



# COUNTY OF HUMBOLDT

For the meeting of: 6/15/2026

---

File #: 26-629

---

**To:** Board of Supervisors

**From:** County Administrative Office

**Agenda Section:** Public Hearing

**Vote Requirement:** Majority

**SUBJECT:**

Public Hearing on the Proposed County Budget and Special District Budgets for Fiscal Year (FY) 2026-27

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Convene as the Board of Directors for the Special Districts governed by the Humboldt County Board of Supervisors; and
2. Open the public hearing; and
3. Receive testimony from the public; and
4. Close the public hearing; and
5. Approve the FY 2026-27 budgets for the special districts governed by the Humboldt County Board of Supervisors including final modifications (Attachment 1); and
6. Set June 18, 2026, as the date to adopt the Special Districts' budgets; and
7. Adjourn and reconvene as the Board of Supervisors; and
8. Open the public hearing; and
9. Receive a presentation on the County of Humboldt's State Legislative Program; and
10. Receive the staff report; and
11. Receive testimony from the public; and
12. Continue the hearing to 5:30 PM; and
13. Receive updated reports from staff (if required); and
14. Receive additional testimony from the public; and
15. Close the public hearing; and
16. Deliberate on the FY 2026-27 proposed spending plan; and
17. Give direction to staff regarding any desired modifications to the Proposed Budget; and
18. Set June 18, 2026, as the date to adopt the budget.

**STRATEGIC PLAN:**

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Core Services/Other

Strategic Plan Category: 9999 - Core Services/Other

**DISCUSSION:**

**Special Districts Budget FY 2026-27**

The Auditor-Controller prepares annual budgets for the special districts governed by the Humboldt County Board of Supervisors pursuant to Chapter 1 of Division 3 of Title 3 of the California Government Code. California Government Code Section 29080

requires that the proposed budgets be made available for public inspection at least 10 days prior to the public hearing pertaining to such budgets. The Clerk of the Board of Supervisors published notice on May 31, 2026, and June 7, 2026, that this documentation is available for inspection at the Office of the Clerk of the Board and that the Board will consider adoption of the proposed budgets on June 15, 2026. The California Government Code requires each special district to adopt a balanced budget on an annual basis. The budgets are presented with the attached proposed FY 2026-27 budget (Attachment 1).

The total special district budgets before your Board today are \$1,664,457, a decrease of (\$332,515) over the prior year. This decrease over the prior year is primarily attributed to expenditure decreases in Fortuna Fire Protection District.

### **Humboldt County Budget FY 2026-27**

Annually, the County Administrative Office (CAO) presents a proposed budget to the Board of Supervisors. The adoption of an annual budget is one of the most significant policy decisions of the Board. As such, it requires substantial preparation and benefits markedly from public input.

California Government Code Sections 29000 through 30200, known as The County Budget Act, as applied through rules issued by the Office of the State Controller, provide the legal requirements pertaining to the content of the proposed budget, adoption procedures and dates by which action must be taken. The CAO, as designated by the Board, is responsible for completing the budget process within the confines of state code.

Locally, the budget process is lengthy and includes the below steps:

- On Feb. 10, 2026, as part of the Mid-Year Budget Review, your Board set parameters for the development of the FY 2026-27 budget for General Fund allocations and the budget calendar. The parameters included direction to set departmental General Fund allocations to increase by 5% based on FY 2025-26 allocations and to adjust allocations further for departments impacted by the negotiated raises approved in the County Attorney Association (CAA)/Teamsters bargaining unit and other attorney classifications. In addition, your Board directed staff to deallocate FY 2026-27 unbudgeted positions, accept ARGFAs for one-time expenditures up to \$250,000 per request, set departmental contributions to Public Agency Retirement Services (PARS) at 2% of annual salaries, include the annual contribution to the Deferred Maintenance Trust Fund (3464) at policy level and include a contribution of \$3 million to the General Reserve.
- Preparation of the proposed budget began on Feb. 19, 2026, when CAO staff presented to departments the parameters for development of the FY 2026-27 budget requests. Departments were asked to submit their requests to the CAO by April 6, 2026. This represents one additional week provided to departments for budget development over last year. The CAO continues to expand the timeline for departments with the implementation of budget software in FY 2024-25. CAO staff met with each department during this time. The CAO reviewed the budget from April through June 2026.
- On May 11, 2026, optional department budget presentations to your Board were held.
- Presentation of the proposed budget is before your Board today.
- Public Hearings on the proposed budget are scheduled to be held on June 15, 2026.
- The final budget is anticipated to be adopted on June 18, 2026.

