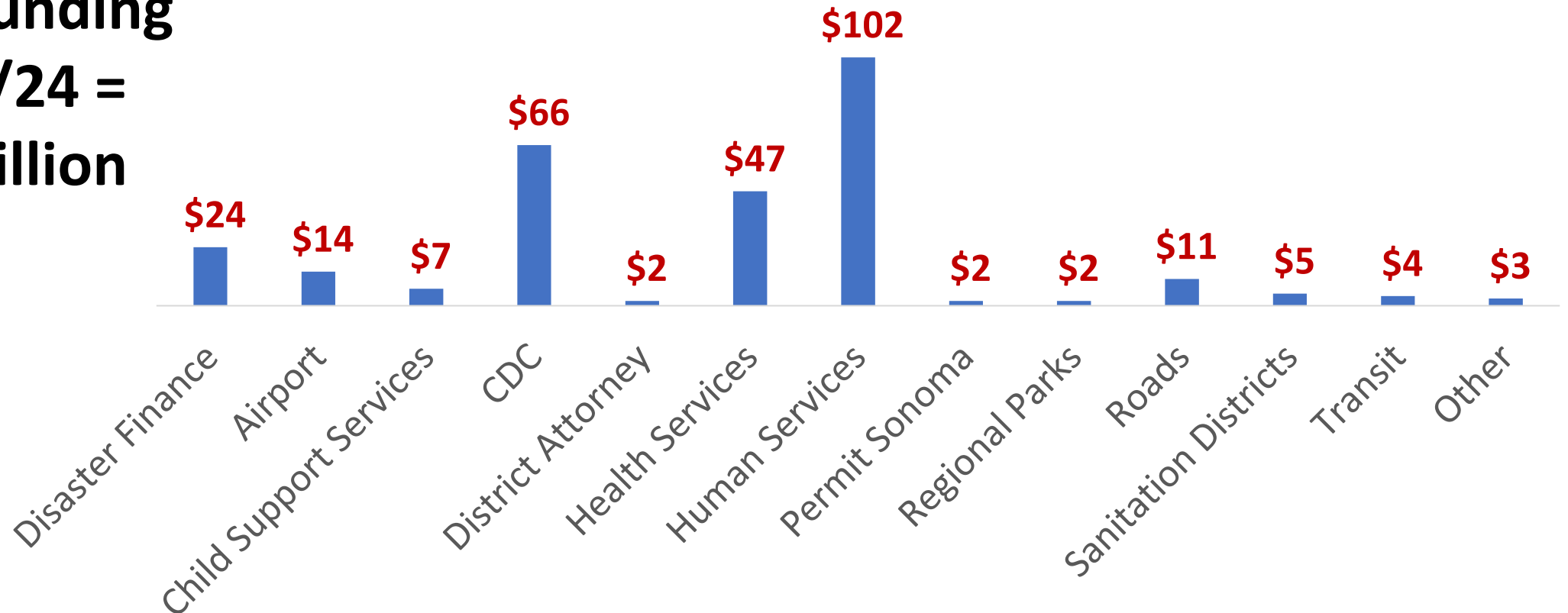
Other (EPA, FCC, DOJ, DOL)

**\$7**

# Federal Funding by Department

FY 23/24 Federal Funding (in Millions)

