



**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**BOARD OF SUPERVISORS AGENDA LETTER**

**Department Name:**

County Executive Office

**Department Number:**

012

**Agenda Date:**

June 16, 2026

**Placement:**

Departmental Agenda

**Estimated Time:**

1 Day

**Continued Item:**

No

**If Yes, date from:**

N/A

**Vote Required:**

Majority

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**TO:** Board of Supervisors

**FROM:** Department Director(s): Mona Miyasato, County Executive Officer

DocuSigned by:  
*Mona Miyasato*  
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**CONTACT:** Paul Clementi, Budget Director

**SUBJECT:** Fiscal Year 2026-27 Recommended Budget Hearings

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**Concurrences:**

**County Counsel Concurrence:**

As to form: Yes

**Auditor-Controller Concurrence:**

As to form: Yes

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**Recommended Actions:**

It is recommended that the Board of Supervisors of the County of Santa Barbara (acting concurrently as the Board of Supervisors of the County of Santa Barbara and the Board of Directors of the Santa Barbara County Fire Protection District, Santa Barbara County Flood Control and Water Conservation District, Laguna County Sanitation District, Santa Barbara County Water Agency and other special districts under the supervision and control of the Board of Supervisors):

- a) Receive, consider, and file the Fiscal Year 2026-27 Recommended Budget (Attachment A), which includes the County’s General Operating Budget as well as budgets of special districts governed by the Board of Supervisors;

- b) Approve CEO recommended adjustments (Attachment A-1) and final budget adjustments (Attachment A-2) to the Fiscal Year 2026-27 Recommended Budget;
- c) Adopt the Resolution of the Board of Supervisors entitled In the Matter of Adopting the Budget for Fiscal Year 2026-27 (Attachment D);
- d) Delegate authority to the Chair of the Board to execute single-year renewals of grants and contracts (Attachments B and C) previously approved by the Board and included in the Fiscal Year 2026-27 Recommended Budget, where contract amounts are within 10% of previously contracted amounts;
- e) Receive the draft salary resolution (Attachment E), direct any specific changes made during the June 2026 budget hearings, and adopt that amended salary resolution , which updates job classifications and department position allocations to include positions approved by the Board of Supervisors during the Fiscal Year 2026-27 Budget Hearings to be effective July 1, 2026, and salaries effective July 6, 2026;
- f) Adopt position changes previously approved by the County Executive Officer during Fiscal Year 2025-26 under Board Resolution 99-486, as shown in Attachment F; and
- g) Determine pursuant to CEQA Guidelines §15378(b)(4) that the above fiscal activities are not a project subject to the California Environmental Quality Act.

### **Summary Text:**

The Fiscal Year (FY) 2026-27 Recommended Budget is hereby submitted to the Board of Supervisors pursuant to the County Budget Act (California Government Code § 29000 et seq.), which specifies that the Board of Supervisors must adopt a balanced budget each year, with funding sources equal to financing uses. Adjustments to the budget approved during June Budget Hearings will also be incorporated into the final Adopted Budget in the form of **Attachment A-1** for CEO recommended adjustments and **Attachment A-2** for other minor adjustments. The information in this letter, attachments, and hearing binder are provided to enable the Board to adopt the FY 2026-27 budget during Budget Hearings. Budget Hearings are scheduled for June 16 and may continue each day thereafter, through June 30, 2026.

In April, the Board reviewed and discussed individual department work initiatives and preliminary budgets for the coming year. Input received at the workshops was considered in the finalization of the Recommended Budget and budget hearing materials.

At the June hearings, staff will provide the Board with an overview of the CEO Recommended Budget, respond to questions about the budget, and provide updates to department budgets since workshops. The purpose of the meeting is to conduct the public hearing on the recommended budget, and after the conclusion, adopt the budget by resolution. At the hearings, the Board may make any revisions, reductions, or additions as appropriate.

The FY 2026-27 Recommended Budget was made available to the public by May 30, 2026, via the County's website and by paper copy in the Clerk of the Board's office in Santa Barbara and the County's Fifth District office in Santa Maria.