At today's hearings, staff recommends that you accept additional public comment and staff input and provide any direction you wish staff to pursue prior to the final opportunity for public input and budget adoption, scheduled for June 18, 2026.

### **FY 2026-27 Budget**

The total proposed budget (or spending plan) before your Board for FY 2026-27 is \$657,799,662 (excluding internal service funds and enterprise funds). The total proposed budget represents an increase of \$28,016,610 in expenditures, or 4.4% more than the budget your Board adopted for FY 2025-26. This number is higher primarily due to the recommended ARGFAs, CAO operational funding recommendations, an increase in Behavioral Health due to additional grant funds secured for the new Sempervirens building and for additional programs, as well as additional capital projects in the Facilities and Roads Divisions.

### General Fund-1100

The FY 2026-27 budget proposes that your Board allocate \$165,467,032 in General Fund expenditures, which is an increase of \$7,572,999, or 4.8%, from the prior year. This increase is attributed to the recommended ARGFAs of \$3,227,112 and CAO countywide operational funding recommendations of \$5,385,939. Of the total \$8,613,051 between those recommendations, \$5,425,872 is one-time expenditures and \$1,929,508 is anticipated to offer offsetting savings in the future.

#### **Additional Requests for General Fund Appropriation**

Departments submitted 17 ARGFAs for a total of \$3,227,112 in one-time requests (Attachment 2). Your Board limited requests to one-time expenditures up to \$250,000 per request. All department requests before your Board today meet those requirements. As all of the submitted requests have merit and there are sufficient resources in the General Fund to support the submitted requests, the CAO is recommending all 17 requests in the FY 2026-27 proposed budget.

#### **County Operational Funding Recommendations**

The FY 2026-27 proposed budget includes the following adjustments to General Fund allocations as recommended by the CAO. As these are operational and structural recommendations, these are not included as ARGFAs. These are recommended by the CAO to implement your Board's policies, strategic plan and to prepare for future economic and fiscal impacts. The total adjustments to General Fund allocations totals \$5,385,939, of which \$2,198,760 are one-time adjustments, \$1,257,671 are ongoing adjustments and \$1,929,508 for the establishment of Alternate Counsel is ongoing but anticipated to stabilize and reduce costs for indigent defense long-term. The adjustments include:

- \$100,000 CAO Management & Budget (1100-103 One-Time) - With the approval of the tourism marketing strategy, it is recommended that the county simultaneously implement a rebranding initiative to align efforts. A strong, consistent countywide brand will help build public trust, improve how the county delivers services and communicates across departments.
- \$70,000 CAO Management & Budget (1100-103 One-Time) - This training series would serve as a unifying professional development opportunity for elected officials and department leadership to strengthen cross-departmental relationships and promote organizational cohesion. In addition, the training is intended to enhance county leadership, ensure improved policy implementation and promote consistency in decision-making.
- \$108,943 Auditor-Controller (1100-111 Ongoing) - The FY 2023-24 Voluntary Separation Incentive Program (VSIP) requirement to hold vacancy has expired. The Auditor-Controller has one position that has not been deallocated from the VSIP program. This returns the allocation that was removed for participation in the program.
- \$200,000 Personnel (1100-130 Ongoing) - The Department of Health and Human Services will be merging some functions of their Employee Services division with Human Resources. This allocation allows the Personnel budget to accept one position which will be included in the cost allocation plan charges and will be recovered in future fiscal years. This is a structural improvement to centralized administrative functions and consistency amongst those functions and is a consolidation effort directed by your Board.
- \$50,000 Personnel (1100-130 Ongoing) - This allocation will fund certificates, plaques and related program expenses that acknowledge employee dedication and performance. Implementing a structured recognition program is expected to improve retention, engagement and morale while supporting the Board's strategic priority of workforce and operational excellence. Employee feedback has consistently highlighted a desire for a more robust and meaningful recognition program that acknowledges individual and team contributions to the organization's success.
- \$500,000 Certificates of Participation (1100-190 Ongoing) - In the near future, the 2020 Finance Plan will need to be converted from short-term financing to long-term financing. In preparation, it is recommended that your Board increase the allocation for future principal payments.
- \$1,929,508 Alternate Counsel (1100-253 Ongoing with potential to offset costs in the future) - Opening an Alternate Counsel office will allow for a third level of conflict before outside attorneys are necessary for indigent defense. Though not expected to be a cost savings, as a mandate of the county, it is anticipated that utilizing internal counsel will bring stability to costs, preventing large, unexpected spikes in costs. This is dependent on the ability of this office to secure staffing and a