**Federal Funding  
in FY23/24 =  
\$289 Million**



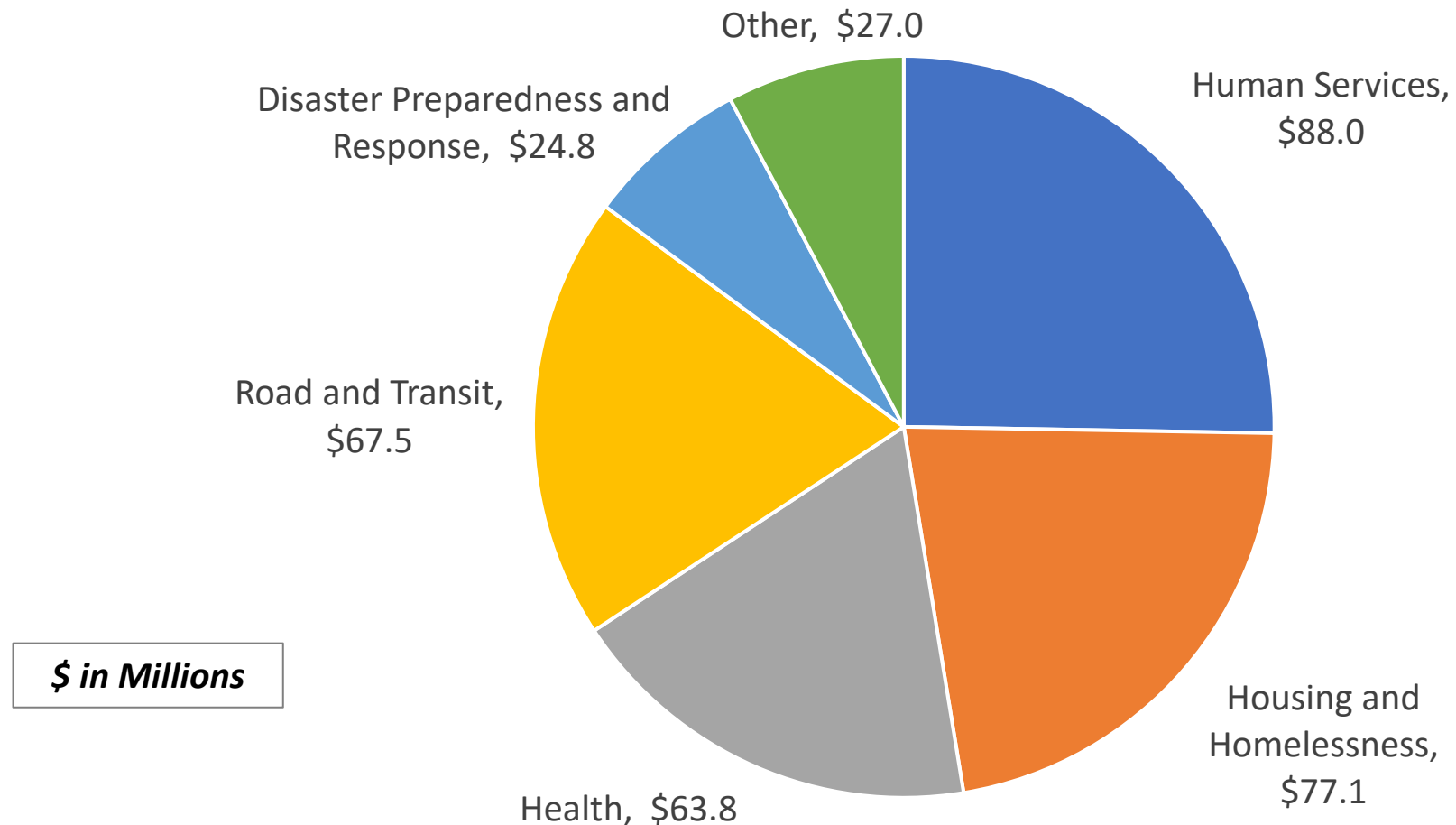
# Proposed Updates to FEMA Program

- 400% Increase to eligibility threshold
- Limit federal cost share to 75%
- Exclude recreational facilities
- Elimination of mitigation programs
- Streamlining of FEMA processes
- Updates to building requirements/regulations



