



BUDGET AT A GLANCE

FY 2026-27 RECOMMENDED BUDGET

Recommended Budget
April 14, 2026

Final Changes
June 22, 2026

Supplemental Budget
September 29, 2026

The **RECOMMENDED BUDGET** phase marks the beginning of the County’s annual budgeting cycle and introduces an initial spending plan for the upcoming fiscal year, based on early revenue estimates and, because it occurs prior to books being closed, excludes one-time funds.

RECOMMENDED BUDGET AT A GLANCE

\$48.8B TOTAL BUDGET

115,885 BUDGETED POSITIONS

- **CHANGE VS. PRIOR FISCAL YEAR:** Decrease of **\$3.7 billion** or 7% and decrease of **81** positions or 0.1% from the FY 2025-26 Final Adopted Budget

BUDGET OVERVIEW

What was the Change in the Budget?

The 2026-27 Recommended Budget reflects a **\$3.7 billion decrease** in total funding from the 2025-26 Final Adopted Budget primarily as a result of reversing one-time funding that was provided for one-time uses.

The County’s total budgeted workforce is 115,885, representing a **net decrease of 81 positions**.

KEY BUDGETARY PRESSURES

What’s Making it Hard to Balance the Budget?

The challenges facing the County this year have been well documented in the run up to the Recommended Budget in my office’s weekly budget briefing during the Board meetings, including:

- **Legal settlements and liabilities:** Financing the \$4.8 billion in two separate settlements against over 11,000 claims of AB 218 childhood sexual assault cases, with more claims being filed at a rate of roughly 150 per month;
- **Disaster recovery costs:** Accounting for the approximate \$800.0 million impact of the devastating January 2025 wildfires;
- **Federal cuts:** Addressing the federal cuts which have begun to impact the County.

To balance the budget, we are also recommending transferring \$17.4 million in funding set-aside from the 8.5% curtailments back into operating budgets.

CEO'S BUDGET RECOMMENDATIONS

Our Plan for a Balanced Budget

The CEO’s recommendations reflect a strategic belt-tightening approach in response to rising pressures on the budget and the diminishing availability of funds.

Of the \$48.8 billion budget, the vast majority—\$35.8 billion or 73%—is tied to program-specific revenues and fixed costs. Even within the \$13.0 billion NCC (27% of the budget), most is either one-time or already earmarked. Only a minimal amount remains truly flexible for programming decisions, underscoring the need for careful prioritization.

Recommended Use of Ongoing Funding

We are forecasting a 3.9% increase to the 2026 tax assessment roll, resulting in a \$314.8 million increase in property tax revenue, along with a \$19.3 million increase in Prop 172 and local sales tax revenues. These funds are recommended to be allocated primarily as follows:

- \$186.4 million net increase for various salaries and employee benefits, including a 2% COLA.
- \$51.2 million for assistance caseload changes as well as the 4% IHSS MOE inflator.
- \$26.7 million for the required set aside in CFCI to continue alternatives to incarceration and direct community investment efforts.
- \$40.1 million for the County’s required CalFresh local match due to enactment of H.R. 1, the “Big Bill”.
- \$12.0 million to address workload study findings for the Departments of the Alternate Public Defender and Public Defender.
- \$9.9 million and 44.0 positions in the Office of Emergency Management as part of a multi-year plan to build emergency operations capacity.

Recommended Use of One-Time Funding

This budget phase we are also projecting fund balance available of \$3.5 billion. The majority, or \$2.9 billion, of this one-time funding is being carried over to FY 2026-27 for unfinished programs and projects, including capital and deferred projects.

The remaining \$554.0 million is newly allocated and being proposed for various one-time uses, including:

- \$300.0 million to be set aside to pay for a portion of the County's first two settlements of AB 218 claims;
- \$100.0 million to fund various affordable housing programs;
- \$47.7 million for the Voting Solutions for All People (VSAP) system and voting model for the November 2026 Gubernatorial General Election;
- \$40.0 million for anticipated Sheriff judgments and settlements;
- \$22.3 million for anticipated General Relief administration cost increases associated with aligning CalFresh and GR allocations;
- \$8.7 million to continue the implementation of the eTax filing system, improving the efficiency of tax collection; and
- \$5.1 million in organizational arts grant funding.

Recommended Revenue Offset and Ministerial Changes

In addition to adjustments that are funded with NCC, the 2026-27 Recommended Budget also includes funding that is revenue offset or was previously set aside for the following key areas:

Energy Efficiency

- \$82.5 million in State grants for energy efficiency and EV-related programs administered by the Internal Services Department.

Immigrant Support

- \$17.8 million in State funding for the Cash Assistance Program for Immigrants (CAPI), which provides cash assistance to eligible aged, blind, or disabled immigrants who would otherwise qualify for Social Security Income / State Supplementary Payment but are ineligible due to immigration status.

IHSS

- \$40.1 million transfer from the PFU budget unit to the Department of Public Social Services for the annualization of the \$0.74 per hour wage increase for IHSS providers that took effect in January 2026.

AB 218

- \$0.5 million to fund 1 position at the Chief Executive Office's Risk Management Branch to implement and manage the countywide AB 218 corrective action and prevention plan, fully offset by intrafund transfers from paying departments.
- \$2.7 million to fund 10 positions at the District Attorney to investigate and prosecute AB 218 fraudulent claims, fully offset by Consumer Protection Settlement Fund.

New Department of Homeless Services and Housing

The Department of Homeless Services and Housing (HSH), established to centralize homelessness efforts and improve service delivery, became operational in January 2026. HSH is supported by 573 positions, including 175 newly allocated positions and a net 398 positions transferred from the CEO's Homeless Initiative budget and the Department of Health Services' Housing for Health.

FEDERAL AND STATE REVENUE PROBLEMS:

Changes to federal and State funding is putting pressure on the County's General Fund and Special Revenue Funds:

- \$40.1 million new ongoing NCC for our CalFresh local match due to enactment of H.R. 1, the "Big Bill"
- \$22.3 million one-time NCC for anticipated General Relief administration cost increases associated with aligning CalFresh and GR allocations – this is an ongoing issue and will require ongoing NCC in a future budget year
- \$743.6 million one-time fund balance primarily for the anticipated shortfall in federal and State revenue for DHS
- Ongoing structural deficit in DPH, which we continue to work with the department to quantify and assess

2026-27 Recommended Budget

(\$ in Millions)

Total Budget by Fund	2024-25 Final Adopted	2025-26 Final Adopted	2026-27 Recommended	Change From 2025-26 Final Adopted	% Change
Total General County	\$ 37,995	\$ 40,097	\$ 38,319	\$ (1,778)	-4.4%
Special Funds/Special Districts	11,178	12,380	10,467	(1,913)	-15.5%
Total Budget	\$ 49,173	\$ 52,477	\$ 48,786	\$ (3,691)	-7.0%
Budgeted Positions	117,086	115,966	115,885	(81)	-0.1%

Position Change by Department	Net Change
Homeless Services and Housing	573
County Counsel	6
Agricultural Commissioner/Weights & Measures	5
Youth Development	3
Consumer and Business Affairs	2
District Attorney	2
Beaches and Harbors	1
Human Resources	1
Justice, Care and Opportunities	1
Board of Supervisors	(1)
Treasurer and Tax Collector	(4)
Parks and Recreation	(5)
Alternate Public Defender	(7)
Children and Family Services	(9)
Military and Veterans Affairs	(9)
Public Health	(10)
Fire	(12)
Public Defender	(14)
Probation	(43)
Chief Executive Office	(52)
Sheriff	(91)
Health Services	(418)
TOTAL	(81)