location; this allocation will allow the Public Defender to explore this.

- \$97,141 Building Inspector (1100-262 Ongoing) - The FY 2023-24 VSIP requirement to hold vacancy has expired. The Planning & Building - Building Inspector has one position that has not been deallocated from the VSIP program. This returns the allocation that was removed for participation in the program.
- \$301,587 Jail Medical (1100-490 Ongoing) - This adjustment is typically necessary annually due to increased contract costs for delivering jail medical services.
- (\$402,091) General Fund Contingencies (1100-990 One-Time) - In FY 2025-26 your Board allocated three positions in the General Fund for increased workloads due to Measure Z and Measure O. At that time, your Board approved utilizing contingencies for FY 2025-26 and FY 2026-27 until these costs were recouped through cost allocation plan charges to those funding sources beginning in FY 2027-28.
- \$430,851 General Fund Contingencies (1100-990 One-Time) - At mid-year, staff presented that budget 1100-490 would be increased for County Medical Services Program (CMSP) participation fees that were anticipated to return as a result of HR1. The CMSP board has elected to waive those fees for FY 2026-27. As the state budget is still under development and the Governor's May Revision did not include backfill for HR1, staff recommend that the anticipated allocation for this be included in contingencies for unanticipated costs in the coming year as a result of HR1.
- \$2,000,000 General Fund Contingencies (1100-990 One-Time) - All labor agreements are set to expire Dec. 31, 2026. Staff recommend your Board include a contingency for the next round of labor negotiations.

**Local Assistance and Tribal Consistency Funds**

The county was awarded \$3,196,536.10 in Local Assistance and Tribal Consistency Fund (LATCF) funds to be distributed in two separate tranches, one in Federal Fiscal Year (FFY) 2022 and one in FFY 2023. This program is intended as a general revenue enhancement program intended to augment or stabilize revenues. The county received the first tranche in October 2022 and the second tranche in December 2023. On Jan. 10, 2023, your Board allocated \$1 million of these funds to establish an Earthquake Recovery & Assistance Program to assist residents displaced as a result of the December 2022 earthquake and subsequent aftershocks. Of the \$1 million, \$500,000 has been expended, \$118,103 is pending 100% reimbursement from the California Office of Emergency Services for sheltering, and \$250,000 remains obligated. \$131,897 remains available for future reallocation. In addition to any remaining earthquake funds, \$2,196,536 remains available and unobligated for your Board to allocate in FY 2026-27. The Proposed budget holds these funds for use in a future year, rather than expending in FY 2026-27.

**SOURCE OF FUNDING:**

All county funds and dependent special district funds

**FINANCIAL IMPACT:**

Funding is as shown in the Humboldt County FY 2026-27 Proposed Budget document (Attachment 1). The total proposed county budget is \$657,799,662, proposed General Fund expenditures are \$165,467,032, including a contingency of \$3,579,811.

**STAFFING IMPACT:**

Staffing is as shown in the Humboldt County FY 2026-27 Proposed Budget document (Attachment 1). The total proposed county staffing allocation is 2,207.53 positions, a decrease of 33.60 positions over the FY 2025-26 adopted positions.

**OTHER AGENCY INVOLVEMENT:**

All county departments and agencies, as well as several community organizations that receive county funding, are affected.

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

Board discretion.

**ATTACHMENTS:**

1. Proposed Budget FY 2026-27
2. Additional Requests for General Fund Appropriation FY 2026-27

---

**File #:** 26-629

---

3. State Bill Positions, Other Monitored Legislation

**PREVIOUS ACTION/REFERRAL:**

Meeting of: 6/9/2026

File No.: 26-542