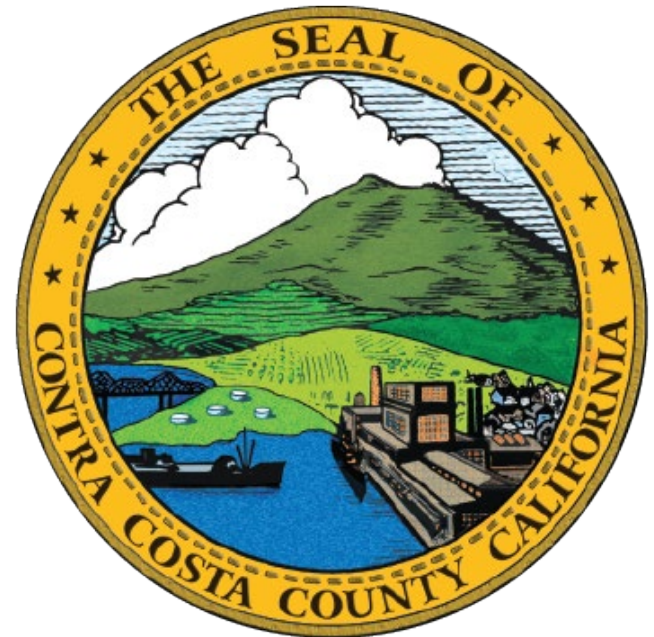


FY26-27 County Budget Development

Key Considerations

County Administrator's Office

February 3, 2026





Agenda

1. County financial updates
2. Budgeting considerations
3. FY26-27 budget hearing calendar
4. Recommendations

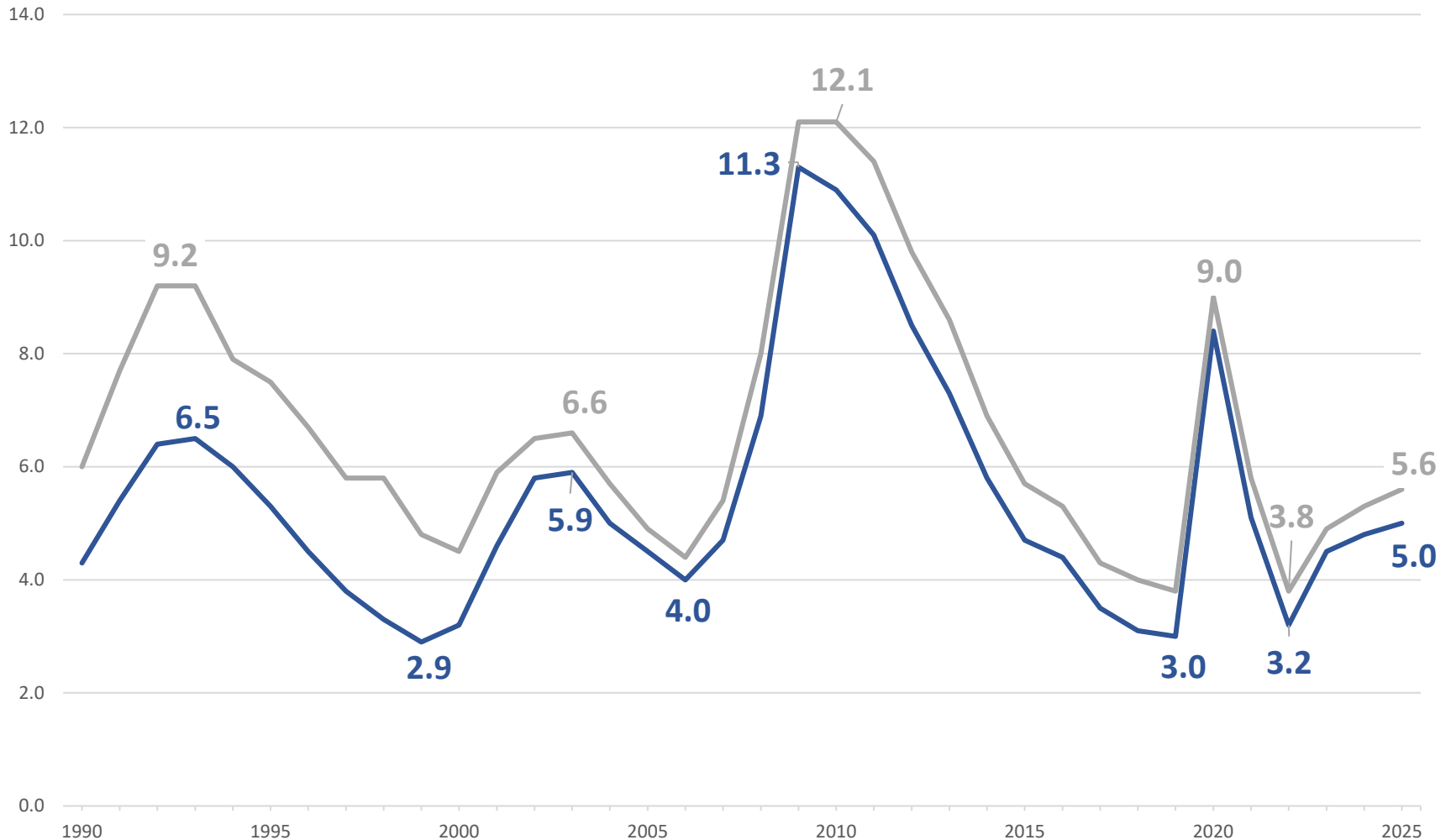


Bay Area Counties Unemployment Rates

	Sept-2025	Nov-2024
Alameda	4.9%	4.7%
Contra Costa	5.0%	4.8%
Marin	4.5%	3.7%
Napa	4.1%	4.3%
San Francisco	4.2%	3.7%
San Mateo	4.0%	3.5%
Santa Clara	4.5%	4.0%
Solano	5.6%	5.3%
Sonoma	4.6%	4.1%
Bay Average	4.6%	4.2%
Statewide	5.6%	5.3%