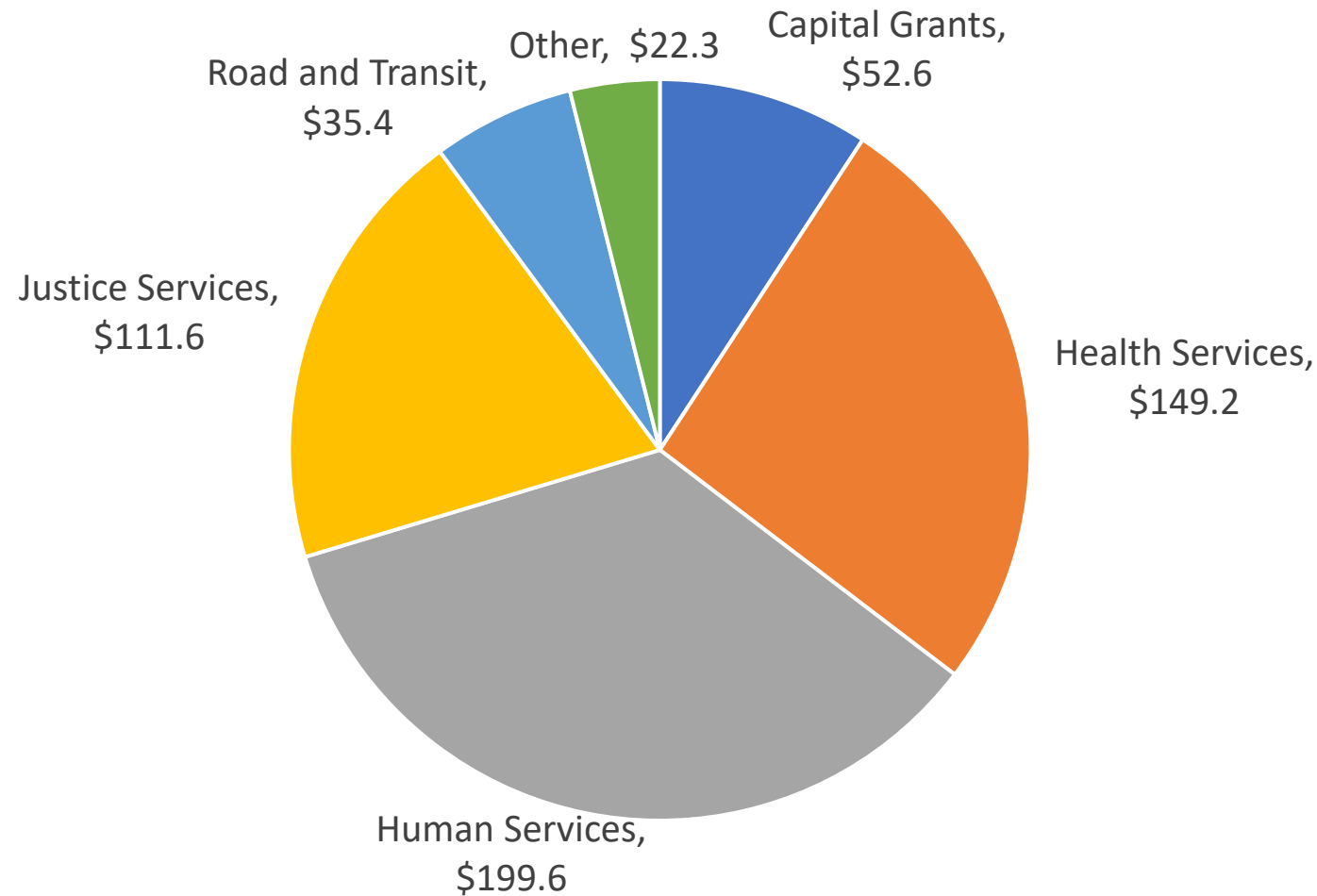
# Direct Federal Funding – 2025-26

## \$348 million total



# State Funding – 2025-26

## \$570.8 million total



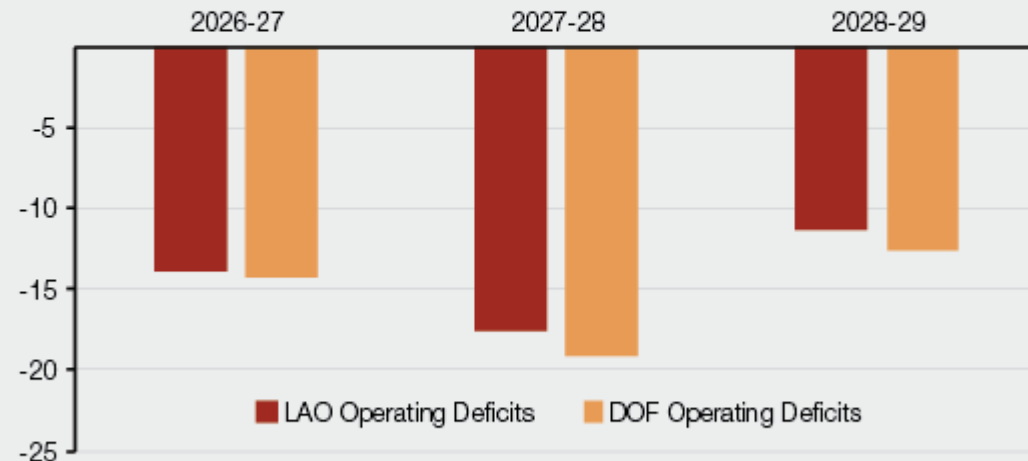
***\$ in Millions***

# State Budget – Ongoing Problems

Both the Legislative Analyst's Office and Department of Finance project future deficits for the State

Figure 1

## LAO Assessment of Future Budget Problems Very Close to Administration's Estimates (In Billions)



DOF = Department of Finance.

