

## Attachment A

### COUNTY OF SOLANO COUNTY ADMINISTRATOR'S OFFICE MIDYEAR FINANCIAL REPORT FY2025/26

#### **FINANCIAL POSITION OF COUNTY DEPARTMENTS**

Attached to the FY2025/26 Midyear Financial Report are four (4) tables that compare the FY2025/26 Working Budget to the FY2025/26 Midyear projected expenses and revenues. These tables include:

- County General Fund (Attachment B)
- Other Funds (Attachment C)
- Enterprise & Internal Service Funds and Special Districts (Attachment D)
- FY2025/26 General Fund year-end Fund Balance Projection (Attachment E)

County department heads with their management and fiscal teams have prepared the projections and variance explanations. The Midyear Financial Report includes department requests for changes to the FY2025/26 Working Budget.

The following are summaries of departmental budget projection variances for FY2025/26. Only budgets that contain significant variances when compared to the FY2025/26 Working Budget or require Board action are discussed in the Midyear Financial Report.

#### **GENERAL GOVERNMENT**

##### **Board of Supervisors – District 5 – Fund 001, BU 1005**

The Midyear projection reflects a decrease in Net County Cost of \$224,000 when compared to the Working Budget primarily due to reduced Salaries and Employee Benefits resulting from a vacant position.

##### **Board of Supervisors Administration – Fund 001, BU 1008**

The Midyear projection reflects a decrease in Net County Cost of \$64,000 when compared to the Working Budget primarily due to lower anticipated contract services for outside legal counsel.

##### **County Administration – Fund 001, BU 1100**

The Midyear projection reflects a decrease of \$215,000 in revenues and a decrease of \$905,000 in expenditures when compared to the Working Budget, resulting in a net decrease of \$690,000 in Net County Cost.

The projected decrease in revenues is due to a reduction in billing for ARPA related staff time and reduced reimbursement revenue related to the timing in filling positions in for the Community Action Partnership Solano Joint Powers Authority (CAP Solano JPA) division of the County Administrator's Office. This revenue is received by the CAP Solano JPA revenue is received to reimburse the County for actual staffing costs in accordance with the staffing

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Memorandum of Understanding between the County and CAP Solano JPA and a reduction in billing for ARPA-related staff time based on actual time spent.

Significant factors contributing to the projected decrease in expenditures include:

- \$859,000 net decrease in Salaries and Employee Benefits which reflects a decrease of \$1,098,000 due to the timing of filling vacant positions, offset by a \$239,000 increase in accrued leave payout expenses for employee retirements and separations.
- \$46,000 decrease in Services and Supplies due to lower cell phone allowance, computer, travel and training, utilities, and assessment appeal hearing costs.

### **General Revenues – Fund 001, BU 1101**

The Midyear projection reflects an increase of \$14.6 million in revenues when compared to Working Budget.

The projected increase in revenues is primarily due to the following:

- \$9.5 million increase in Property Tax revenues due to increases in secured, prior unsecured, property tax in-lieu of vehicle license fees (VLF), unitary tax collections, ABX1 26 residual and passthrough taxes resulting from increases in assessed values. \$5 million of this revenue is a one-time increase associated with completion of the backlog processing resulting from the County's transition to a new property tax system.
- \$4.1 million increase in Other Funding Sources to transfer in one-time reimbursement funds to the General Fund for eligible project and related costs previously incurred in connection with a completed bridge construction project from the Liability Fund.
- \$846,000 increase in Intergovernmental revenues primarily due to increases in SB 90 claim reimbursements, motor vehicle in-lieu tax revenue, and AB 199 civil assessment revenue.
- \$75,000 increase for PG&E franchise fees.

### **Employee Development & Training – Fund 001, BU 1103**

The Midyear projection reflects a decrease of \$4,000 in revenues and a decrease of \$70,000 in expenditures when compared to the Working Budget, resulting in a decrease of \$66,000 in Net County Cost.

The projected decrease in revenue is due to a small decrease in partner agencies participating in County-sponsored trainings.

Significant factors contributing to the projected decrease in expenditures include:

- \$86,000 decrease in Salaries and Employee Benefits due to the timing of onboarding interns in the County-sponsored internship program.
- \$1,000 decrease in Intrafund Transfers primarily related to maintenance and labor support provided by General Services – Facilities.
- \$17,000 net increase in Services and Supplies primarily due to an increase in the County-sponsored tuition reimbursement program offset by a small decrease in computer costs.

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### **General Services – Fund 001, BU 1117**

The Midyear projection reflects a decrease of \$246,000 in revenues and a decrease of \$1,171,000 in expenditures when compared to the Working Budget, resulting in a decrease of \$925,000 in Net County Cost.

Significant factors contributing to the projected net decrease in revenues include:

- \$473,000 decrease in Charges for Services for project management and facilities/materials to reflect updated project estimates, timing of maintenance requests, and resource constraints.
- \$135,000 increase in Intergovernmental Revenues which reflects a reconciliation of the Court's share of prior year costs of utility, water, garbage, and operations/maintenance costs, reimbursed by the Judicial Council of California.
- \$84,000 increase in Miscellaneous Revenues related to utility reimbursements from AT&T and postage charges to outside agencies.

Significant factors contributing to the projected net decrease in expenditures include:

- \$659,000 net decrease in Salaries and Employee Benefits which reflects a decrease of \$850,000 due to the timing of filling vacant positions, offset by a \$191,000 increase in accrued leave payout expenses for employee retirements and separations.
- \$572,000 net decrease in Services and Supplies due to the following:
  - ♦ \$524,000 net decrease in building maintenance costs primarily due to the cogeneration storm pump replacement project being funded by Accumulated Capital Outlay (BU 1700), partially offset by increases related to other budgeted small projects.
  - ♦ \$160,000 decrease in purchases for resale primarily related to fewer small project completions.
  - ♦ \$156,000 decrease primarily related to lower equipment and equipment maintenance, fuel, computer, travel and training, and cell phone costs.
  - ♦ \$151,000 net increase in other professional services primarily due to an increase in contracted project management services costs, contracts that carried over from the prior-year, and an unanticipated, urgent replacement of the building management system (HVAC) at 355 & 365 Tuolumne Street in Vallejo.
  - ♦ \$117,000 increase to support facility needs at the Vallejo Fairgrounds, partially offset by fewer anticipated small projects.
- \$64,000 net increase in Intrafund Transfers primarily related to an increase in maintenance materials and labor charges offset by decreases in small projects and postage charges to other General Fund departments.

#### ***For recommended action:***

Extend 1.0 FTE Limited-Term Inventory Clerk through June 30, 2027 to address increased surplus warehouse responsibilities identified in a recent audit, support of asset disposal, backlog reduction, fixed asset reconciliation, and annual inventory compliance; position funded by the County General Fund.

ATR recognizing \$62,804 in Interfund Services revenue, offset by decreases in Other Charges for Services and Other Revenue and an increase in Purchases for Resale. (4/5 vote required)

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### **Auditor Controller – Fund 001, BU 1200**

The Midyear projection reflects an increase of \$260,000 in revenues and a decrease of \$200,000 in expenditures when compared to the Working Budget, resulting in a decrease of \$460,000 in Net County Cost.

The projected increase in revenues is primarily due to an increase in special assessment fees due to higher special assessment values, and an increase in auditing and accounting fees due to billing for time spent on audit services for other County departments and for Metropolitan Transportation Commission and Measure L administration.

Significant factors contributing to the projected decrease in expenditures include:

- \$210,000 decrease in Salaries and Employee Benefits due to the timing of filling vacancies.
- \$16,000 increase in Services and Supplies primarily due to the use of a subject matter expert for an Internal Audit.
- \$5,000 decrease in Intrafund Transfers based on staff time spent conducting treasury reviews.

#### ***For recommended action:***

Convert 1.0 FTE Limited-Term Accountant-Auditor III to a permanent position in the Financial Reporting and Training Bureau to address ongoing workload including the Countywide Cost Allocation Plan, PC4750 claims, SB90 claims, Metropolitan Transportation Commission administration, Measure L administration, and to partially support the Property Tax Unit to address ongoing workload associated with the implementation of the County's new County Assessment and Taxation System (CATS). This position is funded 25% by Property Tax administration fees, and 75% by cost plan administration fees and charges to Special Districts for accounting services to perform agreed upon procedures.

### **Tax Collector/County Clerk – Fund 001, BU 1300**

The Midyear projection reflects an increase of \$24,000 in revenues and a decrease of \$149,000 in expenditures when compared to the Working Budget, resulting in a decrease of \$173,000 in Net County Cost.

The projected increase in revenues is primarily due to an increase in Assessment and Tax Collection fees slightly offset by a reduction in Clerk's Fees related to a lower number of transactions.

Significant factors contributing to the projected net decrease in expenditures include:

- \$143,000 decrease in Salaries and Employee Benefits due to the timing of filling vacancies.
- \$14,000 decrease in Services and Supplies primarily due to a decrease in contracted services costs due to the department not holding a public auction.
- \$2,000 decrease in Interfund Services Used due to the department not needing Sheriff services to hold a public auction.
- \$7,000 increase in Intrafund Transfers primarily due to an increase in auditing and accounting charges for a redemption audit.

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### **County Counsel – Fund 001, BU 1400**

The Midyear projection reflects a decrease of \$5,000 in revenues and an increase of \$163,000 in expenditures when compared to the Working Budget, resulting in an increase of \$168,000 in Net County Cost.

The projected decrease in revenue is primarily due to reduced legal services provided to the Solano Consolidated Oversight Board and Redevelopment Board.

The projected increase in expenditures is primarily related to an increase in Salaries and Employee Benefits due to \$300,000 increase in accrued leave payout expenses resulting from employee retirements and separations, partially offset by a \$137,000 decrease due to the timing of filling vacancies.

#### ***For recommended action:***

Add 1.0 FTE Chief Deputy County Counsel (TBD) to provide supervisory support within the Office of County Counsel.

Delete 1.0 FTE Deputy County Counsel V. This position will be deleted upon vacancy.

### **Water Resources and Delta Water Activities – Fund 001, BU 1450**

The Midyear projection reflects a decrease of \$300,000 in revenues and a decrease of \$418,000 in expenditures when compared to the Working Budget, resulting in a decrease of \$118,000 in Net County Cost.

The projected decrease in revenue is primarily due to a decrease in State revenues resulting from the Department of Water Resources' funding reduction for Cache Slough Habitat Conservation Plan work, which was impacted by the federal government shutdown.

Significant factors contributing to the projected net decrease in expenditures include:

- \$327,000 decrease in Services and Supplies primarily due to a reduction in Conservation Plan work resulting from the federal government shutdown, and a reduction in permit costs.
- \$72,000 decrease in Salaries and Employee Benefits due to the timing and filling of vacancies.
- \$19,000 decrease in Intrafund Transfers for Environmental Health staff time spent on the Bayshore Resiliency project as this is now conducted by staff in Water Resources and Delta Water Activities.

### **Human Resources – Fund 001, BU 1500**

The Midyear projection reflects an increase of \$1,000 in revenues and a decrease of \$401,000 in expenditures when compared to the Working Budget, resulting in a decrease of \$402,000 in Net County Cost.

The projected increase in revenue is primarily due to an increase in charges to the Risk Management Fund for administrative oversight of the County's workers' compensation program.

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Significant factors contributing to the projected decrease in expenditures include:

- \$365,000 net decrease in Salaries and Employee Benefits due to the timing of filling vacancies.
- \$35,000 net decrease in Services and Supplies is primarily related to projected savings in professional services due to fewer Equal Employment Opportunity investigations needed.
- \$2,000 decrease in Intrafund Transfers primarily related to maintenance and labor support provided by General Services - Facilities.

### **Registrar of Voters – Fund 001, BU 1550**

The Midyear projection reflects an increase of \$2,618,000 in revenues and an increase of \$2,555,000 in expenditures when compared to the Working Budget, resulting in a decrease of \$63,000 in Net County Cost.

The projected increase in revenues is due to reimbursement from the State for the November 2025 special election.

The projected increase in expenditures is related to a variety of election-related expenses for the November 2025 special election, primarily in the areas of extra help, election supplies, and election related contracts.

#### ***For recommended action:***

ATR recognizing \$2,560,400 in State Revenue to cover extra help and election supplies costs. (4/5 vote required)

### **Property Management – Fund 001, BU 1640**

The Midyear projection reflects an increase of \$16,000 in revenues and a decrease of \$91,000 in expenditures when compared to the Working Budget, resulting in a decrease of \$107,000 in Net County Cost.

The projected increase in revenues is primarily due to improved lease occupancy and for real estate services provided to non-General Fund departments.

Significant factors contributing to the projected net decrease in expenditures include:

- \$90,000 decrease in Fixed Assets due to the postponement of a project.
- \$24,000 decrease in Intrafund Transfers primarily due to reduced maintenance and labor support provided by General Services – Facilities.
- \$7,000 increase in Salaries and Benefits primarily due to proposed increases related to labor negotiations and overtime.
- \$20,000 increase in Services and Supplies primarily driven by unanticipated building maintenance.

#### ***For recommended action:***

ATR transferring \$30,257 from Fixed Assets to fund Salary and Employee Benefits and building maintenance and improvements costs.

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### **General Expenditures – Fund 001, BU 1903**

The Midyear projection reflects no change in revenue and an increase of \$1.6 million in expenditures when compared to the Working Budget.

The General Expenditures budget is used to track General Fund Contributions to other department operating budgets in separate budget funds, including those in Public Safety Fund 900, the Health and Social Services Fund 902, the Library Fund 004, and Parks and Recreation Fund 016, as well as budgeting for Board approved contributions to non-County agencies and non-profit community-based organizations. The General Expenditure budget also reflects revenues collected through the Solano County Court which in turn are used to pay the Court Maintenance of Effort (MOE) to the State of California for the local court.