Unemployment Rates 1990 - 2025



Source: CA Employment Development Department

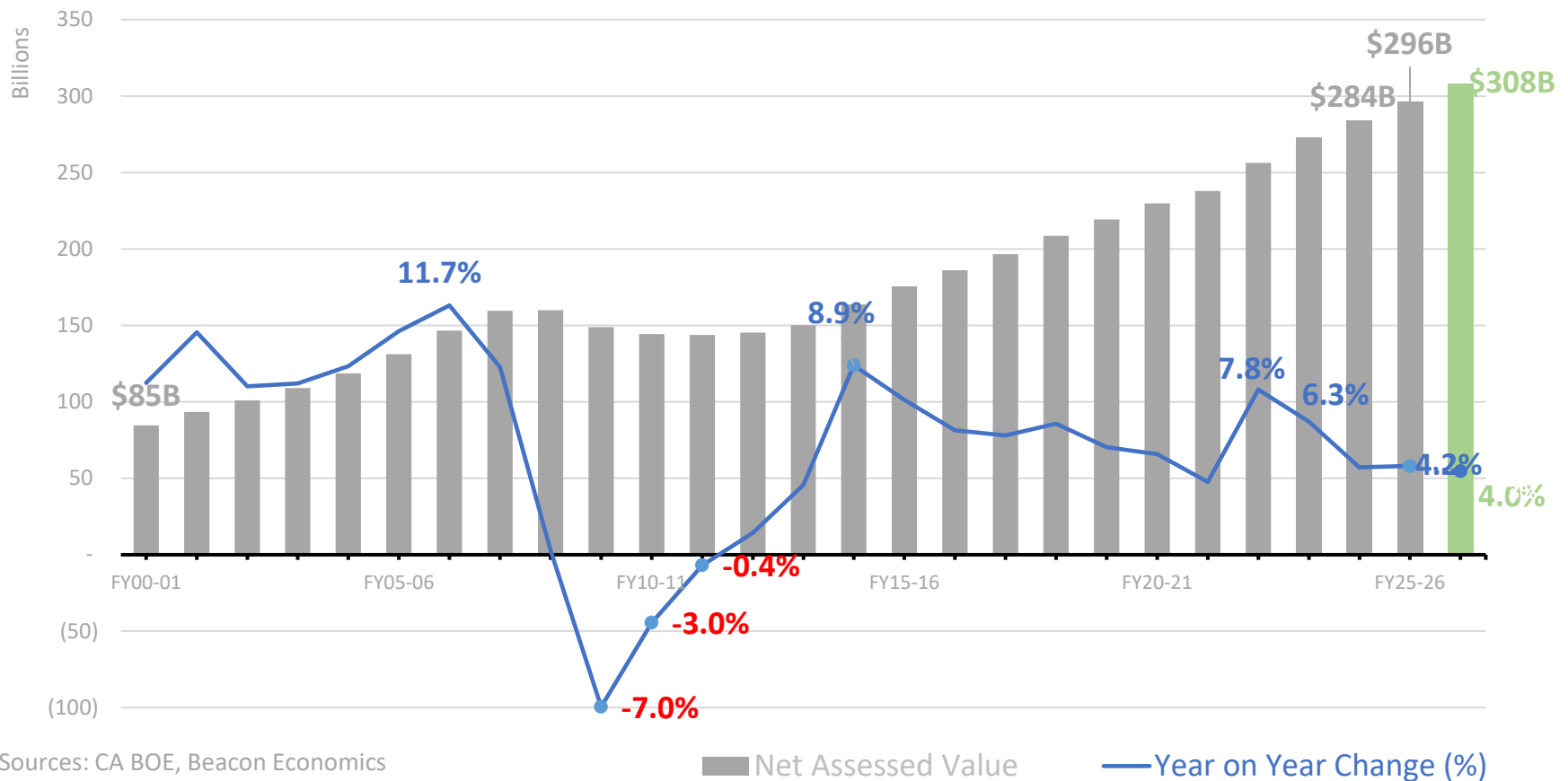
— Contra Costa

— CA



Assessed Values

Contra Costa County Assessed Values FY00-26 Actuals and Projection





