

FY 2026-27 June 2nd CEO Proposed Budget



Chief Executive Officer Darcie Antle



Introduction

Presentations from

Jenine Miller on Opioid Settlement Funding

Health Services Director

Ben Rosenfield on Financial Roadmap

Financial Consultant



General Fund Budget

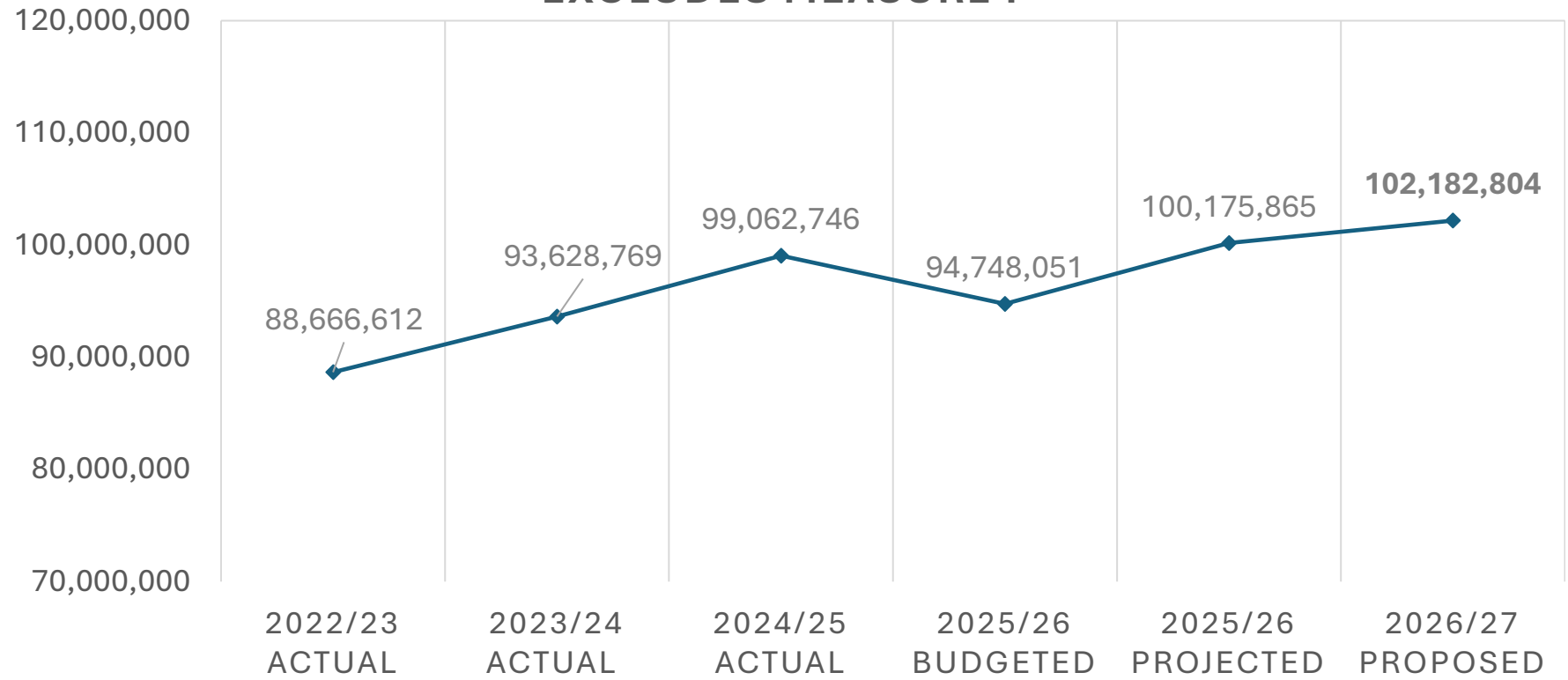
The Fiscal Year 2026/27 proposed budget is balanced.