Projected net increase in expenditures are primarily due to projected operational savings in the District Attorney, Public Defender, Probation, Sheriff, and Other Public Defense budgets offset by an increase to the Accumulated Capital Outlay account. In addition, there is a projected reduction in General Expenditures from a reduced need for accrued leave payoff funds to address unanticipated retirements since most departments have been able to absorb these unanticipated costs within their existing appropriations. As these costs are incurred, General Fund departments or departments that receive a General Fund contribution will work with the County Administrator's Office to determine the appropriate level of funding to transfer from the accrued leave payoff funds.

The Midyear Projection includes an increased transfer to Accumulated Capital Outlay of \$5.9 million to address increased costs and newly budgeted capital projects for FY2025/26. This increased transfer will be funded by a draw from the Capital Renewal Reserve. Additionally, a transfer from the General Fund in the amount of \$4.1 million (from a one-time General Fund reimbursement, which can be found in General Revenues) is being used to offset increased costs related to the Downtown Justice Campus Improvements - Phase 1 project. For further details see Accumulated Capital Outlay Fund 006 - BU 1700.

#### ***For recommended action:***

ATR increasing Operating Transfers-Out by \$5,118,793 in General Expenditures to fund an increase in General Fund County Contribution in the Accumulated Capital Outlay Fund to fund multiple capital projects, funded by a draw from the Capital Renewal Reserve. (4/5 vote required)

### **Surveyor/Engineer – Fund 001, BU 1904**

The Midyear projection reflects no change in revenues and an increase of \$25,000 in expenditures when compared to the Working Budget, resulting in an increase of \$25,000 in Net County Cost.

The projected increase in expenditures primarily reflects an increase in Interfund Services Used for staff time spent on public map checks and development reviews.

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### ***For recommended action:***

ATR increasing appropriations by \$25,000 for Interfund Services Used for staff time spent on public map checks and development reviews, funded by estimated General Fund balance at the end of the fiscal year. (4/5 vote required)

### **Agricultural Commission/Weights and Measures – Fund 001, BU 2830**

The Midyear projection reflects an increase of \$13,000 in revenues and a decrease of \$390,000 in expenditures when compared to the Working Budget, resulting in a decrease of \$403,000 in Net County Cost.

Significant factors contributing to the projected net increase in revenues include:

- \$25,000 increase in Charges for Services due to projected increase field inspection fees.
- \$13,000 increase in Fines, Forfeitures and Penalties due primarily to fine issuances for pesticide use enforcement.
- \$2,000 increase in Licenses and Permits due to anticipated increases in weights and measures device registrations and late fees.
- \$27,000 net decrease in Intergovernmental Revenues primarily due to the following:
  - ♦ \$42,000 increase related to reimbursements for pesticide use safety trainings from the Department of Pesticide Regulation.
  - ♦ \$24,000 increase in Pesticide Mill Assessment revenue.
  - ♦ \$49,000 decrease in State Sudden Oak Death, High-Risk Pest Exclusion and Pest Detection Trapping cooperative agreement revenues from CDFA.
  - ♦ \$25,000 decrease in reimbursable grant revenue in the current fiscal year related to the Sustainable Ag Lands Conservation (SALC) project.

Significant factors contributing to the projected decrease in expenditures include:

- \$180,000 decrease in Salaries and Employee Benefits due to the timing of filling vacancies and lower seasonal extra help staffing and overtime costs.
- \$141,000 net decrease in Services and Supplies due to the following:
  - ♦ \$25,000 decrease in contracted services costs related to the SALC project.
  - ♦ \$111,000 decrease in cell phone, fuel, and County garage service costs related to the expected delayed start of extra help positions for detection trapping surveys.
  - ♦ \$5,000 decrease primarily related to lower equipment maintenance, uniform allowance, and travel and training costs.

### ***For recommended action:***

Extend 1.0 FTE Limited-Term Agricultural Biologist/Weights & Measures Inspector (Sr.) through September 30, 2026. This position is funded with California Department of Agriculture (CDFA) revenues allocated for the glassy-winged sharpshooter eradication effort.

### **Recorder – Fund 001, BU 2909**

The Midyear projection reflects an increase of \$162,000 in revenues and an increase of \$24,000 in expenditures when compared to the Working Budget, resulting in a decrease of \$138,000 in Net County Cost.

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Significant factors contributing to the projected increase in revenues include:

- \$100,000 increase in Other Financing Sources due to an increased Operating Transfer from the Modernization Special Revenue Fund.
- \$49,000 increase Charges for Services due to an increased demand for vital records.
- \$13,000 increase in reimbursable costs from Vital Records Improvement Program (VRIP).

Significant factors contributing to the projected increase in expenditures include:

- \$13,000 net increase in Salaries and Employee Benefits which reflects a decrease of \$87,000 due to the timing of filling vacant positions offset by an increase \$100,000 in overtime to support the completion of a record indexing project, funded by Modernization funds.
- \$11,000 net increase in supplies due to an increase in vital records supply costs, reimbursable by VRIP.

### ***For recommended action:***

ATR recognizing \$13,000 in Vital Records Improvement Program revenue to fund an increase in vital records supply costs. (4/5 vote required)

ATR recognizing \$100,000 Operating Transfers-In from the Modernization Special revenue fund to fund overtime to complete a record indexing project. (4/5 vote required)

### **Resource Management – Fund 001, BU 2910**

The Midyear projection reflects an increase of \$320,000 in revenues and an increase of \$40,000 in expenditures when compared to Working Budget, resulting in a decrease of \$280,000 in Net County Cost.

Significant factors contributing to the projected net increase in revenues include:

- \$215,000 net increase in Licenses and Permits and Miscellaneous revenue primarily due to:
  - ♦ \$547,000 increase in revenues from building, septic, and housing permits primarily due construction volume from housing and commercial projects including large construction projects, such as the County Asset Protection project.
  - ♦ \$29,000 net increase to garbage franchise revenue due to garbage lien processing fees and rate increases.
  - ♦ \$33,000 increase in zoning permit revenue driven by an increase in development projects.
  - ♦ \$171,000 decrease in food permit revenue due to fewer events and vendors applications.
  - ♦ \$136,000 decrease in hazardous materials permit revenue due to fee reductions, decline in boring and well permit activity, and a reduction in active regulated sites.
  - ♦ \$95,000 decrease in solid waste permits due to a projected decrease in landfill tonnage.
- \$205,000 increase in Intergovernmental Revenues due to implementation of SB1383 Edible Food Recovery program, MCE funding initiatives, and an increase in BayREN program revenue.
- \$121,000 net decrease in Charges for Services primarily due to:
  - ♦ \$223,000 net decrease in Other Professional Services revenue as a result of a reduced draw from the Integrated Waste Fund for staffing due to the elimination of a position

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previously filled by an extra help position and less utilization of other staff, partially offset by increased reimbursements from applicants for mitigation monitoring, environmental impact assessments, and other project-related consultant services.

- ♦ \$65,000 increase in revenue from water well permits.
- ♦ \$63,000 increase in revenue from certificates of compliance, lot line adjustments, subdivision map reviews.
- ♦ \$19,000 decrease in Interfund Professional Services due to reduced administrative reimbursable costs.

Significant factors contributing to the projected net increase in expenditures are:

- \$115,000 net increase in Services and Supplies primarily due to:
  - ♦ \$94,000 increase in professional services costs primarily due to new consultant contracts for Mare Island Environmental Impact Review, Potrero Hills Quarry Reclamation Plan Amendment, and Pleasants Valley Overlay.
  - ♦ \$17,000 increase in advertising and marketing resulting from increased grant funded BayREN activities and the garbage program.
- \$30,000 increase in Intrafund Transfers primarily due to:
  - ♦ \$19,000 increase related to increased staff time spent on the Bayshore Resiliency project, SB1383 food recovery program, lead-paint activities, and garbage liens.
  - ♦ \$11,000 increase related to maintenance and labor support provided by General Services – Facilities for an ongoing project and for postage to support a Prop. 218 notification mailing for proposed adjusted garbage rates.
- \$101,000 net decrease in Salaries and Employee Benefits which reflects a decrease of \$246,000 due to the timing of filling vacant positions, offset by an increase of \$145,000 in accrued leave payout expenses for employee retirements and separations.

### ***For recommended action:***

ATR recognizing \$50,000 in Land Division Fee revenue and \$75,000 in Building Permit revenue to fund \$125,000 in Other Professional Services consulting contracts. (4/5 vote required)

### **Veteran Services – Fund 001, BU 5800**

The Midyear projection reflects a decrease of \$33,000 in revenues and a decrease of \$207,000 in expenditures when compared to the Working Budget, resulting in a decrease of \$174,000 in Net County Cost.

The projected decrease in revenues is due to a reduction in subvention funding from the State Department of Veterans Affairs resulting from a reduction in claims processed by the department.

The projected net decrease in expenditures is primarily due to savings in Salaries and Employee Benefits due to the timing of filling vacant positions and employees waiving the County paid health insurance.

### ***For recommended action:***

Add 1.0 FTE Veterans Benefit Supervisor (TBD) to provide leadership, staff training, quality assurance, and oversight of veterans' benefits claims to ensure compliance with federal and State regulations. Establishing a dedicated supervisor will improve workload management,

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coordination with partner agencies, and overall program efficiency while maintaining effective services for veterans and their families. This position will be funded by the deletion of the Veterans Benefit Counselor and the General Fund.

Delete 1.0 FTE vacant Veterans Benefit Counselor.

### **Recorder Special Revenue Fund – Fund 215, BU 4000**

The Midyear projection reflects a decrease of \$10,000 in revenues and an increase of \$52,000 in expenditures when compared to the Working Budget, resulting in a \$62,000 decrease to Fund Balance.

This special revenue fund is used to account for fees collected and expenses incurred by the Recorder’s Office.

The projected decrease in revenue is largely due to a decrease in interest income due to interest rates trending lower than anticipated.

The projected net increase in expenditures is primarily due to an increase in Operating Transfers-Out to the Recorder’s operating budget to fund overtime for the record indexing project, partially offset by decreases in Services and Supplies for microfiche/photo and computer expenses.

#### ***For recommended action:***

ATR increasing Operating Transfers-Out by \$100,000 to fund overtime to complete a record indexing project in the Recorder operating budget, offset by a use of contingencies. (4/5 vote required)

### **American Rescue Plan Act – Fund 290, BU 2960**

The Midyear projection reflects a decrease of \$6,212,000 in revenues and a decrease of \$6,240,000 in expenditures when compared to the Working Budget, resulting in a \$28,000 increase to Fund Balance.

The Auditor-Controller has been delegated authority by the Board to carry forward any unexpended funds into subsequent years to facilitate the accounting and management of Board-approved ARPA projects. These projected decreases reflect updated estimates of current-year revenues and expenditures within the County’s multiyear ARPA spending plan.

Several projects and one project contract were completed slightly under budget providing funds available for reallocation to other ARPA projects that were obligated by December 31, 2024.

<b>Project</b>	<b>Project Amount</b>	<b>Spent at Completion</b>	<b>Available for Reallocation</b>
Grants to Nonprofits to Deliver Re-employment & Job Training Services	1,600,000	1,579,454	20,546
Technical Assistance Contractor and Grants for Non-Profits to Improve Business Infrastructure & Technology	500,000	499,585	415

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Cache Slough Pumping Plant Reoperations Feasibility Study	250,000	241,703	8,297
Lakes Water System Aux Supply Feasibility Study	250,000	198,457	51,543
State Small Water System - Muni Water Connection, Vacaville	301,500	291,050	10,450
Broadband Digital Equity (Note: project is not complete; based on completion of one contract not fully spent)	1,800,000	1,790,658	4,283
<b>Available for Reallocation Based on Completed Contracts</b>			<b>\$95,534</b>

In addition to the above completed projects and contract, there are changes in the following ARPA projects, resulting in additional funds available for reallocation:

- Vallejo Job Center Improvements-Technology upgrades and COVID floor design project is complete and utilized approximately \$104,000 of the \$150,000 allocated to the project. The Workforce Development Board would like to use the remaining funds to make similar improvements to its Fairfield Job Center. The inclusion of the Fairfield Job Center is in keeping with the original intent of the project and will allow the Workforce Development Board to fully expend the funds allocated toward the project.
- Following further review of the Housing Counseling project and applicable ARPA guidelines, it is recommended that the \$71,889 previously expended be reallocated from the ARPA Negative Impacts category to ARPA interest earnings. This adjustment ensures alignment with program requirements and preserves the full \$250,000 project allocation for reallocation.
- Administrative costs have been updated to reflect actual and projected expenditures. Of the \$2,250,000 currently allocated, an estimated \$1,539,636 will be spent by the December 31, 2026 expenditure deadline, leaving a balance of \$710,366 available for reallocation. Any administrative costs incurred after the expenditure deadline will be covered by ARPA interest.

A total of \$1,055,900 is currently available for, excluding the request from Workforce Development to utilize \$46,000 for their Fairfield Job Center. Given the requirement that funds may only be reallocated to projects with obligations incurred prior to December 31, 2024, it is recommended that these funds be directed to the Radio Interoperability project, as it is the only project that meets this criterion.

### ***For recommended action:***

Reallocate \$1,055,900 from various projects as described above to the Radio Interoperability project.

Modify Vallejo Job Center Improvements - Technology upgrades and COVID floor design to allow similar improvements to the Fairfield Job Center.

Allocate \$71,889 in ARPA interest to cover expenditures from Housing Counseling.