## Discussion:

### **FY 2026-27 Recommended Budget Overview**

**The FY 2026-27 Recommended Budget totals \$1.66 billion in operating expenditures and \$122.6 million in capital expenditures and represents a \$28.4 million (1.7%) reduction in operating costs compared to the FY 2025-26 Adopted Budget.** The reduced operating budget next fiscal year comes after over a decade of growth (roughly 5.6% per year) and is the result of addressing, a known General Fund deficit exacerbated by shortfalls in State and federal funding. The operating budget eliminates 299.2 funded full-time equivalent (FTE) positions; reduces contracts, training, travel, and overtime; right-sizes operations for better efficiency; and defers capital projects and equipment replacement. It holds funding allocations for General Fund departments flat and backfills State and federal shortfalls with \$7.4 million of discretionary revenue growth, preserving 143.5 FTE and essential safety net service contracts. It also sets aside \$9.5 million in ongoing revenue to address the forecasted General Fund deficit in FY 2027-28. Finally, the Recommended Budget allocates \$10.8 million of one-time funding toward critical infrastructure projects and sustaining priority social services contracts for one year. For a full list of department balancing measures included in the Recommended Budget, see **Attachment G**.

Despite the fiscal pressures ahead, the FY 2026-27 Recommended Budget fully meets all statutory requirements and applies creative, disciplined solutions to current challenges. It is balanced, meets debt service obligations, addresses critical deferred maintenance and infrastructure needs, adheres to the Board's financial management policies, and allows for continued progress on critical countywide priorities.

**The General Fund operating budget totals \$544 million and represents essentially no growth.** The recommended FY 2026-27 General Fund budget reflects a \$3.7 million or 0.7% decrease compared to the FY 2025-26 Adopted Budget, which is a significant change compared to the 6.3% average growth in operations over the past five fiscal years. General Fund Contributions to departments were held flat for the coming year so that discretionary revenue growth could be used to backfill funding cuts and shortfalls in safety net services. General Fund Contribution increases were granted only for mandated obligations including the jail medical contract, indigent care program, and in-home supportive services maintenance of effort. In light of forecasted deficits and future fiscal uncertainty, the County Executive Office is not recommending any ongoing General Fund expansions in the coming fiscal year.

**Responsible Stewardship Today; Resilient, Sustainable Tomorrow.** The FY 2026-27 Recommended Budget reflects the County's commitment to Responsible Stewardship Today for a Resilient, Sustainable Tomorrow, charting a course through continued fiscal uncertainty while safeguarding essential public services. In a year marked by forecasted deficits driven by operating costs outpacing revenue growth and further strained by the impacts of federal cuts and State revenue shortfalls for safety-net programs, the budget employs a thoughtful two-year balancing strategy.

### **State & Federal Budget Update**

**Federal House Resolution 1 (H.R. 1) and the 2025 State Budget Act will have significant impacts on safety net services in FY 2026-27.** Changes to Medi-Cal, CalFresh, and In-Home Supportive Services funding and eligibility went into effect this fiscal year with the January 2026 Medi-Cal enrollment freeze, benefit reduction, and decrease in provider reimbursement rates for individuals with unsatisfactory immigration status (UIS). In the coming fiscal years further changes are expected or scheduled, including:

- A shift in the federal funding ratio for CalFresh in October 2026;

- New CalFresh and Medi-Cal work requirements and six-month eligibility redeterminations that will increase the eligibility workload for the County in January 2027;
- Implementation of new Medi-Cal premiums for UIS in July 2027;
- Reduced state funding of county-approved in-home support services hour increases, which are anticipated to reduce benefits to the community in July 2027;

These changes are anticipated to reduce Medi-Cal benefits for the community, reduce Medi-Cal revenue for County services, and increase local costs associated with indigent health care and in-home supportive services, among other impacts. The Governor's revised budget proposal released in May allocates \$292 million in one-time dollars statewide to address the increased Medi-Cal and CalFresh eligibility workload in FY 2026-27 but proposes little else to address impacts to counties in the coming year. Budget plans released by the State Senate and Assembly propose additional funding for Medi-Cal and CalFresh eligibility work above the Governor's proposal, and the Assembly has proposed funding for an emergency services only county indigent care program. However, as of this writing, there has been no reconciliation between the competing proposals.

**The President's 2027 federal budget proposal released in April proposes significant reductions to non-defense programs.** Reductions include the elimination of the HOME investment Partnerships program and Community Development Block Grants. It also includes a 12.5% reduction in spending for Health and Human Services programs and further reductions to nutrition programs including the Special Supplemental Nutrition Program for Women, Infants and Children (WIC).