- **\$95,074,252** - Current General Fund Net County Cost (NCC)
- **\$92,478,716** - Non-Departmental (ND) revenue
 - \$500,000 difference from Attachment A related to IT Reserve fund balance Operating Transfer offset
- **\$2,595,536** - One-time funding proposed to balance NCC
 - For one-time expenditures



Revenue Projections

NON-DEPARTMENTAL REVENUE PROJECTION NO OPERATING TRANSFER IN/OUT EXCLUDES MEASURE P



- FY 2026/27 Projected Revenue \$102,182,804

- \$92.4m on slide 3 reflects adjusted revenue after operating transfers out (OTO)

- 26/27 Projections based on updated forecasting



General Fund – One-Time Funds

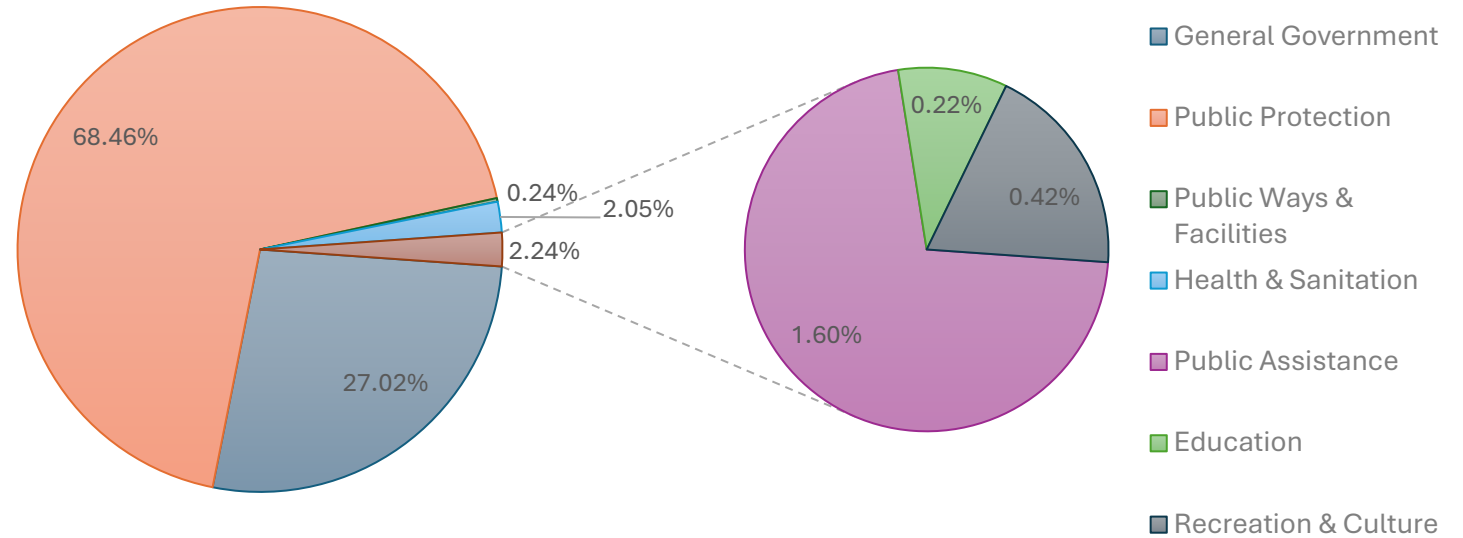
• Executive Office	\$200,000	○ For Vehicle Uplift	\$72k
○ Short-Term Contracts		○ For Jail Projects	\$365k
• General Services	\$240,108	○ For Hospital Guard Services	\$20k
○ Real Property Services		• Juvenile Hall	\$31,326
• Human Resources	\$50,000	○ For Short-Term Extra Help	
○ Short-Term Contracts		• Animal Care	\$25,000
• Facilities	\$30,000	○ Incinerator Repair	
○ Detention Locks	\$10k	• Little River Airport	\$305,000
○ Mower	\$20k	○ For Building Repairs	
• Land Improvement	\$231,000	• Environmental Health	\$102,000
○ For Trash Capture Device Project		○ For Thermal Imager	\$1k
• Information Services	\$605,000	○ For Digitization Contract	\$50k
○ Training & Office Expenses	\$20k	○ For Software Implementation	\$51k
○ Short-Term IT Contracts	\$85k	• Museum	\$50,600
○ Finance System Project	\$500k	○ For Capital Projects	
• Sheriff’s Office & Jail	\$650,502		
○ For Lateral Transfer Bonuses	\$40k		
○ For IT Equipment	\$153k		
		Total	\$2,595,536