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### **2013 Certificates of Participation (COP) Animal Care Project – Fund 336, BU 8036**

The Midyear projection reflects an increase of \$1,000 in revenues and an increase \$100 in expenditures when compared to the Working Budget, resulting in a \$900 increase to Fund Balance.

The projected increase in revenues is primarily due to interest revenues due to a positive cash balance in the fund for most of the fiscal year.

The projected increase in expenditures is primarily due to increased bank fees.

#### ***For recommended action:***

ATR recognizing \$1,000 in interest income to fund accounting and financial service fees. (4/5 vote required)

## **PUBLIC PROTECTION**

### **Public Safety – Fund 900**

The Public Safety Fund, Fund 900, includes the budgets for the departments of the Sheriff, District Attorney, Public Defender, Alternate Defender, Probation and Other Public Defense. Fund 900 has a FY2025/26 Working Budget of \$308,317,784. The Midyear projection reflects a net decrease of \$9.8 million in revenues and expenditures and a \$7.1 million decrease in Net County Cost to the General Fund. Fund 900 is funded by a combination of General Fund revenue for operational costs and various public safety related Intergovernmental revenues (federal/State funding). At \$172.9 million, General Fund support represents 58% of Fund 900's total offsetting revenues, while Intergovernmental revenues represent 33.7%.

### **Proposition 172**

Intergovernmental revenues include State funding for Public Safety Services Proposition 172 (Prop. 172), which is projected at \$51.6 million and accounts for 51.3% of Intergovernmental revenues. Prop. 172 is generated by a statewide sales tax and a statewide distribution formula. The projection for Prop. 172 sales tax collection is currently trending approximately 3% above the FY2025/26 Working Budget by \$1.3 million. Staff is working with HdL, the County's Sales Tax consultant, to monitor the statewide trend in Prop. 172 funding and anticipate bringing additional information to the Board at FY2026/27 budget hearings, as appropriate.

### **AB 109**

Intergovernmental revenues from AB 109 (Community Corrections Funding) is an allocation of statewide Vehicle License Fees (VLF) and a portion of the State sales tax. The State allocation methodology for AB 109 funding to counties consists of a base allocation and an allocation of growth in the State source committed to AB 109. Growth funds for Community Corrections are allocated based on performance measures related to reducing incarceration rates and Probation success in changing probationer re-offense rates.

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The FY2025/26 Working Budget included \$30.9 million of AB 109 revenues and expenditures across several departments. The Working Budget revenue represents a combination of the FY2025/26 AB 109 allocation from the State and one-time prior year carry forward funds.

The Midyear projection from departments for AB 109 expenditures reflects a decrease of \$295,000 when compared to the Working Budget. The decrease in expenditures is primarily due to savings in Salaries & Employee Benefits resulting from the timing in filling vacancies. Revenues are projected to decrease by reduced draws driven by lower expenditures.

Details regarding each Public Safety department's expenditures and revenues are described in the departmental write-ups that follow.

### **District Attorney – Fund 900, BU 6500**

The Midyear projection reflects a decrease of \$618,000 in revenues and expenditures when compared to the Working Budget, which includes a decrease of \$587,000 in the County General Fund contribution.

Significant factors contributing to the projected net decrease in revenues include:

- \$587,000 decrease in the County General Fund contribution.
- \$290,000 decrease in Charges for Services primarily due to a projected decrease in real estate fraud fees based on reduced real estate activity and fewer documents submitted for processing.
- \$200,000 decrease in intergovernmental revenue based on a reduction in the number of reimbursable cases at the State prison.
- \$55,000 decrease in 2011 Public Safety Realignment due to the timing and filling of vacancies.
- \$347,000 increase in State Grant revenues primarily related to increases in Office of Traffic Safety (OTS) DUI Vertical Prosecution, Cal OES Underserved/Unserved Victim Services, Auto Insurance Fraud, and Workers' Compensation Fraud grant revenues.
- \$157,000 increase in Prop. 172 State sales tax revenue based on current estimates provided by HdL, the County's Sales Tax consultant.

Significant factors contributing to the projected net decrease in expenditures include:

- \$503,000 net decrease in Salaries and Employee Benefits which reflects \$649,000 in savings due to the timing of filling vacancies, offset by a \$146,000 increase in accrued leave payout expenses resulting from employee retirements and separations.
- \$60,000 decrease in Fixed Assets due to a change in the timing of the implementation of the eProsecutor Software Project.
- \$52,000 net decrease in Services and Supplies primarily due to a decrease in fuel costs, copier leases, and computer costs offset by increases in software subscriptions related to the implementation of the eProsecutor Software Project.

### ***For recommended action:***

Extend 1.0 FTE Limited-Term Deputy District Attorney IV through June 30, 2027, in the Consumer Protection Unit. This position is funded with civil penalties revenue.

## **Attachment A**

Extend 1.0 FTE Limited-Term Deputy District Attorney IV through June 30, 2027. This position is assigned to the vehicle theft program and funded with motor vehicle license fee revenue.

Extend 2.0 FTE Limited-Term Deputy District Attorney IV positions through September 30, 2027. These positions are assigned to the driving under the influence (DUI) Vertical Prosecution Unit and offset by federally funded Office of Traffic Safety DUI Prosecution reoccurring State grant funds for the prosecution of DUI cases.

Extend 1.0 FTE Limited-Term Legal Secretary through June 30, 2027. This position is assigned to AB 3121 mandated juvenile prosecution and funded with State 1991 Realignment revenue.

Extend 1.0 FTE Limited-Term District Attorney Investigator, assigned to the General Criminal Unit, through June 30, 2027. This position is funded with Prop. 172 revenue.

Add 1.0 FTE District Attorney Investigator position to maintain operational continuity and workload capacity as reliance on extra help is phased out, this position will be funded with Prop. 171 and General Fund.

### **Public Defender – Fund 900, BU 6530**

The Midyear projection reflects a decrease of \$733,000 in revenues and expenditures when compared to the Working Budget, which includes a decrease of \$681,000 in the County General Fund contribution.

Significant factors contributing to the projected net decrease in revenues include:

- \$681,000 decrease in the County General Fund contribution.
- \$54,000 net decrease in Intergovernmental Revenues due to:
  - ♦ \$88,000 decrease in State Realignment (AB 109) revenue due to the timing of filling vacancies.
  - ♦ \$34,000 increase in Board of State and Community Corrections Public Defense Pilot Program (BSCC PDPP) grant reimbursements based on increased allowable grant expenditures.

Significant factors contributing to the projected net decrease in expenditures include:

- \$660,000 net decrease in Salaries and Employee Benefits which reflects \$810,000 in savings due to the timing of filling vacancies, offset by a \$160,000 increase in accrued leave payout expenses resulting from employee retirements and separations.
- \$68,000 decrease in Services and Supplies primarily due to decreases in psychological services and other consulting services associated with client defense.
- \$5,000 decreases primarily related to maintenance provided by General Services - Facilities.

### ***For recommended action:***

Extend 1.0 FTE Limited-Term Deputy Public Defender IV through June 30, 2027, to address continuing increases in caseloads. This position is primarily funded with County General Fund.

Extend 1.0 FTE Limited-Term Process Server through June 30, 2027, to address the continuing increase in caseloads. This position is primarily funded with County General Fund.

## Attachment A

Extend 1.0 FTE Limited-Term Deputy Public Defender IV through September 30, 2026. This position is funded and reimbursed by the Board of State and Community Corrections Public Defense Pilot Program (BSCC PDPP) grant.

### **Alternate Public Defender – Fund 900, BU 6540**

The Midyear projection reflects a decrease of \$323,000 in revenues and expenditures when compared to the Working Budget, which includes a decrease of \$284,000 in the County General Fund contribution.

Significant factors contributing to the projected decrease in revenues include:

- \$284,000 decrease in the County General Fund contribution.
- \$39,000 decrease in Intergovernmental Revenues primarily due to a decrease in Board of State and Community Corrections Public Defense Pilot Program (BSCC PDPP) grant reimbursements primarily due to the timing of filling vacancies to support the program.

Significant factors contributing to the projected net decrease in expenditures include:

- \$335,000 net decrease in Salaries and Employee Benefits which reflects \$355,000 in savings due to the timing of filling vacancies, offset by a \$20,000 increase in accrued leave payout expenses resulting from employee retirements and separations.
- \$14,000 increase in Services and Supplies primarily due to increases in other consulting services associated with client defense.

### ***For recommended action:***

Extend 1.0 FTE Limited-Term Office Assistant II through June 30, 2027. This position provides clerical support to the attorneys and assists with scanning current case files into the case management system as the department continues to transition to paperless files. The position is primarily funded by the County General Fund.

### **Sheriff – Fund 900, BU 6550**

The Midyear projection reflects a decrease of \$5.1 million in revenues and expenditures when compared to the Working Budget, which includes a decrease of \$3,675,000 in the County General Fund contribution.

Significant factors contributing to the projected net decrease in revenues include:

- \$3.7 million decrease in General Fund Contribution.
- \$2.6 million decrease in Charges for Services primarily due to decreases in funding received for Trial Court Security to offset Court bailiff and building security services, reduced security services charges to the Library due to vacancies, a reduction in institutional care revenues resulting from fewer than anticipated contracted inmates housed at County facilities from Shasta and Marin counties, and a decrease in law enforcement services due to a decrease in anticipated revenue from the City of Vallejo through June 30, 2026.
- \$38,000 decrease in Operating Transfers-In primarily from the Department of Health and Social Services use of Mental Health Services Act funds related to a decrease in costs for contracted mental health case management and reentry services.

## Attachment A

- \$1.1 million increase in Intergovernmental Revenues primarily due to an increase in Prop. 172 State sales tax revenue based on current estimates provided by HdL, the County's Sales Tax consultant and federal SCAAP revenues.
- \$80,000 increase in miscellaneous revenues primarily due to an increase in donation revenue from the Bay Area Urban Area Security Initiative Group.

Significant factors contributing to the projected net decrease in expenditures include:

- \$4.6 million net decrease in Salaries and Employee Benefits which reflects \$5.8 million in savings due the timing of filling vacancies, \$1.2 million increase in accrued leave payout expenses resulting from employee retirements and separations.
- \$357,000 net decrease in Services and Supplies primarily due to the following changes:
  - ♦ \$358,000 decrease in Central Data Processing charges from DoIT due to vacancies on the Law and Justice team.
  - ♦ \$145,000 decrease in Software Maintenance costs due to a reduction in annual costs for jail security electronics.
  - ♦ \$108,000 increase in County Fleet charges due to increased miles traveled and unanticipated vehicle repairs.
  - ♦ \$107,000 increase in equipment costs due to replacement of 23 ID fingerprint devices and three ballistic shields, and eight AEDs for services in the City of Vallejo, funded by a reimbursement from the City of Vallejo.
- \$150,000 net decrease in Other Charges for Services primarily due to the following:
  - ♦ \$222,000 decrease in contracted inmate mental health case management and reentry services.
  - ♦ \$105,000 decrease in Countywide Admin Overhead due to rebudgeting of costs for contracted services in the City of Vallejo.
  - ♦ \$119,000 increase in Long-Term Equipment Rentals due to outfitting staff and vehicles for contracted services in the City of Vallejo, fully funded by reimbursement from the City of Vallejo.
- \$9,000 net increase in Fixed Assets primarily due to the following:
  - ♦ \$10,000 increase to purchase two tablets with ID fingerprint capability for mobile booking at medical facilities; offset with Cal-ID funds and city reimbursements.
  - ♦ \$8,000 increase for a ballistic shield, offset by reimbursement from the City of Vallejo.
  - ♦ \$6,000 increase for an industrial ice maker and bin for the Claybank Detention Facility.
  - ♦ \$15,000 decrease related to dispatch's audio logger, forensics' commercial evidence refrigerator, and investigations electronic image viewer coming in under budget.

### ***For recommended action:***

Extend 1.0 FTE Limited-term Custody Sergeant through June 30, 2027, to backfill an employee out on extended leave.

Approve additional Fixed Asset purchases of \$23,463 for:

- \$10,000 for two tablets with ID fingerprint capability, funded with CAL-ID funds.
- \$7,593 for one ballistic shield, funded by reimbursement from the City of Vallejo.
- \$5,870 for an industrial ice maker and ice bin.

ATR recognizing \$12,647 in Operating Transfers-In from the Civil Processing Fund to partially offset operational costs of the Sheriff's civil unit. (4/5 vote required)

## Attachment A

### **Probation – Fund 900, BU 6650**

The Midyear projection reflects a decrease of \$2.6 million in revenues and expenditures when compared to the Working Budget, which includes a decrease of \$1.4 in the County General Fund contribution.

Significant factors contributing to the projected net decrease in revenues include:

- \$1.4 million decrease in the County General Fund contribution.
- \$1.2 million net decrease in Intergovernmental Revenues due to the following:
  - ♦ \$1.2 million decrease in other State revenues primarily due to reductions in the court-approved Pretrial allocation, decreases in SB 678 and SB 823 revenues due to a decrease in corresponding expenditures, and a decrease in anticipated CalAIM PATH Round 4 funding primarily due to the program transitioning into its final phase, with an accelerated timeline focused on sustainability and a single year of available funding.
  - ♦ \$174,000 decrease in federal reimbursements primarily due to a decrease in juvenile program grant expenditures for multi-year programs. Grant expenditures will be allocated and drawn down in future fiscal years.
  - ♦ \$166,000 decrease in State Realignment due to the timing and filling of vacancies.
  - ♦ \$310,000 increase in Prop. 172 State sales tax revenue based on current estimates provided by HdL, the County's Sales Tax consultant.