**For the time being, the State and federal budgets do not necessitate changes to the County's Recommended Budget.** The State Legislature has a constitutional deadline to pass the budget bill by June 15; however, trailer bills are often signed by the end of the fiscal year or into July, with some continuing through the summer. Congressional appropriations process will continue through October 2026. Departments will continue to monitor potential impacts to the County and staff will provide information, or request action, at the Budget Hearings if necessary. Should the State's final adopted budget provide greater relief to counties, staff will return to the Board with a discussion of options and impacts once they are known.

### **Follow up from Budget Workshops**

Following Budget Workshops, held on April 13, 15 and 17, 2026, the County Executive Office worked with departments to incorporate direction from the Board into the FY 2026-27 Recommended Budget. Specifically, the use of ongoing General Fund capacity to restore \$7.4 million of critical safety net services, the preservation of a \$9.5 million ongoing set aside to address structural General Fund deficits in FY 2027-28, and the allocation of \$10.8 million of one-time General Fund toward critical infrastructure projects and priority social services contracts. At workshops, the Board also provided input on funding priorities for the use of \$780 thousand of one-time cannabis tax revenue dollars, a \$1.66 million balance of available one-time dollars, and any additional ongoing funding, should it materialize.

### **Review of Recommended Ongoing Funding from the General Fund**

Recommended uses of ongoing funds confirmed by the Board during workshops and included in the Recommended Budget include:

- **Restore \$5.3 million for Social Services.** To balance its budget, the Social Services Department proposed reductions of \$30.9 million due to insufficient and reduced federal and state funding, as well as rising program costs. Restoration of \$5.3 million in General Fund dollars for Social Services helps to maintain essential child welfare and food assistance programs.

(The department originally requested restoration of \$4.9 million to retain program staff, but upon further evaluation, two essential service contracts totaling \$400,000 for family resource evaluation and shelter bed services were identified for restoration). Specifically: \$3.3 million for services related to the Child Welfare program including retention of 47 FTE; and \$2 million to retain 78 FTE in CalFresh operations and to leverage federal funds. The additional \$5.3 million of local funding is expected to leverage \$11.1 million in additional State and federal funding for these services.

- **Restore \$2 million for County Health:** The County Health Department has proposed reductions of \$24.3 million to balance its budget, which also faces reduced revenues due to federal and state changes and rising costs. Restoration of \$2 million in General Fund dollars helps stabilize clinic operations and preserve access for vulnerable residents. It also avoids a decrease in public-serving animal shelter hours. Specifically: \$1.8 million for 16 FTE medical assistants to continue capacity in clinic operations; and \$225 thousand to retain 2.5 FTE in Animal Services.
- **Shift \$523 thousand in costs** for four Community Services Department maintenance positions from General Fund Contribution to 18% deferred maintenance funding to allow the department to retain 4 FTE to continue addressing a significant backlog of maintenance needs, including cabins, yurts, machines, equipment, and buildings.

**Review of Recommended Capital Improvement Projects**

In FY 2026-27, one-time funding of \$10 million is earmarked to fund new capital projects. This investment maintains progress on critical County infrastructure, staves off growth in the deferred maintenance backlog, and avoids future cost escalation. However, given the relative uncertainty in costs of the Northern Branch Jail expansion project until final bids are received, it is recommended that this allocation towards other capital projects is not finalized until after the Northern Branch Jail costs are known, in case further one-time funding toward that project is needed.

During Budget Workshops on April 17, 2026, the Board affirmed the following list of priority projects for funding.

<b>Recommended Capital Projects to Fund</b>	<b>Amount</b>
Juvenile Justice Center – Santa Maria	\$4,863,000
Calle Real Campus Building 4 Generator Replacement	\$295,000
GS Los Prietos Fire Camp Water Supply and Septic Renovation	\$1,090,000
Lompoc Animal Shelter Improvement Project	\$816,000
Clark Avenue Circulation Improvements	\$725,000
Mission Canyon Curve	\$743,000
Parks 5 Year Repaving/Restriping Maintenance (Arroyo Burro Beach Park)	\$268,000
Vandenberg Village Park (Phase 2: Playground 1 of 2)	\$650,000
Vandenberg Village Park (Phase 2A: Playground 2 of 2)	\$550,000
<b>Total</b>	<b>\$10,000,000</b>

**Review of Recommended One-Time Uses**

The CEO recommended uses of one-time funds at the Budget Workshops. These were confirmed by the Board during workshops and are included in the Recommended Budget.