LAOA

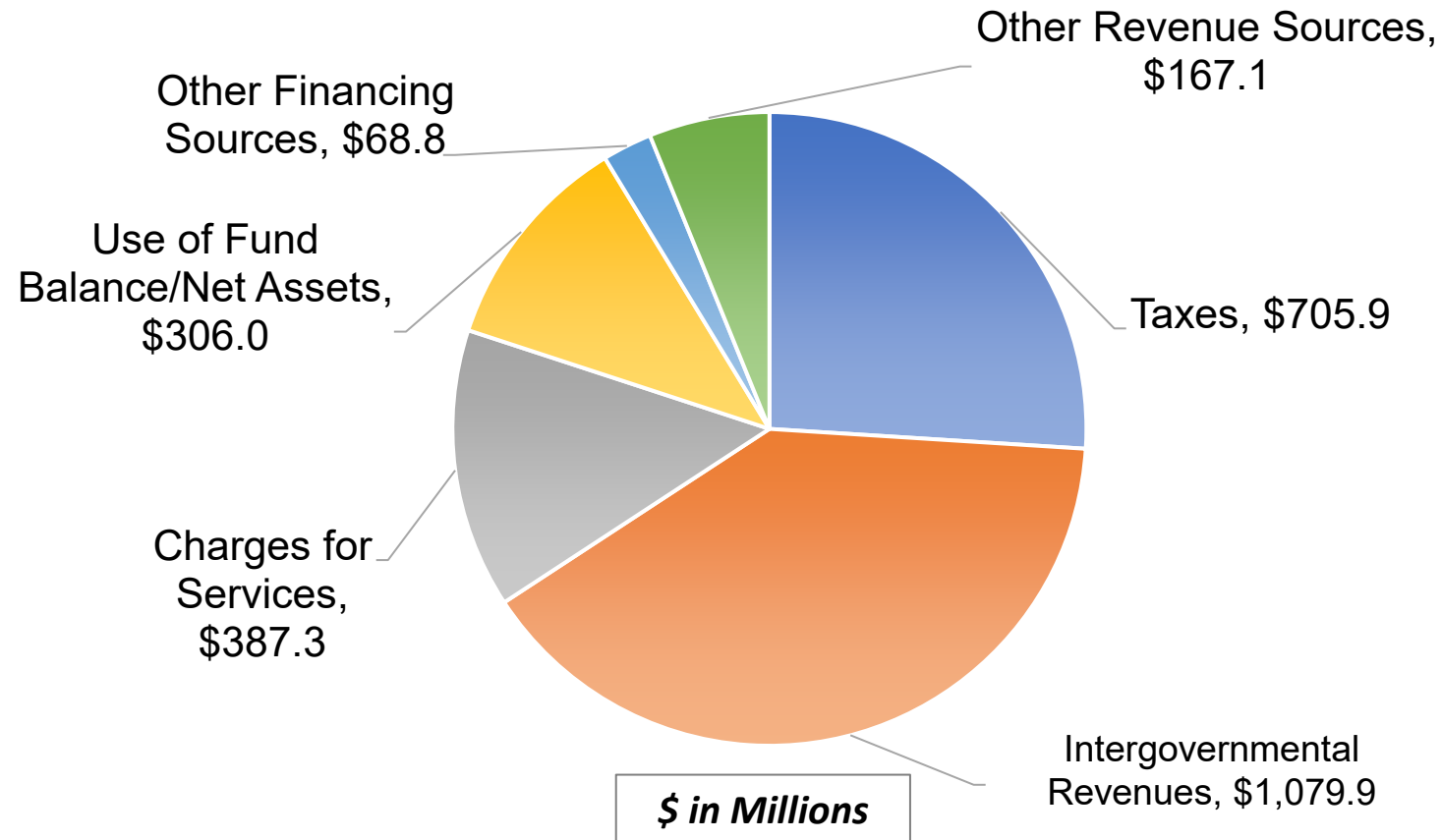
A hand is shown dropping a coin into a glass jar. The jar is filled with many coins and a banknote. In the foreground, there are four stacks of coins of varying heights. The background is a plain, light-colored wall.