CEO Proposed Budget – General Fund

FY 2026-27 General Fund CEO Proposed
*Excludes Non-Department Revenue

- Ratios represent General Fund only
- General Government: \$25,120,223
- Public Protection: \$63,653,269
- Public Ways: \$221,262
- Health & Sanitation: \$1,904,304
- Public Assistance: \$1,484,166
- Education: \$202,052
- Recreation & Culture: \$393,440
- **Total: \$92,978,716**



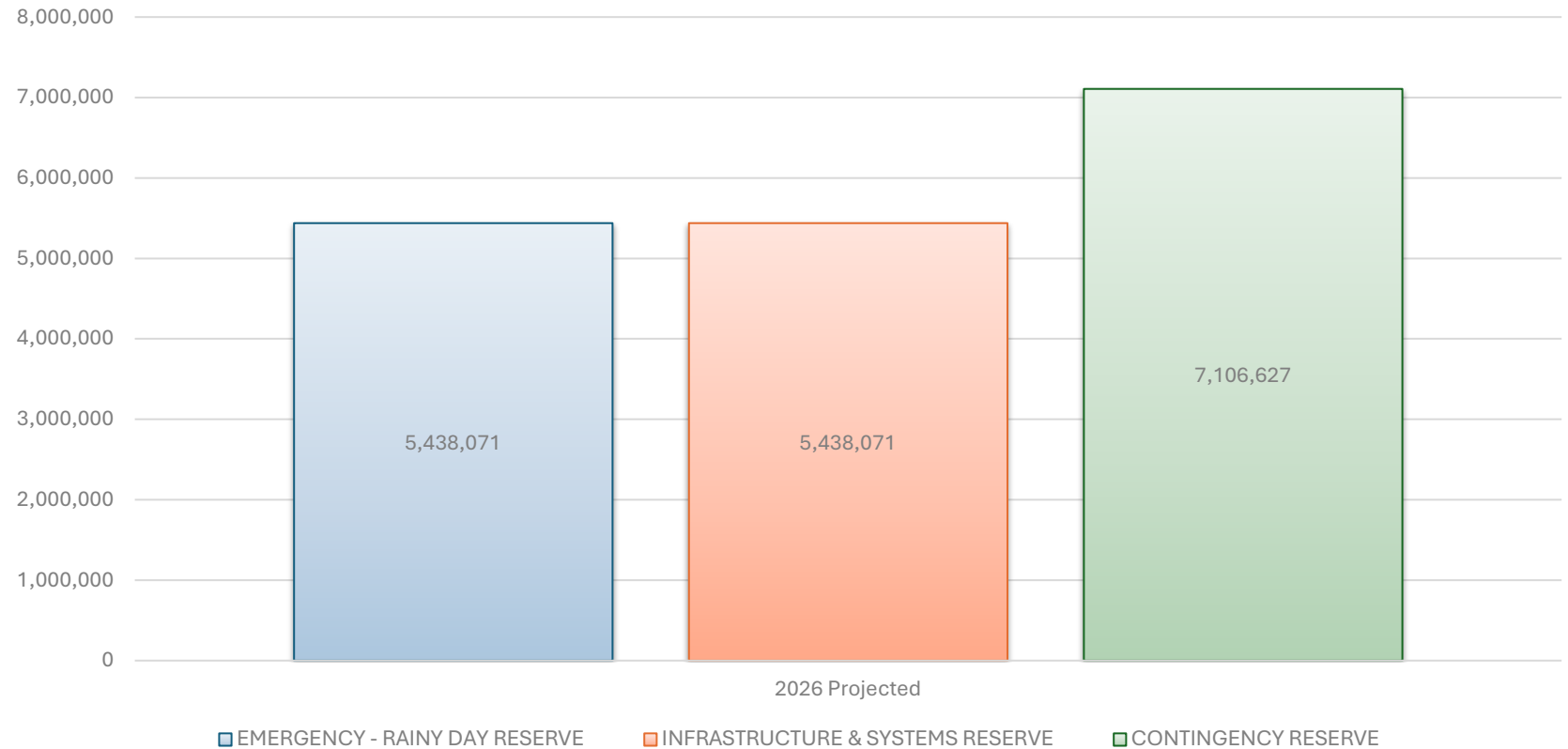
*Functional Areas are defined on slide 11 of this presentation