- **Allocate \$842 thousand to priority protective services contracts.** This investment further stabilizes child welfare services related to case management, therapy, parenting classes, child abuse prevention, and interpretation. It also sustains \$100 thousand of funding for the Cuyama Family Resource Center, which is the primary provider of social services to all residents of the Cuyama Valley; and \$56 thousand for the Area Agency on Aging local match that will draw down approximately \$4.45 million in federal and State funding for services to help older adults remain healthy, safe, and independent in their homes and communities.

**CEO Recommended Adjustments with Available One-Time Funding**

**Uses of one-time funding totaling \$2.9 million are recommended for inclusion in the FY 2026-27 Adopted Budget.** The following recommended uses of unallocated one-time funding are not included in the recommended budget and will be presented to the Board for further discussion, modification (if necessary), and adoption at the June 16 budget hearing. Some of these recommendations received conceptual Board consensus at budget workshops and others were discussed with no clear consensus or arose after Workshops. These are all discretionary uses, and the Board may alter, add or delete. Any allocation beyond the available funding shown for FY 2026-27 is not recommended. These recommendations are also included as **Attachment A-1** to this Board Letter.

Available One-Time Funding	General Fund \$1,618,500	Cannabis \$780,600	Other \$555,000	Comments
<b>Recommended Uses</b>				
<b>Sheriff</b>				
Second Rural Crime Deputy	267,000			May also act as a homeless encampment liaison as necessary
BSU Manager (25% BHSA funded)	180,000		60,000 <sup>(1)</sup>	Could also be funded solely with BHSA, with altered duties
Fourth Co-Response Team			295,000 <sup>(2)</sup>	Intended to serve North County area
Warrant Officer		240,000		Data and outcomes tracking requested
<b>Community Services Department</b>				
Film Commissioner		150,000		Partnerships with cities/other agencies proposed
<b>County Counsel</b>				
One Litigation Attorney @350k funded for two years (\$700k total)	359,400	140,600	200,000 <sup>(3)</sup>	Two-year cost until it can be absorbed into the Cost Allocation Plan
<b>General County Programs</b>				
Youth Education Funding by Supervisorial District (\$50k per District)		250,000		Request to fund youth and/or cannabis education from available cannabis tax revenues
Sheriff Set Aside (overtime, emergency needs, IV Foot Patrol, etc.)	812,100			Specific allocation to be determined at a future date
<b>Total Recommended Uses</b>	<b>\$1,618,500</b>	<b>\$780,600</b>	<b>\$555,000</b>	
<b>Remaining Funding</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

(1) Behavioral Health Services Act (BHSA) funds

(2) Community Corrections Partnership funds

(3) Litigation Fund for outside counsel

- **Second Rural Crime Deputy (\$267 thousand).** Fund a second Rural Crime Deputy to help prevent, investigate, make arrests and report on agricultural-based crimes; and serve as a liaison for homeless encampment outreach and riverbed cleanup operations. The position would be funded with one-time General Fund dollars.
- **Behavioral Science Unit Manager (\$240 thousand).** Continue to fund a Behavioral Science Unit Manager in the Sheriff's Office to provide administrative support and oversight for the County Co-Response teams, among other duties, using General Fund and Behavioral Health Services Act (BHSA) dollars for eligible activities.
- **Co-Response Fourth Team (\$295 thousand).** Continue to fund a fourth Co-Response team using Community Corrections Partnership dollars, approved by the CCP on June 4, 2026.
- **Warrant Officer (\$240 thousand).** Continue to fund a Warrant Officer position with the goal of reducing the number of outstanding serious/violent felony warrants.
- **Film Commissioner (\$150 thousand).** Fund a film commissioner function to enhance economic development within the County using Cannabis Tax Revenue dollars; original proposal was to seek partnerships with cities or other organizations.
- **Counsel Attorney (\$700 thousand over 2 years).** Fund one attorney position to perform more in-house litigation work at a lower cost to the County and Special Districts than outside counsel, resulting in overall savings on litigation costs over time. The position will be funded with one-time General Fund, Cannabis Tax Revenue, and Litigation Fund Balance dollars for two years until costs can be recovered through the countywide cost allocation plan (CAP) rates. The proposed \$200 thousand from Litigation Fund Balance reallocates \$100 thousand per year of current funding used for outside counsel.
- **Youth Education Funding (\$250 thousand).** Establish appropriations of \$50 thousand per supervisorial district to fund youth education activities with Cannabis Tax Revenue dollars.
- **Sheriff Set-Aside (\$812 thousand).** Establish a set-aside of one-time General Fund dollars to be appropriated later in the fiscal year. Potential uses could be to fund Sheriff overtime costs, emergency needs, partially restore IV Foot Patrol positions through the end of FY 2026-27, or other uses; these funds would be set aside and determined by the Board at a future date for allocation and appropriation.