# **Recommended Budget Overview**

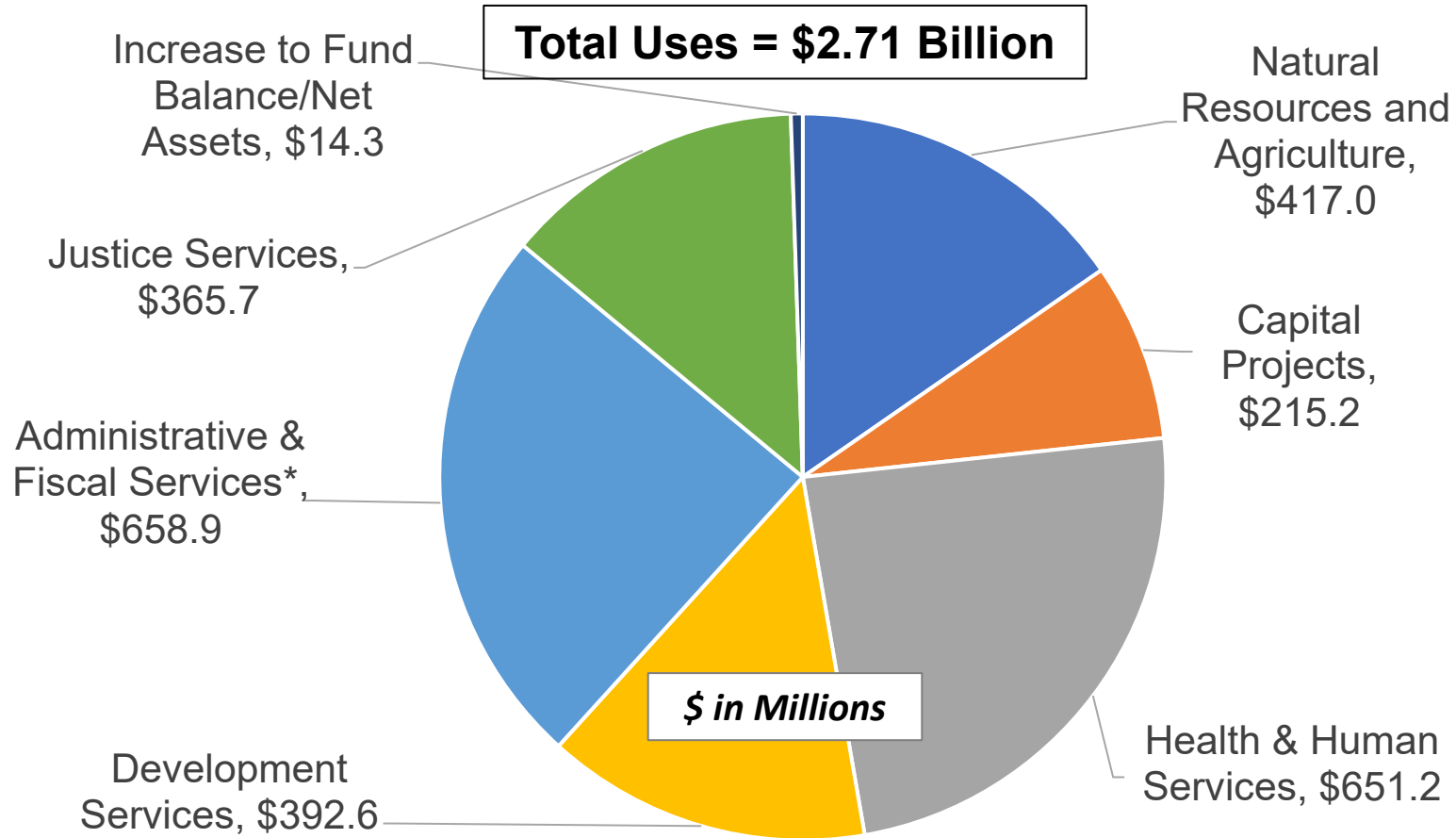


# Recommended Budget – Total Sources

**Total Sources = \$2.71 Billion**



# Recommended Budget – Total Uses



*\*Only 25% of expenditures in this category, or \$165 million, are attributed to the County's staffing/operating costs. 75% of expenditures are for retirement benefits and insurance collected in internal services funds, Court Support/Grand Jury costs, and various Non-Departmental funds for Tribal Mitigation, disaster events, settlement funds, and voter-approved sales tax measures.*

