



**SAN BENITO COUNTY
AGENDA ITEM
TRANSMITTAL FORM**

Dom Zanger
District No. 1
Vice-Chair

Kollin Kosmicki
District No. 2
Chair

Mindy Sotelo
District No. 3

Angela Curro
District No. 4

Ignacio Velazquez
District No. 5

Item Number: 1.B

MEETING DATE: 05/29/2025

DEPARTMENT: COUNTY ADMINISTRATION OFFICE

AGENDA ITEM PREPARER: Dulce Alonso

DEPT HEAD/DIRECTOR: Henie Ring

SUBJECT:

COUNTY ADMINISTRATIVE OFFICE - H.RING, INTERIM COUNTY ADMINISTRATIVE OFFICER

Receive an introduction presentation on the County Administrative Officer recommended Fiscal Year (FY) 2025-26 County Budget, and provide staff direction as desired.

SBC FILE NUMBER: 865

AGENDA SECTION:

REGULAR AGENDA

BACKGROUND/SUMMARY:

Introduction to the CAO's Recommended FY 2025–26 Budget

Staff will present the Board with the County Administrative Officer's (CAO) Recommended Budget for Fiscal Year (FY) 2025–26. County departments submitted their budget requests to the County Administrative Office in March 2025. As part of the budget preparation process, departments were instructed to base their submissions on a status quo budget reflecting FY 2024–25 levels, incorporating a 5% reduction.

County departments and the administrative team have collaborated to align requested budgets with this directive and to reduce overall expenditures in the recommended budget.

The total recommended appropriations amount of \$339.4 million for Governmental Funds was included. Within this, the **General Fund** includes:

- **\$107 million** in total expenditures (financing uses),
- **\$76.15 million** in anticipated revenues,
- **\$735,000** in beginning Fund Balance Available (FBA) from FY 2024–25.

The FBA, representing funds carried over from the previous fiscal year, is a key financing source for the General Fund. The County proposes using available fund balances alongside projected revenues to achieve a balanced budget.

Fiscal Challenges

Over time, escalating labor costs, operational expenses, and program expansions have driven expenditure growth beyond the pace of revenue increases. This structural imbalance is further strained by stagnant or insufficient state and federal funding. Departments must engage in long-term planning to reduce expenditures. In addition, uncertainty and potential reductions of state and federal fiscal contributions will impact the services provided.

New Policy Statements Incorporated in the FY 2025–26 Budget

As part of the CAO’s FY 2025–26 Recommended Budget, several new policy directives have been incorporated to strengthen fiscal oversight and accountability:

- **Grant and Program Funding:**
The General Fund shall not subsidize discontinued grant-funded, state-funded, or federally funded programs unless explicitly authorized by the Board of Supervisors. Departments must notify the CAO immediately upon learning of any such program cancellations.
- **Mello-Roos and CFD Revenues:**
Annual revenues from Mello-Roos or Community Facilities Districts (CFDs) shall be incorporated into the County’s operating budget, consistent with the *Fiscal Impact and Service Level Analysis – Joint CFD* (July 2018), and as permitted by law.
- **Proposition 172 Funding:**
Annual Proposition 172 revenues will continue to be allocated to departmental operating budgets, supporting public safety functions.

Position Vacancy Budget Policy

To ensure workforce efficiency and maintain fiscal discipline, the following Position Vacancy Budget policies are established:

- **Vacant Unfunded Positions:**
All vacant and unfunded positions will be eliminated from the Schedule of Authorized Positions. These positions may not be retained for future use unless funding is identified and the Board of Supervisors approves the request.
- **Vacant Funded Positions:**
Funded positions that remain vacant for more than four months must be submitted to the CAO for review, along with a written request to fill the position. The CAO has the discretion to approve or deny the request. If denied, the position may be recommended for deletion in the next budget cycle, subject to Board approval. Public Safety “Safety” positions are exempt from this requirement.
- **Hiring Chill Authority:**
During times of fiscal constraint, the Board of Supervisors may authorize the CAO to implement a hiring chill to control staffing costs.

Next Steps

The following steps in the FY 2025-26 budget development process are as follows:

- June 9: Budget Hearing and Recommended Budget is adopted.

RESOLUTION OR ORDINANCE NEEDED FOR THIS ITEM:

N/A

CONTRACT NEEDED FOR THIS ITEM:

N/A

RFP AND BID HISTORY:

N/A

LAST CONTRACT AMOUNT OR N/A:

N/A

CONTRACT HISTORY (Describe all amendments and previous contracts):

N/A

STRATEGIC PLAN GOALS: 1. Operational Development & Excellence

Yes

STRATEGIC PLAN GOALS: 2. Planning And Sustainable Growth

Yes

STRATEGIC PLAN GOALS: 3. Technology

No

STRATEGIC PLAN GOALS: 4. Community Engagement

Yes

STRATEGIC PLAN GOALS: 5. Health & Safe Community

No

BUDGETED:

N/A

BUDGET ADJUSTMENT NEEDED:

N/A

SOURCE OF FUNDING:

N/A

UNFUNDED MANDATE:

N/A

SBC BUDGET LINE ITEM NUMBER:

N/A

CURRENT FY COST:

N/A

STAFF RECOMMENDATION:

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1. Receive an introduction presentation on the CAO recommended Fiscal Year (FY) 2025-26 County Budget, and
2. To provide staff direction as desired.

ATTACHMENTS:

[Presentation - FY 25-26 Intro to Recommended Budget](#)