Significant factors contributing to the projected net decrease in expenditures include:

- \$1.8 million net decrease in Salaries and Employee Benefits which reflects \$2.0 million in savings due the timing of filling vacancies, offset by a \$215,000 increase in accrued leave payout expenses resulting from employee retirements and separations.
- \$581,000 net decrease in Services and Supplies is primarily due to the following:
  - ♦ \$387,000 net decrease in contracted services primarily due to a decrease in grant expenses.
  - ♦ \$280,000 decrease Lease Expense – Building per the Auditor-Controller guidance and GASB requirements for reporting long-term leases.
  - ♦ \$86,000 net increases primarily due to increased janitorial expenses, out of state travel related to required monthly placement visits for out of state clients, and an increase for the professional service contract for educational tablets for incarcerated youth.
- \$383,000 decrease in Other Charges primarily due to the following:
  - ♦ \$243,000 increase in Lease Expense – LT Lease Bldg per the Auditor-Controller guidance and GASB requirements for reporting long-term leases.
  - ♦ \$631,000 decrease in support and care of clients, transportation, employment, and housing costs due to a coordinated effort to help clients achieve housing stability, rather than relying on extended stays in Sober Living Environments (SLEs).
- \$151,000 net increase in Fixed Assets due to the following:
  - ♦ \$101,000 increase for a prior approved fixed asset body scanner for visitors to the Juvenile Detention Facility due to installation costs and vendor increases from the original quote.
  - ♦ \$50,000 increase for a prior approved, grant funded, mobile probation van due to required upgrades and inflation costs.

## Attachment A

### ***For recommended action:***

Extend 1.0 FTE Limited-Term Deputy Probation Officer (Senior) for the Office of Traffic and Safety grant, through September 30, 2027.

Extend 1.0 FTE Limited-Term Deputy Probation Officer for the Office of Traffic and Safety grant, through September 30, 2027.

Approve additional Fixed Asset purchases of \$151,287 for:

- \$100,739 for additional costs of an approved body scanner for visitors to the Juvenile Detention Facility funded with salary savings.
- \$50,548 for additional costs for an approved mobile probation van funded with State Mobile Probation grant revenue.

ATR recognizing \$10,183 in State Grant revenue and transferring \$46,865 from State grant funded Services and Supplies to fund additional costs of a previously approved mobile probation van, and transferring costs to Construction in Progress. (4/5 vote required)

ATR transferring \$100,739 savings from Salaries and Employee Benefits to fund additional costs of an approved body scanner.

### **Other Public Defense – Fund 900, BU 6730**

The Midyear projection reflects a decrease of \$435,000 in revenues and expenditures when compared to the Working Budget, which includes a decrease of \$435,000 in the County General Fund contribution.

The projected decrease in revenues reflects a decrease of \$435,000 in the County General Fund Contribution due to delays in the timing of Other Public Defense court cases.

Significant factors contributing to the projected decrease in expenditures include:

- \$265,000 decrease in Services and Supplies primarily due to a decrease in legal services, other professional services, psychological services, and witness costs related to delays in the timing of Other Public Defense court cases.
- \$170,000 decrease in Salaries and Employee Benefits due to the timing of filling vacant positions.

## **OTHER PUBLIC PROTECTION**

### **Animal Care Services – Fund 001, BU 2850**

The Midyear projection reflects a decrease of \$219,000 in revenues and a decrease of \$518,000 in expenditures when compared to Working Budget, resulting in a decrease of \$300,000 in Net County Cost.

## **Attachment A**

Significant factors contributing to the projected net decrease in revenues include:

- \$160,000 decrease in other governmental agencies revenue related to the cities' reimbursement under the MOU for animal shelter services based on prior year expenditures.
- \$87,000 decrease in Charges for Services primarily due to a reduction in paid veterinary services.
- \$28,000 increase in revenues from adoptions and donations.

Significant factors contributing to the projected net decrease in expenditures include:

- \$567,000 decrease in Salaries and Employee Benefits due to the timing of filling vacancies.
- \$6,000 decrease in Other Charges primarily due to a decrease in Departmental Administrative Overhead costs.
- \$55,000 net increase in Services and Supplies primarily due to increases in medical and dental services and fuel and fleet costs, offset by decreases in other professional services, household expenses, and advertising and marketing expenses.

### ***For recommended action:***

Extend 1.0 FTE Limited-Term Animal Care Specialist through June 30, 2027 to support countywide shelter services, funded approximately 84% by the MOU for Animal Shelter Services with the cities and 16% by the General Fund.

### **HOME 2010 Program – Fund 105, BU 8215**

The Midyear projection reflects a decrease of \$306,000 in revenues and a decrease of \$302,000 in expenditures when compared to the Working Budget, resulting in a \$4,000 decrease to Fund Balance.

The projected decrease in revenues reflects a decrease in federal income-grant reimbursements directly corresponding to grant-related expenditures and a decrease in interest only loan repayments from a past cycle of loan borrower.

The projected decrease in expenditures is primarily related to the grant expenditures being reduced to reflect work planned within the fiscal year. The remaining grant expenditures will be rebudgeted in future years.

### **Homeacres Loan Program – Fund 120, BU 8220**

The Midyear projection reflects an increase of \$10,000 in revenues and a decrease of \$700,000 in expenditures when compared to Working Budget, resulting in a \$690,000 decrease to Fund Balance.

The projected increase in revenues reflects an increase in interest income on pooled investments due to a higher cash balance and the fund balance being depleted at a slower pace than anticipated.

The projected decrease in expenditures reflects an accounting reclassification. Loan disbursements previously budgeted under Professional Services are now recorded as a use of

## **Attachment A**

fund balance available, in accordance with Auditor-Controller guidance and GASB requirements for reporting of loans as receivables rather than expenditures.

This fund supports the Homeacres Community Home Rehabilitation and Neighborhood Safety Program as approved by the Board on October 24, 2023.

### **Housing Authority – Fund 150, BU 1510**

The Midyear projection reflects increases of \$935,000 in both revenues and expenditures when compared to the Working Budget, resulting in no change to Fund Balance.

The projected increase in revenues and expenditures is due to increased housing vouchers in use and increased rental prices in the Solano County Housing Authority's (SCHA) Section 8 program. Funding is received under an agreement with the U.S. Department of Housing and Urban Development (HUD) to administer the program.

HUD funding is obligated through February and subject to change thereafter depending on the outcome of ongoing Congressional budget negotiations. Midyear projections are based upon current levels of funding.

#### ***For recommended action:***

ATR recognizing \$935,000 in federal revenue offset by increases in Other Professional Services to reflect updated HUD disbursement projections and program costs. (4/5 vote required)

### **Sheriff - Civil Processing – Fund 241, BU 4110**

The Midyear projection reflects an increase of \$35,000 in revenues and an increase of \$13,000 in expenditures when compared to the Working Budget, resulting in a \$22,000 increase to Fund Balance.

The projected net increase in revenues is the result of additional civil and other assessments, interest income, and civil processing fees.

The projected increase in expenditures reflect an Operating Transfers-Out to the Sheriff's Operating Budget to help offset costs in the Civil Unit.

#### ***For recommended action:***

ATR recognizing \$12,647 in Civil Assessment and Civil Processing Fee revenue, offset by an Operating Transfers-Out to the Sheriff's operating budget to cover costs in the Civil Unit. (4/5 vote required)

### **Sheriff - CA Wildfire Mitigation Grants – Fund 256, BU 2532**

The Midyear projection reflects a decrease of \$93,000 in revenues and a decrease of \$205,000 in expenditures when compared to the Working Budget, resulting in a \$112,000 increase to Fund Balance.

The projected decrease in revenues is related to the decrease in multi-year, grant-related expenditures, which will be rebudgeted in future years.

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The projected net decrease in expenditures is primarily due to a rebudget of the landowner handbook to the 2025 County Coordinator grant, a rebudget of fuels reduction assistance from contracted services to County Public Works for hazardous tree removal, and a vacancy of an Extra-Help Project Manager - Wildfire Coordinator; offset by and increase to fund annual software subscription services for evacuation zones.

### **Sheriff - Emergency Management Performance Grants – Fund 256, BU 2535**

The Midyear projection reflects a decrease of \$24,000 in both revenues and expenditures when compared to the Working Budget, resulting in no change to Fund Balance.

The projected decrease in revenue and expenditures are due to the completion of the 2023 EMPG grant projects in FY2024/25.

### **Sheriff - Homeland Security Grants – Fund 256, BU 2539**

The Midyear projection reflects a decrease of \$213,000 in revenues and a decrease of \$211,000 in expenditures when compared to the Working Budget, resulting in a \$2,000 increase to Fund Balance.

The projected decrease in revenue and expenditures are due to grant funds being expended in the prior year.

### **Sheriff - CalAIM PATH-JI Grants – Fund 325, BU 3250**

The Midyear projection reflects an increase of \$146,000 in revenues and an increase of \$114,000 in expenditures when compared to the Working Budget, resulting in a \$33,000 increase to Fund Balance.

The projected increase in revenue is due to increased grant revenue related to an increase in grant-related expenditures.

The projected increase in expenditures are due to an increase in contracted service costs.

#### ***For recommended action:***

ATR recognizing \$113,610 in State grant revenue offset by grant-related appropriations. (4/5 vote required)

### **Sheriff - Officer Wellness Grant – Fund 325, BU 3254**

The Midyear projection reflects a decrease of \$35,000 in revenue and a decrease of \$34,000 in expenditures when compared to the Working Budget, resulting in a \$1,000 decrease to Fund Balance.

The projected decrease in revenue and expenditures are due to the expiration of the Officer Wellness Grant on December 1, 2025.

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### **Sheriff - Automated Fingerprint Identification Fund – Fund 326, BU 4050**

The Midyear projection reflects an increase of \$29,000 in revenue and a decrease of \$18,000 in expenditures when compared to the Working Budget, resulting in a \$46,000 increase to Fund Balance.

The projected increase in revenue is primarily due to an increase in criminal and traffic fines collected by the courts.

The projected decrease in expenditures reflect a decrease in Operating Transfers-Out to the Sheriff's Operating budget due to a decrease in Cal-ID-related expenditures.

### **Sheriff - Vehicle Theft Investigation & Recovery – Fund 326, BU 4052**

The Midyear projection reflects an increase of \$18,000 in revenues and an increase of \$5,000 in expenditures when compared to the Working Budget, resulting in a \$13,000 increase to Fund Balance.

The projected increase in revenues is primarily due to an increase in the number of vehicles registrations.

The projected increase in expenditures is primarily due to anticipated increases in negotiated employee salaries and benefits.

#### ***For recommended action:***

ATR recognizing \$17,568 in Vehicle Registration Fee revenue, offset by an increase in Salaries and Employee Benefits. (4/5 vote required)

### **Department of Child Support Services (DCSS) – Fund 369, BU 2480**

The Midyear projection reflects a decrease of \$390,000 in revenues and a decrease of \$675,000 in expenditures when compared to the Working Budget, resulting in a \$285,000 increase to Fund Balance.

The reductions in State funding experienced in FY2024/25 continued in FY2025/26 resulting in flat funding. According to the State, Solano DCSS continues to be underfunded by \$1.5 million. The projected decrease in revenue is primarily due to Solano DCSS working to stay within its allocations while maintaining customer service standards.

The projected decrease in expenditures is primarily due to a decrease in Salaries and Employee Benefits resulting from the timing of filling vacant positions, specifically from a Child Support Attorney IV and a Child Support Assistant.

#### ***For recommended action:***

Delete 1.0 vacant Child Support Attorney IV due to the lack of availability of State and federal funds.

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### CAPITAL PROJECTS

#### **Accumulated Capital Outlay – Fund 006, BU 1700**

The Midyear projection reflects an increase of \$10,205,000 in revenues and an increase of \$21,658,000 in expenditures when compared to Working Budget, resulting in a \$11,453,000 increased use of Fund Balance.

Significant factors contributing to the projected net increase in expenditures reflect Midyear adjustments driven by:

- Reallocation of project funding from completed or reprioritized projects
- Targeted investments in higher priority capital needs
- Reimbursable disaster recovery work
- Required infrastructure and regulatory improvements

#### **Reallocation of Project Funding (Priority Reset) – \$9,067,000**

Decrease in expenses from completed or reprioritized projects, re-allocated to higher priority capital needs, reflecting ongoing efforts to align resources with more immediate facility and operational needs.

Reallocation of Completed projects – \$1,157,000 (reallocated to support near-term project cash flow needs, with anticipated reimbursement recovery to Fund Balance for future capital use):

- 1676 - Sheriff Carpet Replacement: savings of \$160,000.
- 1679 - Agriculture Building B Additional Conditioned Work Area: savings of \$12,000.
- 1688 - Justice Center Detention Facility Forensic Lab Improvements: savings of \$7,000.
- 1695 - Fleet, Agriculture, UC Co-Op Building Demolition Study: savings of \$122,000.
- 1709 - 701 Texas Street Building HazMat Remediation: savings of \$709,000.
- 1716 - H&SS E&ES Kiosks: savings of \$54,000.
- 1726 - H&SS Suite 1400 Carpet Replacement: savings of \$25,000.
- 1976 - Family Justice Center Reroofing: savings of \$68,000.

Reprioritized projects - \$7,582,000 (reallocated to support near-term project cash flow needs, with anticipated reimbursement recovery to Fund Balance for future capital use):

- 1663 - Solano Avenue Parking in Vallejo: partial decrease of \$1,000,000.
- 1672 - Project Preplanning: partial decrease of \$1,000,000.
- 1685 - Claybank Detention Air Handling Unit Replacement: partial decrease of \$1,000,000.
- 1692 - Clay Street Facilities Relocation Study: partial decrease of \$134,000.
- 1694 - Claybank Valve and Hydronic Piping Replacement: decrease of \$542,000 in remaining project balance.
- 1731 - 1328 Virginia Street Reuse Study: partial decrease of \$100,000.
- 1792 - Solano Justice Center HVAC Controls & Equip Replacement: partial decrease of \$1,249,000 due to a technical adjustment.
- 1798 - H&SS Public Reception Updates: partial decrease of \$1,000, due to a technical adjustment.