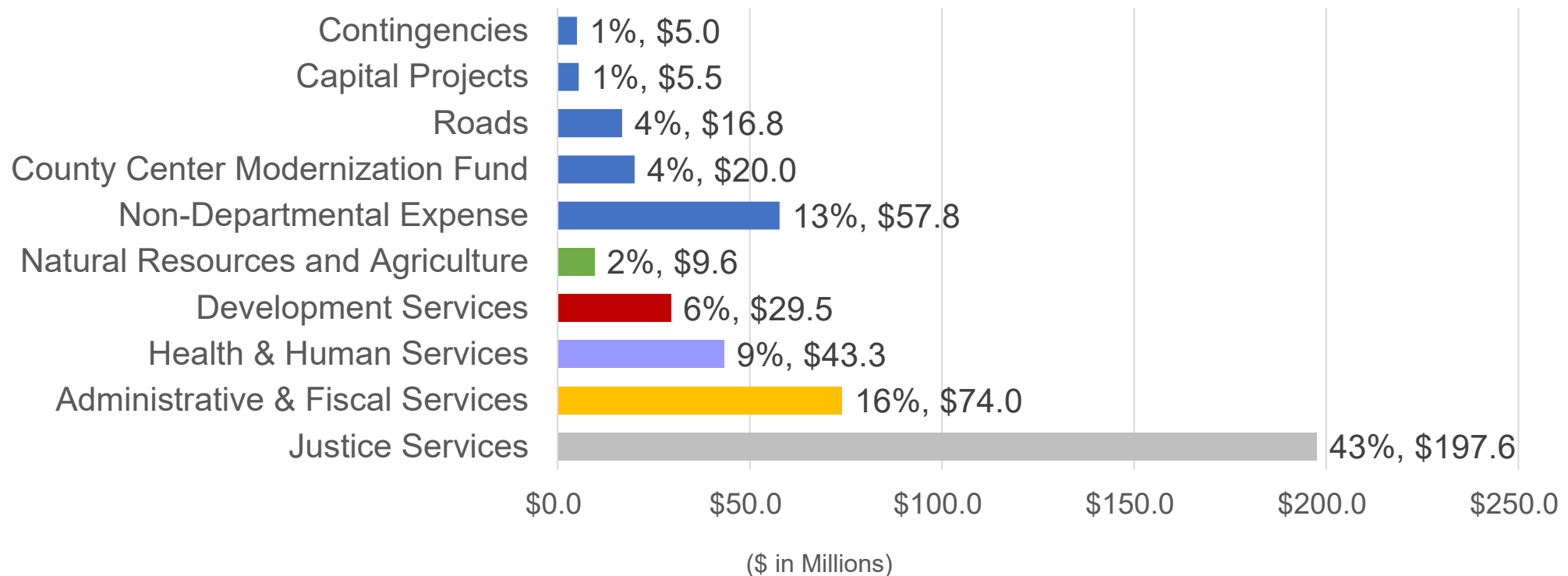
# Discretionary General Fund Sources

General Fund Revenue Source	Budgeted Amount (\$ in Millions)	% of Total
Secured Property Tax	\$353.3	77.0%
Local Sales Tax	\$26.5	5.8%
Cost Plan Reimbursements	\$19.4	4.2%
Reinvestment & Revitalization Funding	\$10.0	2.2%
Transient Occupancy Tax (General Fund Share)	\$8.0	1.7%
Interest Earnings	\$6.4	1.4%
Property and Document Transfer Tax	\$5.4	1.2%
Utilities Franchise Fees	\$3.9	0.8%
Other Sources*	\$26.2	5.7%
<b>Total</b>	<b>\$459.1</b>	<b>100.0%</b>

\*Includes Teeter Plan property tax penalties, Federal geothermal royalties, former redevelopment agency residual tax increment, and property tax administrative fees.


# Discretionary General Fund Uses

**Total Discretionary General Fund Uses = \$459.1 Million**



\*Non-Departmental Expense includes pass-through to the Reinvestment and Revitalization Fund, employee programs, Fire Services, Sheriff's Helicopter program, Family Justice Center contribution, Roseland Annexation payments, litigation contingencies, impact fee elimination backfill, future needs set-asides, special projects, and countywide initiatives.