General Reserves

- Revised Policy #32 established three general fund reserves from existing General Reserve.
- Balances reflect proposed FY 2026-27 appropriations

County of Mendocino Policy #32 Reserves
FY 2026-27 Proposed





5-Year Budget Forecast – General Fund

- FY2026/27 includes \$2,595,536 one-time Fund Balance use
- Forecast does not include potential labor impacts

FiscalYearLabel	Revenue	Expenses	Gap
FY 2024/25	83,623,302	81,981,147	1,642,155.00
FY 2025/26	88,946,540	88,946,540	0.00
FY 2026/27	92,978,716	92,978,716	0.00
FY 2027/28	95,571,124	97,808,806	-2,237,682.00
FY 2028/29	98,375,164	100,067,546	-1,692,382.00
FY 2029/30	101,368,753	102,839,216	-1,470,463.00
FY 2030/31	106,953,438	105,662,708	1,290,730.00





Upcoming impacts

Many future budgetary impacts on the horizon. The Executive Office Budget Team will continue to monitor these impacts, which include,

- Federal Legislation, such as H.R. 1
- County Medical Service costs (CMSP)
- State Budget uncertainty
- City of Ukiah proposed annexation
- International landscape



State Budget Highlights

H.R. 1 (Federal Legislation)

44,000

disenrollments 2026-27

1.3M

disenrollments by 2029-30

- Additional Medi-Cal eligibility requirements
- Total H.R. 1 cost to state General Fund: ~\$1.5B in 2026-27
- **County impact:** reduced Medi-Cal caseloads affect county-administered programs; anticipate increased demand for county indigent care (CMSP)

In-Home Supportive Services (IHSS)

\$33.7B

total program 2026-27

\$12.7B

General Fund share

- -\$62.6M General Fund: Medi-Cal asset test reinstatement effective no sooner than Jan. 1, 2027
- **County impact:** Asset test will reduce IHSS caseloads and county cost-sharing obligations; immigrant eligibility delay extends current service levels through mid-2027

Digital Software & SaaS Tax (New)

\$560M

local tax rev. 2026-27

\$1.1B

local rev. annually after

- Effective Jan. 1, 2027: Apply sales tax to digital prewritten software and Software-as-a-Service (SaaS), regardless of delivery method (download, hosted, or remote access)
- State General Fund: +\$450M in 2026-27; +\$900M annually thereafter
- County impact: potential new Bradley-Burns local sales tax allocations



Functional Areas Defined

General Government

- Assessor Clerk Recorder
- Auditor
- Board of Supervisors
- County Counsel
- Executive Office
- Human Resources
- Tax Collector

Public Protection

- Agriculture
- Animal Care and Control
- Cannabis
- Child Support
- District Attorney
- Planning and Building
- Probation
- Public/Alternate Defender
- Sheriff - Coroner

Public Way & Facilities

- Department of Transportation

Health & Sanitation

- Behavioral Health
- Public Health
- Solid Waste (DOT)

Public Assistance

- Social Services

Education

- Farm Advisor
- Library

Recreation & Culture

- Museum



Recommendations

- Approve adjustments detailed in the CEO Recommended Budget Adjustments to Departments Submitted, as outlined in Attachment B General Fund and Attachment C Non-General Fund;
- Approve the FY 2026-27 Department Funding Requests (Attachment A) directing the Auditor-Controller to return to the Board of Supervisors on June 23, 2026, with a formal resolution adopting the FY 2026-27 Mendocino County Budget based on the above direction;
- Approve amendments to the Position Allocation Table as listed in Attachment D, directing Human Resources to return to the Board of Supervisors on June 23, 2026, with an updated Position Allocation Table;



Recommendations

- Approve funded fixed assets/vehicles, structural improvements, and projects as listed in Attachment F;
- Approve FY 2026-27 Enterprise Internal Service Fund department allocations listed in Attachment H;
- Approve FY 2026-27 Microwave Public Safety Radio Communications department allocations listed in Attachment E;
- Approve transfer of any unused Fiscal Year 2025-26 Carry Forward to Reserves per Reserve and Fund Balance Policy #32;



Recommendations

- Approve appropriation of \$2,585,536 in Fiscal Year 2024-25 Carry Forward funding for Fiscal Year 2026-27 Budget;
- Accept the Fiscal Year 2026-27 Proposed Budget Report

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Questions

Discussion