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- 1971 - County Regional Health Services Study: decrease of \$99,000 in remaining project balance.
- 1973 - CAC Space Utilization Study and Implementation: partial decrease of \$1,000,000.
  - ♦ 1979 - CAC Parking Structure Security: decrease of \$543,000 in remaining project balance.
  - ♦ 1980 - New Health Services and Clinic Facility: decrease of \$914,000 in remaining project balance.

Returned to Various Funds – \$328,000, offset by an increase in Operating Transfers-Out, resulting in no Net County cost:

- Completed projects - \$81,000:
  - ♦ 1688 - Justice Center Detention Facility Forensic Lab Improvements: savings of \$33,000. Funds to be returned Criminal Justice Facility Temporary Construction (\$7,000), and Sheriff's Office (\$26,000).
  - ♦ 1707 - JDF Bldg. 1 Door Locks and Wiring Assessment: savings of \$48,000. Funds will be returned to Criminal Justice Temporary Construction Fund.
- Cancelled projects - \$247,000:
  - ♦ 1747 - H&SS Fumes Safety Study: decrease of \$174,000 in remaining projects balance. Funds will be returned to H&SS.
  - ♦ 1994 - Public Health Specimen Window Modification: decrease of \$40,000 in remaining projects balance. Funds will be returned to H&SS.
  - ♦ 1772 - H&SS Negative Pressure Airflow: decrease of \$33,000 in remaining projects balance. Funds will be returned to H&SS.

### Targeted Investments – \$5,170,000

Increase in expenses to address new projects and updated needs, including scope adjustments based on field conditions, operational needs, and regulatory requirements identified during project development and field review:

#### New Projects - \$2,668,000

- 1660 - Countywide Drought Resistant Landscaping: \$279,000 in consulting services to meet regulatory requirements under AB1572. Funded by Capital Renewal Reserve Fund.
- 1661 - H&SS Audio Visual Equipment – 2101 Courage: \$374,000 in equipment and construction costs for the large conference room, Job Order Contracting (JOC) eligible. Funded by Capital Renewal Reserve Fund.
- 1670 - Cement Hill Tower Power Relocation – Phase 1: \$957,000 in construction costs to relocate PG&E electrical service away from a damaged structure, JOC eligible. Funded by Capital Renewal Reserve Fund.
- 1712 - 197 Butcher Road Tenant Improvements: \$560,000 in design and pre-construction costs, JOC eligible. Funded by Capital Renewal Reserve Fund.
- 1737 - DOIT Replacement of Uninterruptible Power Supply: \$348,000 in construction costs to replace aging and out-of-service UPS units, JOC eligible. Funded by Capital Renewal Reserve Fund.
- 1794 - Facilities Compliance Corrective Action Plan: \$150,000 in construction costs to address accessibility code compliance at various H&SS facilities, JOC eligible. Funded by Capital Renewal Reserve Fund.

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### Scope Adjustments to Existing Projects - \$2,502,000

- 1673 - Human Resources Space Conversion: \$450,000 to relocate Livescan and complete required HVAC, electrical, and building upgrades to support the reconfigured layout, delivered via JOC. Funded by Capital Renewal Reserve Fund.
- 1674 - Stanton Facility Roof and Wall Moisture Evaluation: \$98,000 to complete testing and analysis to confirm repair methods and identify comprehensive solutions for ongoing moisture intrusion. Funded by Capital Renewal Reserve Fund.
- 1718 - JDF Walk-In Freezer & Refrigerator Replacement: \$589,000 to address increased construction costs and required facility upgrades to meet Environmental Health standards, delivered via JOC. Funded by Capital Renewal Reserve Fund.
- 1719 - Resource Management Lobby Reconfiguration: \$439,000 for the construction phase, JOC Eligible. Funded by Capital Renewal Reserve Fund.
- 1730 - 1634 Rockville Road Study: \$101,000 in professional services and staff time to complete the master plan study. Funded by Capital Renewal Reserve Fund.
- 1746 - County Parking Lot Repaving Program: \$53,000 in construction costs to include the parking lot repairs at 600 Kentucky Street in Fairfield, JOC Eligible. Funded by Capital Renewal Reserve Fund.
- 1778 - JDF Temporary Prefab Courtroom: \$672,000 to address unforeseen site and utility issues, exterior repairs, and gas line replacement, JOC eligible. Funded by Capital Renewal Reserve Fund.
- 1788 - Justice Campus Site Assessment: \$50,000 in professional services and staff time to support evaluation of existing Court and Court-support operations and potential impacts from the proposed State Hall of Justice. Funded by Capital Renewal Reserve Fund.
- 1999 - Public Health Lab Bio Safety Cabinet Modification: \$50,000 to support installation of a third cabinet in the lab, JOC eligible. Funded by H&SS Fund.

### **Reimbursable Disaster Recovery Project – \$20,327,000**

- 1791 - Justice Campus Asset Protection: \$20,327,000 increase in construction costs, primarily reimbursable through FEMA, with remaining costs expected to be covered by the State.

### **Required Infrastructure Investment - \$4,900,000**

- 1981 - Downtown Justice Campus Security Improvements - Phase 1: \$4,900,000 increase in construction costs for utility relocation required to remove easement conflicts and enable future security improvements, while addressing constraints to future development identified in the 2017 Downtown Justice Campus Master Plan. (See Separate March 24, 2026 Board agenda item for additional details).

**Job Order Contracting (JOC)** - Projects identified as “JOC eligible” are anticipated to be delivered through the JOC program. The list below includes newly identified projects that were previously funded and Board-approved, which need to be added to the JOC eligible list:

- 1690 - Stanton Correctional Facility Acoustical Implementation: \$516,000 for sound isolation between visitation and interview spaces.
- 1724 - 460 Union Reuse Plan: \$2,325,000 for interior and exterior building improvements to accommodate Probation’s Reentry and Center for Positive Change programs, including office space for Probation staff.

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- 1746 - County Parking Lot Repaving Program: \$2,302,500 for a phased repaving of selected County parking lots, including: 600 Kentucky Street, 2101 Courage Drive, and 275 Beck Avenue in Fairfield; Veteran's Halls; Vallejo H&SS / Justice Campus.
- 1983 - Justice Center Detention Facility (JCDF) HVAC Reheat Coil Replacement: \$800,000 for renovations of the existing chilled water and heating hot water pipe, couplings, and fittings as well as replacement of reheat coils.
- 6511 - Civic Center Library 2nd Floor Administration Refresh: \$2,739,600 for second-floor renovations at 1150 Kentucky Street in Fairfield to add private offices and storage spaces.

The projected net increase in revenues is primarily due to the following:

- \$5,119,000 increase in Transfers-In from the General Fund – Capital Renewal Reserve to support new and reprioritized projects listed above.
- \$4,900,000 increase in Operating Transfers-In from the General Fund and the Capital Renewal Reserve to support the Downtown Justice Campus Improvements – Phase 1 utility relocation, funded by one-time reimbursed funds associate with a previously completed construction project and transfer from Capital Renewal Reserve.
- \$58,000 increase in Transfers-In from H&SS due to a technical adjustment for the H&SS Employment & Eligibility Kiosk Updates (BU 1716).
- \$50,000 increase in Transfers-In from H&SS to support installation of a third cabinet for the Public Health Lab Bio Safety Cabinet Modification (BU 1999).
- \$39,000 increase in State Other Revenue as a technical adjustment for the Solano Justice Center HVAC Controls & Equipment Replacement (BU 1792).
- \$32,000 increase in property taxes based on the Auditor's revised projections (BU 1701).
- \$7,000 increase in Other Revenue related to the sale of an easement at 2543 Cordelia Road for the Property and Land Acquisition (BU 1977).

### ***For recommended action:***

ATR increasing Operating Transfers-Out by \$328,074 returning project savings to the Criminal Justice Temporary Construction Fund, the Sheriff's operating budget, and to H&SS. (4/5 vote required)

ATR recognizing \$5,118,793 in Operating Transfer-In from General Expenditures to fund an increase in General Fund County Contribution to fund multiple capital projects costs, funded by a draw from the Capital Renewal Reserve. (4/5 vote required)

ATR recognizing \$108,083 in Operating Transfers-In from Health and Human Services to fund the H&SS Employment & Eligibility Kiosk Updates project and the Public Health Lab Bio Safety Cabinet Modification Project. (4/5 vote required)

### **Criminal Justice Facility Temp. Const. Fund – Fund 263, BU 4130**

The Midyear projection reflects an increase of \$91,000 in revenues and no change in expenditures when compared to the Working Budget, resulting in a \$91,000 increase to Fund Balance.

The projected increase in revenues is related to project savings following the completion of the JDF Bldg. 1 Door Locks and Wiring Assessment (BU 1707 - \$48,000) and the Justice Center

## **Attachment A**

Detention Facility Forensic Lab Improvements (BU 1688 - \$7,000) projects and an increase in Court Fees.

### **Courthouse Temp. Const. Fund – Fund 264, BU 4140**

The Midyear projection reflects an increase of \$115,500 in revenues and no change in expenditures when compared to the Working Budget, resulting in a \$115,500 increase to Fund Balance.

The projected increase in revenues is due to a projected increase in vehicle code fines.

### **Public Facilities Fees – Fund 296, BU 1760**

The Midyear projection reflects a decrease of \$290,000 in revenues and an increase of \$127,000 in expenditures when compared to the Working Budget, resulting in a \$417,000 increased use of Contingencies.

The projected decrease in revenues is primarily due a decrease in Public Facilities Fees (PFF) collections for capital needs related to expansion and/or new construction of County facilities required to accommodate growth within the County slightly offset by an increase in interest income.

The projected increase in expenditures is primarily related to an increase in contribution to the Vacaville Library District based on higher PFF collections for a facility expansion project.

#### ***For recommended action:***

ATR increasing appropriations by \$150,668 for an increase in contribution to the Vacaville Library District for the facility expansion project, offset by use of contingencies. (4/5 vote required)

## **PUBLIC WAYS**

### **Road Fund – Fund 101, BU 3010**

The Midyear projection reflects a decrease of \$1,559,000 in revenues and a decrease of \$701,000 in expenditures, resulting in a \$858,000 decrease to Fund Balance.

Significant factors contributing to the projected net increase in revenues include:

- \$2.35 million net decrease in federal revenues due to a \$2.4 million decrease in construction revenue due to a delay of Highway State Improvement Project (HSIP) 11 and Stevenson Road Bridge projects, offset by a \$150,000 increase in other federal revenues related to Federal Emergency Management Agency (FEMA) reimbursements.
- \$54,000 net decrease in permit revenue due to a decrease in encroachment permits for the Pacific Gas and Electric (PG&E) undergrounding projects that are nearing completion, offset by an increase in grading permits.
- \$425,000 increase in Operating Transfers-In which reflects an increase from the Public Works Improvement Fund for revenues collected from road damage fees.

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- \$289,000 increase in interest income due to an increased cash balance.
- \$97,000 increase in Charges for Services paid by Department of Information Technology (DoIT), Nut Tree Airport, Resource Management - Planning, and the public.
- \$36,000 increase in property taxes based on the Auditor's revised projections.

Significant factors contributing to the projected net decrease in expenditures include:

- \$3.5 million increase in Fixed Assets which includes:
  - ♦ \$3.6 million increase in construction in progress reflecting the reclassification of the Pavement Improvement Project 2025 from a non-capital project to a capital project.
  - ♦ \$60,000 decrease in land acquisition costs related to right-of-way purchases due to project delays.
  - ♦ \$16,000 decrease in construction equipment and equipment expenses resulting from lower than anticipated costs.
- \$1.1 million decrease in Salaries and Employee Benefits due to the timing of filling vacant positions.
- \$3.1 million net decrease in Service and Supplies which reflects:
  - ♦ \$3.0 million decrease in other professional services primarily related to the reclassification of the Pavement Improvement Project 2025 from a non-capital project.
  - ♦ \$147,000 decrease in County Garage Service as fewer than anticipated repairs are anticipated for heavy equipment.
  - ♦ \$9,000 decrease in fees and permits primarily due to lower costs on Stevenson Road Bridge project permits.
  - ♦ \$12,000 increase in clothing and personal supplies related to the purchase of additional personal protective equipment and required gear for field staff in Public Works.
  - ♦ \$17,000 increase in training and education for commercial driving school training for staff.
- \$15,000 decrease in Other Charges which primarily reflects reduced Resource Management staff time spent on Public Works tasks.

### ***For recommended action:***

ATR recognizing \$425,000 in Operating Transfers-In from the Road Improvement Fund for reimbursement to the Road Fund for eligible Construction in Progress projects. (4/5 vote required)

ATR transferring \$3,120,000 to Construction in Progress, from Other Professional Services and Salaries and Employee Benefits.

### **Public Works Improvement Fund – Fund 278, BU 3020**

The Midyear projection reflects an increase of \$75,000 in revenues and an increase of \$425,000 in expenditures when compared to the Working Budget, resulting in a \$350,000 decrease to Fund Balance.

The projected increase in revenues reflects an increase in Recology road impact fees from landfill tonnage.

The projected increase in expenditures reflects additional costs incurred on reimbursable projects primarily from the Lewis Road and Hay Road Paving Projects.