A hand is shown from the top, dropping a coin into a clear glass jar. The jar is filled with various coins and a banknote. In the foreground, there are four stacks of coins of varying heights. The background is a plain, light-colored wall.

## **Supplemental Adjustments (Tab 08)**

# Supplemental Adjustments

- Adjustments are consistent with prior Board direction received after the Recommended budget was compiled or are administrative changes.
- \$132.8 million in revenue and expenditure adjustments
  - General Fund: \$2.1 million net reduction due to USDA grant cancellation
  - Other Funds - \$135.4 million increase:
    - \$47 million for purchase of 3850 and 3880 Brickway buildings approved on 5/6/25, including \$15 million for building improvements.
    - \$13 million for County Government Center architect services contract approved by the Board on 12/10/24.
- Net position change of 3.0 FTE across Human Services, Health Services, and County Administrator's Office.

A hand is shown dropping a coin into a glass jar. The jar is filled with many coins and a banknote. In the foreground, there are four stacks of coins of varying heights. The background is a plain, light-colored wall.

## Position Allocations (Tab 09)

# Position Allocations

Functional Area	FY 24-25 Adopted	FY 24-25 Revised	Time- Limited Expiring	FTE Reduction	FY 25-26 Recomm.	Suppl. Changes	Total with Suppl. Changes
Administrative and Fiscal	570.75	569.75	(4.00)	(5.00)	560.75	(2.00)	558.75
Natural Resources and Agriculture	487.30	488.50	-	-	488.50	-	488.50
Health and Human	1,814.38	1,820.88	(8.00)	(5.00)	1,807.88	5.00	1,812.88
Development	523.50	524.50	(8.50)	(12.00)	504.00	-	504.00
Justice	1,106.00	1,119.50	-	-	1,119.50	-	1,119.50
<b>Total Positions (FTE)</b>	<b>4,501.93</b>	<b>4,523.13</b>	<b>(20.50)</b>	<b>(22.00)</b>	<b>4,480.63</b>	<b>3.00</b>	<b>4,483.63</b>



# Position Allocations - Reductions

Department Name	Time-Limited Expiring	Reductions	Suppl. Adj.	Vacancy Sweeps	Total Reductions	Filled
Auditor-Controller		4.00			4.00	0.00
BOS/CAO			2.00	4.00	6.00	1.00
Clerk-Recorder-Assessor	1.00				1.00	1.00
Community Development	5.50				5.50	5.50
Emergency Management	2.00	1.00			3.00	1.00
Economic Development	1.00				1.00	0.00
Health Services	2.00			0.25	2.25	0.00
Human Services	6.00	5.00			11.00	2.00
Office of Equity	1.00				1.00	0.00
Permit Sonoma	2.00	12.00			14.00	11.00
Regional Parks				5.00	5.00	0.00
<b>Total Position Reductions</b>	<b>20.50</b>	<b>22.00</b>	<b>2.00</b>	<b>9.25</b>	<b>53.75</b>	<b>22.50</b>

# Funding Requests



# Discretionary Funding Add-Backs/Restoration Requests (Tab 4)

Department	One-time	Ongoing	FTE
Community Development Commission	\$0	\$400,000	0.0
Emergency Management	\$0	\$502,462	1.0
Permit Sonoma	\$0	\$1,519,656	7.0
Regional Parks	\$0	\$1,000,372	0.0
Sonoma Public Infrastructure	\$0	\$3,776,675	0.0
<b>Total</b>	<b>\$1,223,714</b>	<b>\$1,743,648</b>	<b>8.0</b>

# Discretionary Funding Program Change Requests (Tab 4)

Department	One-Time	Ongoing	FTE
Auditor-Controller-Treasurer-Tax Collector	\$0	\$400,000	0.0
Clerk- Recorder-Assessor	\$0	\$314,746	1.0
Dept of Emergency Management	\$0	\$490,370	1.0
District Attorney	\$0	\$851,286	0.0
Equity Office	\$0	\$89,824	0.0
Health Services	\$8,195,000	\$422,638	2.5
Human Resources	\$100,000	\$130,000	0.0
Information Systems	\$237,041	\$0	0.0
Permit Sonoma	\$582,104	\$0	2.0
Probation	\$0	\$238,522	0.0
Public Defender	\$137,029	\$964,247	3.0
Sheriff's Office	\$500,556	\$2,714,581	3.0
Sonoma County Public Infrastructure	\$0	\$337,000	0.0
<b>Total</b>	<b>\$9,751,730</b>	<b>\$6,953,214</b>	<b>12.5</b>