### **Final Budget Adjustments (to be added to the Recommended Budget)**

**Final Budget Adjustments totaling \$3.2 million are recommended for inclusion in the FY 2026-27 Adopted Budget.** Final Budget Adjustments are generated in response to resource allocation needs that emerge after the finalization of the Recommended Budget. The recommended adjustments are detailed in **Attachment A-2** and include appropriations for unspent funds from the current fiscal year, appropriations for recently identified funding, and other corrections or modifications to the General Fund and non-General Fund budgets.

### **Restoration Requests Deferred to Hearings for Board Consideration**

Departmental restoration requests that were not included in the Recommended Budget are presented for Board consideration in **Attachment A-3**. Requests total \$4 million in ongoing funding and 25 FTE; and are from the District Attorney and the Sheriff. These requests were presented at budget workshops.

## Ongoing Grants and Contracts

The County has numerous ongoing grants and contracts that are renewed each year with the funding and expenditures approved by the Board during annual budget adoption. The execution then becomes ministerial and is delegated to the Chair of the Board, who signs the contracts on behalf of the County, thus reducing the number of administrative agenda items that come before the Board during the year.

The Board has customarily delegated this authority to include ongoing grants, as well as ongoing contracts where amounts are within 10% of current agreement amounts. This process is only for single-year renewals, not multi-year agreements. To qualify for this process:

1. Grant and contract terms and conditions, including contract scope of work, must remain materially unchanged from the prior grant or contract, and
2. For contracts, the value cannot change by more than 10% from the prior year value.

Ongoing contracts in amounts that exceed this 10% threshold must be individually presented to the Board for approval. If rates or units of service change, the contract may qualify for the ongoing contracts process if these changes are clearly disclosed on the ongoing contract list. The recommended ongoing grants and contracts by department are included as attachments with a recommendation that the Board approve, as a group, their renewal for FY 2026-27. The grants to be included in this year's Hearings are identified in **Attachment B**. The contracts to be included in this year's Hearings are identified in **Attachment C**. The contract list may include partial-year contracts that equate to an appropriate pro rata share (including the 10% threshold) had the request been to renew for a full year.

## Budget Resolution

The Resolution of the Board of Supervisors follows as **Attachment D**. The Board adopts the budget through this Resolution. The Resolution also allows the County Executive Officer, under limited circumstances, to approve changes to appropriations for previously approved equipment purchases and includes other approvals and authorizations.

## Salary Resolution

In conjunction with the budget, the FY 2026-27 salary resolution is also before the Board for consideration and adoption. **Attachment E** lists all positions requested for authorization by the Board, including those already authorized as well as any changes included in the recommended budget. In addition, the Board's approval of the salary resolution will include approval of any amendments made during Hearings. **Attachment F** details the position changes approved by the CEO during FY 2025-26 under the authority granted through Resolution 99-486. This resolution delegates authority to the CEO to administratively approve position changes throughout the year when the changes do not result in a change to a department's budget or a net change in a department's allocated positions. The total number of positions changed in this manner cannot exceed 10% of the total authorized positions within a department for a fiscal year. The resolution also requires that the Board annually review and approve such administrative changes.

**Fiscal Impacts:**

Approval of these recommendations adopts the FY 2026-27 Recommended Budget with any modifications determined by the Board and authorizes the County Executive Officer and/or the County Auditor-Controller to take any necessary related fiscal actions.

The FY 2026-27 Recommended Budget currently is \$1.66 billion, and any Board direction to next year's work plans or projects could have a fiscal impact. However, there are no immediate budgetary or fiscal impacts associated with holding the Budget Workshops.

**Attachments:**

**Attachment A** - [FY 2026-27 Recommended Budget](#)

**Attachment A-1** - CEO Recommended Adjustments

**Attachment A-2** - Final Budget Adjustments

**Attachment A-3** - Department Restoration Requests, Deferred to Hearings (informational only)

**Attachment B** - Ongoing Grants

**Attachment C** - Ongoing Contracts

**Attachment D** - Budget Resolution of the Board of Supervisors

**Attachment E** - FY 2026-27 Salary Resolution

**Attachment F** - FY 2025-26 Position Changes under Resolution 99-486

**Attachment G** - Remaining Balancing Measures in the Recommended Budget (informational only)

**Contact Information:**

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