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### ***For recommended action:***

ATR increasing Operating Transfers-Out by \$425,000 to reimburse the Road Fund for eligible Construction in Progress project costs, offset with the use of Reserve – Road Repair Funds - Recology. (4/5 vote required)

## **HEALTH AND PUBLIC ASSISTANCE**

### **Health and Social Services Department – Fund 902**

The Department of Health and Social Services (H&SS) is comprised of 8 divisions: Administration, Behavioral Health, Social Services, In-Home Supportive Services (IHSS) – Public Authority, AAA Administration, Health Services, Family Health Services, and Public Assistance Programs.

H&SS has a Working Budget in the amount of \$537,354,201. The Midyear projection reflects a decrease of \$20,477,000 in revenues and a decrease of \$17,811,000 in expenditures when compared to the Working Budget, resulting in an increase in net cost of \$2,666,000.

The projected increase in net cost of \$2,666,000 comes from the following:

- Increase of \$621,000 in Administration primarily due to an increase in interest expense.
- Increase of \$1,832,000 in Family Health Services primarily represents reduced clinic patient-related revenues (Medi-Cal and Medicare) due to fewer patient encounters and provider vacancies, requiring increased use of 1991 Public Health Realignment to balance the revenue deficit.
- Increase of \$1,599,000 in Social Services primarily due to the timing of revenue recognition for administrative cost claiming and changes in assumptions regarding time studies and caseload projections. Expenditure reductions were driven mainly by lower use of childcare services in Employment and Eligibility, reduced contracted services in Child Welfare, and lower intra-fund transfers.
- Increase of \$143,000 in Behavioral Health primarily reflects lower expenditures and revenues related to reduced contracted services, salary savings from vacancies, and fewer utilized bed days for Institutions of Mental Disease facilities. These reductions decreased the use of Realignment and BHSA funding sources.
- Decrease of \$1,181,000 in Health Services primarily due to lower expenditures related to vacancies and reduced contracted services.
- Decrease of \$348,000 in Public Assistance primarily representing the County's proportionate reduction in the share of cost for the projected decreases in Foster Care and General Assistance expenditures.

The \$20.5 million decrease in projected revenue reflects decreases of \$14.2 million in Intergovernmental Revenues, \$4.0 million in Charges for Services and \$6.5 million in Other Financing Sources, offset by increases of \$1.8 million in other miscellaneous revenues, \$1.4 million in interest income, and \$1 million in licenses and franchise fees.

- \$14.2 million decrease in Intergovernmental Revenues represents decreases of \$4.6 million in Social Services, \$2.4 million in Behavioral Health, \$3.9 million in Health Services, and \$3.4 million in Public Assistance, offset by \$100,000 increase in Family Health Services.

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- \$4.0 million decrease in Charges for Services is primarily due a reduction in Federally Qualified Health Center (FQHC) patient-related revenues within Family Health Services due to provider vacancies and fewer patient appointments during implementation of the new electronic medical record system, which contributed to daily billable hours falling below budget estimates.
- \$6.5 million decrease in Other Financing Sources is primarily due to a reduced draw against the Mental Health Services Act (MHSA) restricted funds resulting from lower than anticipated expenditures.

The \$17.8 million decrease in projected expenditures is due to reductions of \$7.5 million in Salaries and Employee Benefits, \$4.2 million in Services and Supplies, \$6.0 million in Other Charges, and \$117,000 in Intrafund Transfers.

- \$7.5 million decrease in Salaries and Employee Benefits is due to vacancies across all H&SS divisions.
- \$4.2 million decrease in Services and Supplies is primarily due not having an approved BHSA Innovation project, lower time study costs from DoIT, and decreased contracted services.
- \$6.0 million decrease in Other Charges is primarily due to the following:
  - ♦ \$3.7 million decrease in Public Assistance due to projected caseload and the average monthly support provided to eligible clients in Adoptions, CalWORKs, and Foster Care, offset by decreases in General Assistance, Approved Relative Caregiver (ARC), Aid to Refugees and State Utility Assistance Subsidy (SUAS) expenditures.
  - ♦ \$3.5 million decrease in Behavioral Health due to decreases in bed days for Institutions of Mental Disease (IMD) facilities and lower utilization of contracted direct services contracts for children's services and in MHSA providing adult and children's services due to vendor staffing shortages, offset by projected increase in the IGT transfer to the Department of Health Care Services (DHCS) due to projected increases in Medi-Cal revenues.
  - ♦ \$807,000 decrease in Social Services primarily due to projected decreases in spending on housing costs, employment and transportation costs for welfare-to-work clients, lower utilization of contracted direct services and childcare costs, offset by increases in subsidized employment, CalWORKs family stabilization costs, and support and care of clients.
  - ♦ \$108,000 decrease in Health Services primarily due to lower projected cost of clothing and personal supplies for clients, food for indigent clients, and non-federal share of costs for IGT transfer.
  - ♦ \$2.0 million increase in H&SS Administration primarily due to increased interest expense.

### ***Pending Issues:***

At the federal level, the passage of the Budget Reconciliation Act of 2025 (H.R. 1, 119th Congress) enacted on July 4, 2025, reduces federal Medicaid funding and tightens State cost-sharing and administrative rules. In addition, significant eligibility and coverage changes will likely reduce coverage continuity and overall Medi-Cal and CalFresh enrollment for individuals in Solano County, thereby reducing Medi-Cal revenue generation, increasing CalFresh administrative costs, and increasing eligibility programs' workload.

## **Attachment A**

The California Budget Act for FY2025/26 also modifies State-funded full-scope Medi-Cal, including a freeze on new enrollment for undocumented adults beginning January 2026, further reducing coverage continuity and overall Medi-Cal eligibility.

### **Administration Division – Fund 902, BU 7501**

The Midyear projection reflects an increase of \$1,378,000 in revenue and an increase of \$1,999,000 in expenditures when compared to the Working Budget resulting in an increase of \$621,000 in net cost.

The projected increase in revenues is primarily due to an increase in Interest Income.

The primary factor contributing to the projected increase in expenditures is an increase in Interest Expense on the county pool.

Administration costs are transferred to other H&SS divisions through intra-fund transfers. The Midyear projection reflects reduced transfer of costs from divisions primarily due to \$1.8 million in salary savings in the Administration Division based on timing of hiring vacancies.

#### ***For recommended action:***

Add 1.0 FTE Staff Analyst. The position will provide financial reporting and budget support for Behavioral Health Services. The Behavioral Health Services Act (BHSA) requires counties to submit a new annual Behavioral Health Outcomes, Accountability, and Transparency Report (BHOATR) regarding the provision of services funded with all behavioral health funding sources and related to the County Integrated Plan. The cost of the position will be allocated to the Behavioral Health Division with any additional funding provided by 2011 Realignment.

Add 2.0 FTE Administrative Services Manager. These positions will provide strategic oversight of complex organizational and operational functions, including but not limited to budgeting, staffing, contracts, workflow, and compliance for Social Services and Health Services. These positions are allocated to the Social Services and Health Services Divisions through administrative transfers.

Delete 2.0 FTE vacant Policy and Financial Analysts.

Extend 1.0 Limited-Term Social Worker III through April 30, 2027. This position is funded by Service Employees International Union, Local #1021 and provides an additional allocation allowing the County to fill the regular position and continue to provide mandated services.

### **Behavioral Health Services – Fund 902, BU 7780**

The Midyear projection reflects a decrease of \$7,056,000 in revenues and a decrease of \$6,913,000 in expenditures when compared to the Working Budget resulting in an increase of \$143,000 in net cost.

Significant factors contributing to the projected net decrease in revenues include:

- \$6.6 million decrease in the Transfer-In from MHSA/BHSA due to corresponding decreases in expenditures primarily in salary savings and contracted services.

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- \$5.5 million decrease in the use of 2011 Realignment due to increases in Medi-Cal revenue to cover costs and lower expenditures in outpatient services.
- \$3.0 million increase due to prior year revenues anticipated to be received in this fiscal year related to claiming and reimbursement for Medi-Cal services and the Prop 47 Cohort 3 grant in the prior fiscal year being delayed.
- \$1.8 million increase due to over accruals across multiple contracts.
- \$1.0 million increase in Behavioral Health Bridge Housing and Mental Health Student Services Act reimbursements based on grant expenditures.

Significant factors contributing to the projected net decrease in expenditures include:

- \$3.5 million decrease in Other Charges primarily due to:
  - ♦ \$3.8 million decrease in contracted direct services due to fewer expenses for adult outpatient services, temporary staffing contracts, first episode psychosis services, case management services for the Department of State Hospitals grant clients, children's outpatient clinics and residential bed days, school-based Prevention and Early Intervention (PEI) services and suicide prevention activities. These reductions are partially offset with a \$1.7 million increase in various housing programs including Behavioral Health Bridge Housing and Homeless Housing, Assistance and Prevention grant related contracts.
  - ♦ \$939,000 decrease in Institutions of Mental Disease (IMD) resulting from fewer utilized bed days for these facilities.
  - ♦ \$990,000 increase for Medi-Cal clients placed in fee for service hospitals and payback for prior year inpatient stays erroneously claimed by DHCS.
- \$2.1 million decrease in Services and Supplies primarily due to not having an approved BHSA Innovation Project and decreases in Advertising and Marketing for BHSA Prevention and Early Intervention (PEI) activities.
- \$1.1 million decrease in Salaries and Employee Benefits due to the timing of filling vacancies.
- \$295,000 decrease in Intrafund Transfers due to a reduction in H&SS administration costs allocated to Behavioral Health.

Expenditure reductions impact revenue generation and the use of 1991 and 2011 Realignment, and Mental Health Services Act (MHSA)/Behavioral Health Services Act (BHSA) revenues depending on the program. Reductions in fee for service programs reimbursed by service units result in less federal Medi-Cal revenues generated and less nonfederal funding (1991 and 2011 Realignment and MHSA/BHSA) needed to match Medi-Cal revenues.

### ***For recommended action:***

Extend 2.0 FTE Limited-Term Clinical Psychologists through June 30, 2027. These positions support the Behavioral Health internship program (approved by the Board on 1/10/23) where incumbents receive training and hours, a prerequisite for moving into regular Clinical Psychologist positions, and a requirement for accreditation with the American Psychological Association. The positions are funded with federal, State and BHSA revenues.

Extend 1.0 FTE Limited-Term Mental Health Clinician (Lic) through June 30, 2027. This position is funded by a Department of State Hospital Grant roll over funds.

## **Attachment A**

Extend 1.0 FTE Limited-Term Community Services Coordinator through June 30, 2027. This position is funded by Proposition 47 funding which has been extended through September 30, 2026. After September 30, 2026, the position will be funded by BHBH grant funds which expire June 30, 2027.

Extend 1.0 FTE Limited-Term H&SS Planning Analyst through June 30, 2027. This position will work across behavioral health programs and time study to various sources of funds including Proposition 1.

Delete 1.0 FTE vacant Psychiatrist (Board Cert).

ATR recognizing \$1,340,111 in 2011 Realignment revenue and Transfers In-MHSA offset by an increase in appropriations for the non-federal share of the Intergovernmental Transfer (IGT) and for Mental Health Services Act Community Services and Supports programming. (While there is overall savings in 2011 Realignment, a 2011 Realignment ATR is needed to ensure funding is budgeted in the appropriate account for the IGT transfer.) (4/5 vote required)

ATR reducing \$1,199,411 in Transfers-In MHSA offset by a decrease in appropriations for the contracted direct services related to not having an approved MHSA Innovation project.

### **Pending Issues:**

Proposition 1 Behavioral Health Services Act (BHSA) makes no changes to the 1% tax on personal income over \$1,000,000 but does reduce the percentage of total funding available to county behavioral health departments and fundamentally changes how counties may use the funding. Most significantly, BHSA creates a requirement that one-third (30%) of the funds allocated to each county must be spent on housing, 35% for Full-Service Partnerships, and 35% for Behavioral Health Services and Supports. To access BHSA funded housing funds, a person must have a behavioral health condition, including a serious mental illness and/or a moderate to severe substance use disorder. BHSA also shifts 10% of the funding (versus 5% under MHSA) away from counties to the State for workforce initiatives, prevention, and State administration. Under BHSA, the State assumes oversight of the Prevention component of Prevention and Early Intervention, integrated with population-based prevention programs via California Department of Public Health. Community planning now requires inclusion of Managed Care Plans and Local Health Jurisdictions which involves data sharing and governance (decision-making) participation. Another significant BHSA change is requirement for an Integrated Plan that includes budget and outcome information across all funding sources, not just BHSA, as previously required under MHSA, creating another unfunded mandate for additional administrative functions. Implementation activities are underway to adhere to the new Integrated Plan required by July 1, 2026.

Medi-Cal cost report audits continue to be delayed. DHCS is currently auditing the FY2016/17 Short Doyle (specialty mental health services) cost report and FY2018/19 Substance Abuse cost report. The County's FY2022/23 Medi-Cal cost report was submitted in July 2024 and is the last cost report that will be reconciled to cost. The County's FY2021/22 Substance Abuse Cost report is anticipated to be submitted in February 2026. These delays prevent timely feedback on billing practices that may need modification and create uncertainty around paybacks resulting from final audits.

DHCS also continues to indicate their intent to recoup from counties previous DHCS errors related to State withholdings for the nonfederal share of some inpatient bed days and State

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claims for services not federally eligible due to unsatisfactory immigration status. Timing and how the recoupment will occur remain unknown. Total statewide recoupment for both is \$63.5 million.

### **Social Services – Fund 902, BU 7680**

The Midyear projection reflects a decrease of \$3,395,000 in revenues and a decrease of \$1,796,000 in expenditures when compared to the Working Budget, resulting in an increase of \$1,599,000 in net cost.

Significant factors contributing to the projected net decrease in revenues include the reductions in federal and State revenues resulting primarily from the overall decrease in expenditures.