# Department-Funded Program Change Requests (Tab 4)

Department	One-time	Ongoing	Total	FTE
Auditor-Controller-Treasurer-Tax Collector	\$22,000	\$214,470	\$236,470	0.0
Child Support Services	\$0	-\$450,387	-\$450,387	-3.0
Clerk- Recorder-Assessor	\$0	\$465,983	\$465,983	1.0
Community Development Commission	\$1,187,714	\$0	\$1,187,714	5.0
Health Services	\$10,000	\$234,040	\$244,040	1.0
Human Resources	\$4,000	\$219,000	\$223,000	1.0
Human Services	\$0	\$772,200	\$772,200	4.0
Probation	\$0	\$288,342	\$288,342	0.0
<b>Total</b>	<b>\$1,223,714</b>	<b>\$1,743,648</b>	<b>\$2,967,362</b>	<b>9.0</b>

# Board Budget Requests (Tab 6)

Supervisor	One-Time	Ongoing
Coursey	\$1,500,000	\$0
Hermosillo	\$107,000	\$81,500
Hermosillo & Hopkins	\$1,400,000	\$0
Hopkins	\$2,825,000	\$0
Hopkins & Rabbitt	\$4,000,000	\$0
<b>Total</b>	<b>\$9,832,000</b>	<b>\$81,500</b>



# County Executive's Recommendations

## Tab 3

# CEO Recommendations:

- Limited funding to maintain services
- Save estimated one-time sources to develop a strategic response to address potential federal and state impacts.

# CEO Recommendations: Add Backs

- Public Infrastructure
  - \$2.5 million for road maintenance and construction
  - \$1.3 million for facility operations and maintenance
- Permit Sonoma
  - \$1.5 million to restore 7 positions in Comprehensive Planning, Natural Resources, and Engineering Divisions
- Regional Parks
  - \$1.0 million to allow filling up to 6.0 ranger positions
- Community Development Commission
  - \$400,000 to restore County Fund for Housing

# CEO Recommendations: Time Sensitive Program Change Requests

Recommending Limited Program Changes that support existing services

- \$270,000 for Emergency Management for new Alert and Warning and Incident Management software.
- \$88,248 for the District Attorney to align General Fund support for Family Justice Center with increased costs.
- \$35,640 for the District Attorney to fund Digital Evidence Management System that supports mandated evidence sharing.

# Additional CEO Recommendations:

- Allocate \$500,000 one-time for Community Funding process
  - NOFA to be released summer
  - Final awards in fall
- FEMA Audit Reserve
  - In line with policy, set aside 20% of funding received in FY 2024-25 as part of the Reserve – No General Fund Impact

# CEO Recommendations: General Fund Year-End Balance

The CEO does *not* recommend use of estimated year-end General Fund balance at budget hearings

- Actual balance not known until late July

Year-End Realized General Fund balance to be used as follows:

- First **\$1.5 million** to maintain General Fund Reserve at 10.8% of operating revenues.
- Next **\$8 million** divided evenly as one-time contributions for critical road repairs and capital projects.
- Any additional will be added to **FY 2025-26 General Fund Contingency**.



# Recommended Actions

- A) Adopt a Concurrent Resolution adopting the Fiscal Year 2025-26 Budget, including the Position Allocation Listing and final Board direction for all entities governed by the Board of Supervisors/Directors/Commissioners (Tab 12)
- B) Adopt a Resolution approving the Fiscal Year 2025-26 Budget for the Sonoma Valley County Sanitation District (Tab 12) (2/3 vote)
- C) Adopt a Concurrent Resolution establishing Fiscal Year 2025-26 appropriations limits for the County and Board of Supervisors-governed special districts, County Services Areas, and the Sonoma County Agricultural Preservation and Open Space District (Tab 11)
- D) Authorize Departments, in coordination with and oversight by the Human Resources Department, to administer layoff proceedings in accordance with Civil Service Rule 11: Layoffs, and authorize Human Resources to implement strategies to mitigate layoffs to the extent possible if necessary (Tab 09)