The California Department of Social Services (CDSS) advances cash to the County for the federal and State shares of administrative costs; however, Social Services adheres to federal cash claiming rules requiring expenditures paid after the end of the fiscal year (June 30) to be claimed in the next fiscal year impacting revenue forecasts.

Significant factors contributing to the projected net decrease in expenditures include:

- \$853,000 decrease in Intrafund Transfers due to a reduction in H&SS administration costs allocated to Social Services.
- \$807,000 decrease in Other Charges primarily due to:
  - ♦ \$1,908,000 decrease in use of Child Care in Employment and Eligibility.
  - ♦ \$1,457,000 decrease in Contracted Direct Services due to lower expenditure on a variety of contracts within Child Welfare.
  - ♦ \$1,050,000 increase in Support/Care of Persons due to increased number complex need kids in Foster Care needing wrap around funds for appropriate placement.
  - ♦ \$1,478,000 increase in Housing for Clients as part of the CalWORKS Housing Support Program (HSP) which was originally unbudgeted as funding was not originally included in the Governor's May Budget but was added with the final State Budget FY2025/26.
- \$360,000 decrease in Services and Supplies primarily due to a decrease in DoIT time study costs.
- \$165,000 increase in Salaries and Employee Benefits due to projected salary increases.

#### ***For recommended action:***

##### **Child Welfare Services (CWS)**

Extend 1.0 FTE Limited-Term Social Worker II through June 30, 2027. This position will continue to support the Emergency Response (ER) program with case management functions. This position was originally funded with one-time State ER augmentation revenues and 1991 Social Services Realignment. The positions will be funded for one-year only (FY2026/27) with 1991 Social Services Realignment revenue.

Extend 1.0 FTE Limited-Term Social Worker II through June 30, 2027. This position will support Resource Family Approval (RFA). This position was originally funded one-time State ER augmentation revenues and 1991 Social Services Realignment. The positions will be funded for one-year only (FY2026/27) with 1991 Social Services Realignment revenue.

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Extend 2.0 FTE Limited-Term Social Worker II through June 30, 2028. These positions will implement the Family First Prevention Services Act (FFPSA) Part I, a federal mandate that prioritizes prevention and family preservation over entry into the formal child welfare system. These positions were originally funded with one-time State General Fund allocation to support Family Finding, but will be transitioning to a State Block Grant allocated for FFPSA.

Add 1.0 Social Services Program Coordinator. This position will be dedicated to drafting, maintaining, and disseminating policies and procedures to maintain legal compliance with State mandates. The position will be funded by 1991 and 2011 Realignment.

Delete 0.5 vacant Social Worker III.

### Welfare Administration

Extend 1.0 FTE Accounting Technician through June 30, 2027. This position is responsible for issuing payments to clients and is funded approximately 94% by CalWORKS, Medi-Cal, CalFresh, and 6% County General Fund.

### Employment and Eligibility Services (EES)

ATR recognizing \$58,083 in 1991 Realignment to fund an Operating Transfers-Out to Accumulated Capital Outlay for the installation costs of CalSAWs kiosks. (4/5 vote required)

### **Pending Issues:**

#### Child Welfare Services

California is transitioning to a new statewide information system effective October 2026. CWS-CARES (Child Welfare Services-California Automated Response and Engagement System) is California's modern, web-based digital system replacing the old CWS/CMS. Counties are required to develop CWS-CARES implementation teams to ensure readiness for the roll out of the system. The activities include data cleanup, development of forms, review of modules and business mapping, as well as staff training.

A new Tiered Rate Structure (TRS) is expected to commence on July 1, 2027 where foster care rates will be determined by the assessed needs of a child, youth, or nonminor dependents rather than the type of placement.

### **IHSS Public Authority (PA) Administration - Fund 902, BU 7690**

The Midyear Projection reflects an increase of \$41,000 in both revenues and expenditures when compared to the Working Budget with no change in Net County Cost.

The projected net increase in revenue is primarily attributable to an increase in operating transfers in from IHSS – PA (Fund 152) in an amount equal to the net increase in expenditures.

The projected net increase in expenditures is primarily attributable to increase in salaries and benefits and administration costs for IHSS PA administration.

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### ***For recommended action:***

ATR recognizing \$40,671 in Operating Transfers-In and Other Revenue to fund Salaries and Employee Benefits and administration costs for IHSS PA administration. (4/5 vote required)

### **Health Services Division – Fund 902, BU 7880**

The Midyear projection reflects a decrease of \$3,564,000 in revenues and a decrease of \$4,746,000 in expenditures when compared to the Working Budget, resulting in a decrease of \$1,182,000 in net cost.

The primary factors contributing to the projected decrease in revenue is the reduction in the use of 1991 Public Health Realignment due to the decrease in expenditures and cash flow fluctuations as a result of the timing of claim reimbursement.

Significant factors contributing to the projected decrease in expenditures include:

- \$2.7 million decrease in Salaries and Employee Benefits due to the timing and filling of vacancies.
- \$1.8 million decrease in Services and Supplies primarily due to:
  - ♦ \$1,138,000 decrease in contracted services due to contract underspending and changes in contracted needs.
  - ♦ \$331,000 decrease in Department of Information Technology (DoIT) time study costs.

### ***For recommended action:***

Extend 3.0 FTE Limited-Term Health Assistant positions through June 30, 2027. These positions provide screening, assessments, enrollment, and case management services in the Maternal Child and Adolescent Health (MCAH) and California Work Opportunity and Responsibility to Kids (CalWORKs) Home Visiting Programs and are funded by CalWORKs Home Visiting Program (HSP) revenues.

Extend 1.0 FTE Limited-Term Health Education Specialist (Supervising) through June 30, 2027. This position supervises and oversees quality assurance of MCAH program services for parenting families that participate in the CalWORKs program and is funded with CalWORKs HSP revenue.

Extend 1.0 FTE Limited-Term Mental Health Clinician (Licensed) through June 30, 2029. This position provides perinatal mental health services within Maternal, Child and Adolescent Health (MCAH) and will be funded with MCAH Title XIX funds and CHVP Innovation Grant 3.0.

Extend 1.0 FTE Limited-Term Community Services Coordinator through June 30, 2027. This position supports Behavioral Health's homeless outreach efforts with case management linkages to healthcare, social services supports, rapid rehousing and permanent housing, and contract management. This position will be funded for one year only (FY2026/27) with Public Health IGT revenues.

Extend 2.0 FTE Limited-Term Project Manager positions through June 30, 2027. One Project Manager coordinates substance use prevention activities and continues to be funded by Substance Use Prevention, Treatment, and Recovery Block Grant (SUBG) and 1991 Realignment. The second Project Manager conducts suicide prevention and early intervention

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activities. The position will be funded by the remaining California Strengthening Public Health funds and Proposition 1 funds that are being redirected through the California Department of Public Health to counties.

Extend 2.0 FTE Limited-Term Project Manager positions through June 30, 2027. One Project Manager coordinates substance use prevention activities and continues to be funded by Substance Use Prevention, Treatment, and Recovery Block Grant (SUBG) and 1991 Realignment. One Project Manager will set up systems to begin drawing down MAA funding for the department as well as conduct suicide prevention and early intervention activities. The position will be funded by the remaining California Strengthening Public Health funds and Proposition 1 funds that are being redirected through the California Department of Public Health to counties.

Extend 1.0 FTE Limited-Term Epidemiologist through June 30, 2027. This position is partially funded by Tobacco Prevention funds and works with the Tobacco Prevention team to identify Tobacco trends in Solano County. Additionally, this position will be partially funded by Kaiser Permanente funding to work on the Community Health Assessment (CHA) and Community Health Improvement Plan (CHIP). This position also helps with collecting and analyzing Family Health Services outcome measures related to utilization and working to provide data reports about utilization for informed clinic management and decision-making. Additional funding will be for one year only (FY2026/27) with Public Health IGT revenues.

Delete 0.75 FTE vacant Health Assistant.

ATR recognizing \$543,194 in Operating Transfers-In and Donations and Contributions, offset by a decrease in Intrafund Services Transfers to fund projects in the Public Health Lab coordinated by General Services - Capital Projects. (4/5 vote required)

ATR recognizing \$1,115,000 in unanticipated offset by appropriations related to the transition of the Local Emergency Medical Services Authority (LEMSA) from the Solano Emergency Medical Services Cooperative (SEMSC) to the County. (4/5 vote required)

### **Family Health Services – Fund 902, BU 7580**

The Midyear projection reflects a decrease of \$4,346,000 in revenues and a decrease of \$2,514,000 in expenditures when compared to the Working Budget, resulting in an increase of \$1,832,000 in net cost.

Significant factors contributing to the projected net decrease in revenues include:

- \$3.3 million decrease in Charges for Services primarily due to a decrease in Medi-Cal services (Federally Qualified Health Center (FQHC) patient-related revenues) and Medicare revenues resulting from lower than projected patient encounters.
- \$1.2 million decrease in Other Revenue due to a reduction in Partnership HealthPlan Quality Improvement Program measures funding.

Significant factors contributing to the projected net decrease in expenditures include:

- \$2.0 million decrease in Salaries and Employee Benefits due to the timing and filling of vacancies.

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- \$458,000 decrease in Intrafund Transfers due to lower than expected allocated Administrative costs.

### ***For recommended action:***

Extend 1.0 FTE Limited-Term H&SS Planning Analyst through June 30, 2028. This position provides data analysis and will work on revenue generation for the Family Health Services Clinics. The position will be funded with revenue from 1991 Public Health Realignment and the payor mix.

### **Pending Issues:**

Patient-related revenues are generated when an encounter occurs. An encounter is defined as an interaction between a patient and a healthcare provider for the purpose of providing healthcare service or assessing the health status of a patient.

The most significant factors impacting Family Health Services' revenue are budgeted billable encounters and encounter reimbursement rates. In January 2026, the clinics implemented a revised patient appointment scheduling process to maximize provider productivity.

The Medi-Cal encounter rates vary by clinic location or site while the Medicare rate is the same for all clinics. These rates are adjusted annually based on the Medicare Economic Index (MEI). The annual adjustments in rates, effective October 1st of every year, are minimal at best and do not cover annual increases in cost-of-living, overhead, and operating costs. Below is a summary of the current rate structure, by clinic location.

<b>Family Health Services Clinics</b>	<b>Location</b>	<b>Medi-Cal</b>	<b>Medicare</b>
Fairfield Adult Primary Clinic	2201 Courage, Fairfield	\$275.56	\$193.15
Fairfield Pediatrics and Dental	2101 Courage, Fairfield	\$324.09	\$186.85
Vallejo Primary Care and Dental	365 Tuolumne, Vallejo	\$386.77	\$186.85
Vacaville Primary Care and Dental	1119 E. Monte Vista, Vacaville	\$343.86	\$186.85
<i>Note: Medicare does not cover dental</i>			

The clinics have submitted encounter rate adjustments at each location through a Change in Scope of Service Request (CSOSR) process. The outcome of this effort is estimated to be complete by June 30, 2026, with any rate adjustments retroactive to July 1, 2025. This effort is not anticipated to fully eliminate the structural deficit and productivity (daily encounters) will also need to increase.

### **Public Assistance Division – Fund 902, BU 7900**

The Midyear Projection reflects a decrease of \$3,376,000 in revenues and a decrease of \$3,724,000 in expenditures when compared to the Working Budget, resulting in a \$348,000 decrease in net cost.

The projected net decrease in revenues is primarily due to support/care of persons assistance based on actual caseloads.

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The projected decrease in expenditures is based on estimates using actual caseload and cost data for the period July to December 2025.

### **Mental Health Services Act (MHSA) – Fund 906, Dept 9600**

The Midyear projection reflects an increase of \$441,000 in revenues and a decrease of \$4,570,000 in expenditures when compared to the Working Budget, resulting in a decrease of \$5,011,000 in the use of MHSA funds that are held in a restricted fund.

The projected net increase in revenues is primarily due to updated information on the statewide estimate of revenue expected to be distributed to counties in FY2025/26.

The projected net decrease in expenditures is due to a reduction in Operating Transfer-Out to Fund 902 and outlined in the explanation under Behavioral Health - BU 7780.

#### ***For recommended action:***

ATR recognizing \$913,056 in MHSA Restricted Fund Balance, State Other, and Interest Income offset by Operating Transfers-Out to Behavioral Health Services for Community Services and Supports programming. (4/5 vote required)

ATR recognizing \$799,766 in MHSA Restricted Fund Balance, State Other, and Interest Income offset by appropriations to return unspent Innovation funding to the State following reversion guidelines. (4/5 vote required)

ATR transferring \$1,199,411 in Operating Transfers-Out to Miscellaneous Expense in order to return the MHSA Innovation funds.

### **IHSS Public Authority – Fund 152, BU 1520**

The Midyear Projection reflects a decrease of \$2,062,000 in revenues and a decrease of \$2,183,000 in expenditures when compared to the Working Budget, resulting in a \$121,000 increase to Fund Balance.

The projected net decrease in revenues is primarily related to a reduction in federal and State revenues due to lower projected provider benefit costs.

The projected net decrease in expenditures is primarily related to the decrease in projected provider benefit costs.

#### ***For recommended action:***

ATR transferring \$38,971 from Other Charges to fund Operating Transfers-Out and Other Revenue to fund Salaries and Employee Benefits and administration costs for IHSS PA administration.

### **Napa/Solano Area Agency on Aging (N/S AAA) – Fund 216, Dept 2160**

The Midyear projection reflects a decrease of \$42,000 in revenues and a decrease of \$167,000 in expenditures when compared to Working Budget, resulting in a \$125,000 increase to Fund Balance.

## Attachment A

The projected decrease in revenues is primarily due to the elimination of the SNAP-Ed program by the federal government. The future funding loss is over \$600,000 annually for nutrition education for seniors; however, one-time funds were secured after the program end of September 30, 2025 to allow for close out activities during FY2025/26.

The projected decrease in expenditures is primarily due to a decrease in transfers out for AAA administration due to a vacancy in ODAS-AAA Administration (BU 7685).

### **Grants/Programs Administration – Fund 151, BU 1570**

The Midyear projection reflects no change in revenues and a decrease of \$727,000 in expenditures when compared to the Working Budget, resulting in a \$727,000 increase to Fund Balance.

The projected decrease in expenditures is primarily due to savings in contracted services. Based on current spend-down projections and utilization trends for the remainder of FY2025/26, rental assistance expenditures are expected to be lower than originally projected. Per the policy adopted for the Community Investment Fund, funds will remain in the Fund Balance and available for future years for priorities in the Community Investment Fund.

### **Workforce Development Board – Fund 903, BU 7200**

The Midyear projection reflects a decrease of \$48,000 in revenues and a decrease of \$558,000 in expenditures when compared to the Working Budget, resulting in a \$510,000 increase to Fund Balance.

The projected decrease in revenue is primarily due to a reduction in revenue for Employer Resource Network (ERN) activities, offset by increases in other funding, including the Workforce Innovation and Opportunity Act (WIOA) allocation.

Significant factors contributing to the projected net decrease in expenditures are:

- \$904,000 decrease in Other Charges primarily due to a decrease in Small Business Development Center (SBDC) training costs.
- \$322,000 increase in Salaries and Employee Benefits due to temporary staffing overlap due to anticipated vacancies and additional grant activities.
- \$24,000 increase in Services and Supplies primarily due to grant-related costs for training and contracted support for accounting.

#### ***For recommended action:***

ATR transferring \$366,000 from Other Charges to Salaries and Benefits and Services and Supplies.

## Attachment A

### EDUCATION AND RECREATION

#### Library – Fund 004, BU 6300

The Midyear projection reflects an increase of \$1,393,000 in revenues and an increase of \$182,000 in expenditures when compared to the Working Budget, excluding Contingencies, resulting in a \$1,211,000 increase to Fund Balance.

Significant factors contributing to the projected net increase in revenues include:

- \$828,000 increase in Property Tax revenue based on the Auditor's revised projections.
- \$311,000 increase in Miscellaneous Revenues due to reimbursements for prior year broadband charges and insurance proceeds.
- \$159,000 increase in interest income.
- \$25,000 increase in General Fund Contribution due to increases the Library Director salary and benefits costs.
- \$28,000 increase in Intergovernmental Revenues primarily due to an unanticipated State Library grant for adult literacy and English as a Second Language (ESL) services.
- \$39,000 increase in Charges for Services primarily due to an increase in photocopy fee revenue.

Significant factors contributing to the projected net increase in expenditures include:

- \$228,000 decrease in Salaries and Employee Benefits due to the timing of filling vacant positions, offset by a \$15,000 increase in accrued leave payout expenses for employee retirements and separations.
- \$61,000 increase in Other Charges which primarily reflects an increase in capital project management charges for various library projects.
- \$95,000 increase in Services and Supplies primarily due to increased contracted services.
- \$101,000 net increase in Fixed Assets as follows:
  - ♦ \$255,000 increase for fencing and design work for the garden and fence project at the FCC Library through the permitting phase.
  - ♦ \$82,000 increase for the literacy project space renovation project.
  - ♦ \$61,000 increase for FCC Library ADA parking lot improvement project.
  - ♦ \$55,000 increase for the men's restroom improvement project at FCC Library.
  - ♦ \$136,000 decrease for the fire alarm system replacement.
  - ♦ \$95,000 decrease on the Cisco ASR equipment replacement project at various branches.
  - ♦ \$61,000 decrease for battery backup replacement.
  - ♦ \$61,000 decrease for carpet replacement.
- \$139,000 increase in Other Financing Uses for two outreach vehicles.

#### ***For recommended action:***

Approve additional Fixed Asset purchases of \$453,345 for:

- \$255,000 for the garden and fence project at the FCC Library.
- \$82,345 for the literacy project space renovation project.
- \$61,000 for the FCC Library ADA parking lot improvement project.
- \$55,000 for a men's restroom improvement project at the FCC Library.

## Attachment A

ATR transferring \$100,000 from Salaries and Benefits to fund contracted services.

ATR increasing appropriations by \$60,671 in Other Charges to fund capital project fees for various projects, offset by the use of contingencies. (4/5 vote required)

ATR increasing appropriations by \$139,166 in Transfer-Out Fleet in the Library to fund two outreach vehicles, offset by the use of contingencies. (4/5 vote required)

ATR increasing appropriations by \$334,418 in Fixed Assets – Construction in Progress to fund various capital projects at the FCC Library, offset by a decrease in other fixed assets and a use of contingencies. (4/5 vote required)

### **Library – Special Revenue – Fund 228, BU 2280**

The Midyear projection reflects an increase of \$304,000 in revenues and an increase of \$66,000 in expenditures when compared to the Working Budget, resulting in a \$238,000 increase to Fund Balance.

The increase in revenues is primarily due to unanticipated in donations and contributions. The increase in expenditures is primarily due to increases in other professional services and office supply costs.

#### ***For recommended action:***

ATR increasing appropriations by \$66,250 to fund Services and Supplies, offset by a use of contingencies. (4/5 vote required)

### **Library Zones 1, 2, 6 and 7 – Funds 036, 037, 066, 067 and BUs 6150, 6180, 6166, and 6167**

The Midyear projection reflects an increase of \$231,000 in revenues and no change in expenditures when compared to the Working Budget, resulting in an increase to Fund Balances.

The increase in revenues is due to a projected increase in property tax revenue based on the Auditor's revised projections.

## **INTERNAL SERVICE AND ENTERPRISE FUNDS**

### **Fleet Management – Fund 034, BU 3100**

The Midyear projection reflects an increase of \$380,000 in revenues and a decrease of \$201,000 in expenditures when compared to Working Budget, resulting in a \$581,000 increase to Fund Balance.

Significant factors contributing to the projected increase in revenues include:

- \$139,000 increase in Operating Transfers-In from the Library to fund additional vehicle replacement costs.
- \$94,000 increase in Charges for Services to related to expanded law enforcement services for the City of Vallejo.

## Attachment A

- \$87,000 net increase related to the sale of surplus vehicles and insurance proceeds from a damaged vehicle.
- \$60,000 increase in interest income due to higher than anticipated yield on investments.

Significant factors contributing to the projected net decrease in expenditures include:

- \$210,000 net decrease in Salaries and Employee Benefits due to the timing of filling vacant positions, offset by a \$15,000 increase in extra help for two Equipment Services Worker positions for the remainder of the fiscal year to support operations.
- \$140,000 decrease in Services and Supplies primarily due to reduced Key Valet installation costs and deferral of the EV charger service agreement.
- \$134,000 increase in Fixed Assets related to the following:
  - ♦ \$178,000 increase for the purchase of two new vans for the Library.
  - ♦ \$44,000 decrease due to equipment that is no longer planned for purchase.

### ***For recommended action:***

Approve Fixed Asset purchases of \$178,332 to fund two vans for the Library.

ATR recognizing \$178,332 in Operating Transfers-In and Insurance proceeds to fund vehicles for the Library. (4/5 vote required)

### **Airport – Fund 047, BU 9000**

The Midyear projection reflects a decrease of \$150,000 in revenues and a decrease of \$198,000 in expenditures when compared to Working Budget, resulting in a \$48,000 increase to Fund Balance.

The projected net decrease in revenue is primarily due to a decrease in fuel sales.

Significant factors contributing to the projected net decrease in expenditures include:

- \$246,000 net decrease in Services and Supplies due to lower fuel purchases, software subscriptions, and utility costs, partially offset by increased cost in buildings and maintenance for the slurry seal project.
- \$8,000 decrease in Fixed Assets related to the deferral of a mower purchase.
- \$40,000 increase in Other Financing Uses for the local match as part of the Northeast Hangar Taxilane Reconstruction and Drainage Improvements project – Phase 2B.
- \$11,000 net increase in Salaries and Employee Benefits related to the following:
  - ♦ \$14,000 increase in extra help to fund coverage during leaves.
  - ♦ \$6,000 increase in accrued leave payout expenses for employee retirements and separations.
  - ♦ \$9,000 decrease due to the timing of filling vacant positions.
- \$4,000 increase in Interfund Services for maintenance labor support provided by Facilities during Airport staffing shortages.

## Attachment A

### ***For recommended action:***

ATR transferring \$39,779 from Services and Supplies to Operating Transfers-Out to fund the required local match as part of the Northeast Hangar Taxilane Reconstruction and Drainage Improvements project – Phase 2B.

### **Airport Project – Fund 047, BU 9010**

The Midyear projection reflects an increase of \$3,008,000 in revenues and an increase of \$2,991,000 in expenditures when compared to the Working Budget, resulting in a \$17,000 increase to Fund Balance.

The projected increase in revenue is primarily due an increase in grant revenues for the addition of Northeast Hangar Taxilane Reconstruction and Drainage Improvements project – Phase 2B.

The projected increase in expenditures is primarily due to increase in Fixed Assets – Construction in Progress and contracted services related to the Northeast Hangar Taxilane Reconstruction and Drainage Improvements project – Phase 2B.

### ***For recommended action:***

ATR recognizing \$39,779 in Operating Transfers-In from the Airport Fund to fund the required local match as part of the Northeast Hangar Taxilane Reconstruction and Drainage Improvements project – Phase 2B. (4/5 vote required)

### **Risk Management (Workers' Compensation) – Fund 060, BU 1830**

The Midyear projection reflects an increase of \$679,000 in revenues and a decrease of \$852,000 in expenditures when compared to the Working Budget, resulting in a \$1,531,000 increase to Fund Balance.

The projected increase in revenues is due to an increase in miscellaneous revenue from workers' compensation refunds.

Significant factors contributing to the projected net decrease in expenditures include:

- \$749,000 decrease in Services and Supplies primarily due to reduced workers' compensation insurance costs.
- \$104,000 decrease in Salaries and Employee Benefits due to the timing of filling vacant positions.

### **County Liability (Property/General Liability) – Fund 065, BU 1800**

The Midyear projection reflects an increase of \$42,000 in revenues and an increase of \$213,000 in expenditures when compared to the Working Budget, resulting in a \$170,000 decrease to Fund Balance.

The projected increase in revenues is primarily due to an increase in property insurance reimbursements from the State's Superior Court in accordance with the transfer agreement.

## Attachment A

Significant factors contributing to the projected net increase in expenditures include:

- \$4.1 million increase in Other Financing Uses due to a transfer of one-time funds to General Fund – General Revenues to reimburse the County General Fund for eligible project and related costs previously incurred in connection with a completed bridge construction project.
- \$4.0 million decrease in Services and Supplies due to County’s general liability and property insurance premiums being lower than what was anticipated during the development of the FY2025/26 Budget. This is partially due to the increase in the Self-Insured Retention (SIR) increasing from \$300,000 to \$500,000. The Fund Balance will partly be used to offset rates being charged to departments for the FY2026/27 Requested Budget.

### ***For recommended action:***

ATR increasing Operating Transfers-Out by \$4,127,688 to fund an increase in General Fund – General Revenues to reimburse the County General Fund for eligible project and related costs previously incurred in connection with a completed bridge construction project, funded by Reserve Fund Balance. (4/5 vote required)

### **Department of Information Technology (DoIT) – Fund 370, BU 1870**

The Department is an Internal Service Fund. As such, its revenues are generated through charges for services to County departments and other agencies. The department’s cost plan assumes that revenues will equal expenses within the accounting period with an allowance for working capital, except for depreciation of assets, which are charged to departments.

The Midyear projection reflects a decrease of \$2,842,000 in revenue and a decrease of \$6,129,000 in expenditures when compared to the Working Budget, resulting in a \$3,287,000 increase to Fund Balance.

Significant factors contributing to the projected net decrease in revenues include:

- \$2,436,000 decrease in Long Term Debt Proceeds based on the timing of financing for the purchase of network equipment for replacement which is being delayed until FY2026/27.
- \$718,000 decrease in Charges for Services reflects reduced charges to other departments primarily due to the timing of filling vacancies in DoIT.
- \$125,000 decrease in purchases for resale revenue due to fewer resale items being requested by County departments.
- \$350,000 increase in Revenue from Use of Money/Property which primarily reflects increased interest income due to an increase in Fund Balance.
- \$89,000 increase in Intergovernmental Revenues primarily due to increases in State Grant Revenue and Other Governmental Agencies.

Significant factors contributing to the projected net decrease in expenditures include:

- \$2,752,000 decrease in Services and Supplies primarily due to a reduction of \$1,930,000 in Controlled Assets Computer related to the purchase of replacement of network equipment which is being delayed to FY2026/27. Other reductions include projected savings in multiple accounts such as software subscriptions, and data processing services.

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- \$1,314,000 decrease in Fixed Assets primarily due to timing of expenditures associated with the radio system upgrade from Very High Frequency (VHF) to Project 25 (P25). Any unused funds will be utilized in FY2026/27.
- \$1,214,000 decrease in Salaries and Benefits due to the timing of filling vacant positions.
- \$849,000 decrease in Other Charges primarily due to a reduction of \$760,000 for the delay in the principal and interest payment associated with the cost of the replacement of network equipment.

### ***For recommended action:***

Add 1.0 FTE Info Technology Analyst (Prin) to improve the span of control across the department by distributing supervisory responsibilities more effectively, including oversight of the Business Relationship Management (BRM) Office and IT Business Systems Analysts who conduct business requirements analysis, manage intake processes, and support departmental technology needs.

Delete vacant 1.0 Info Technology Analyst IV.