Property Tax Revenues – County General Fund

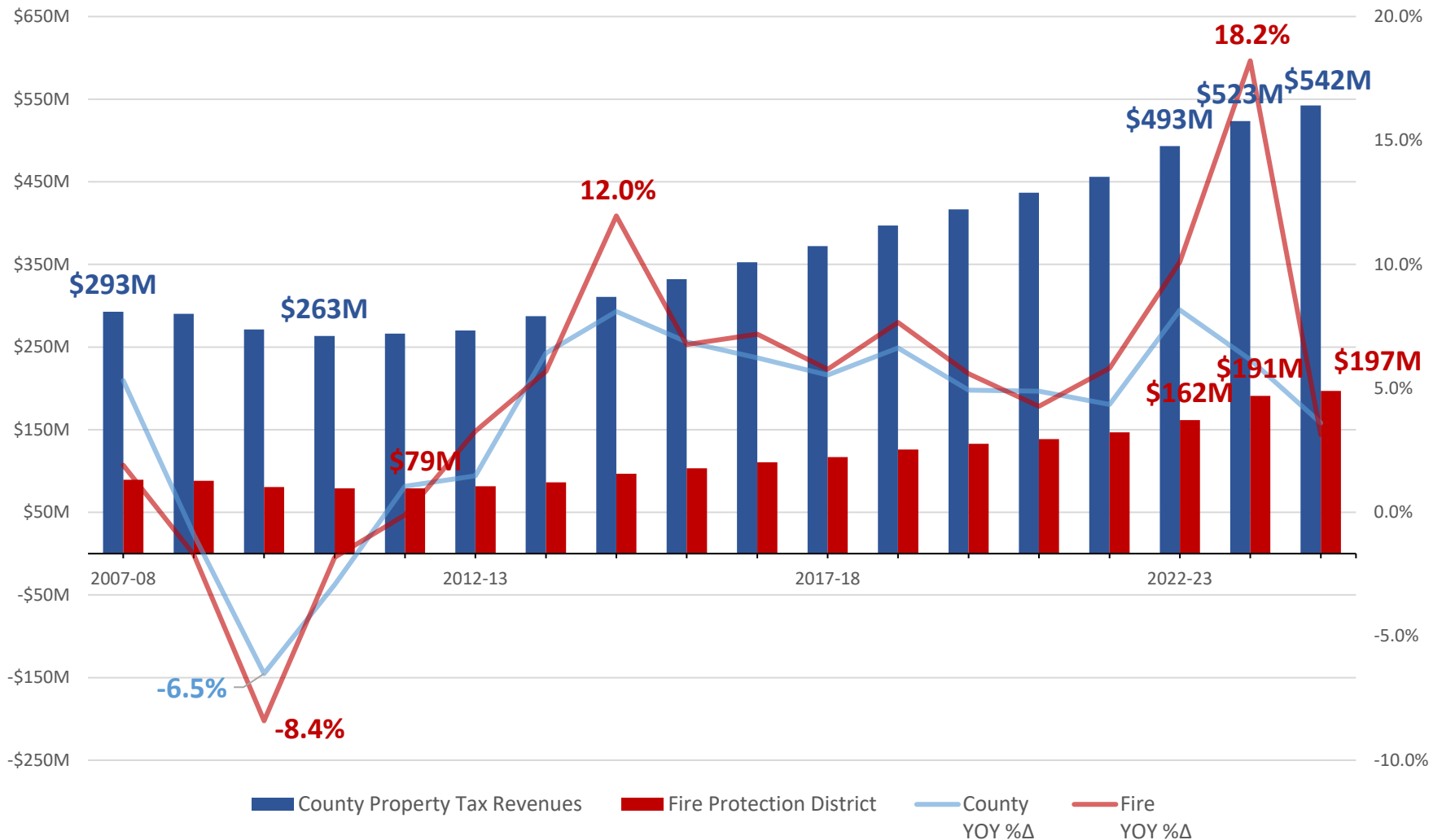
Fiscal Years 2006-2025





Property Tax Revenues – Fire District

Fiscal Years 2006-2025

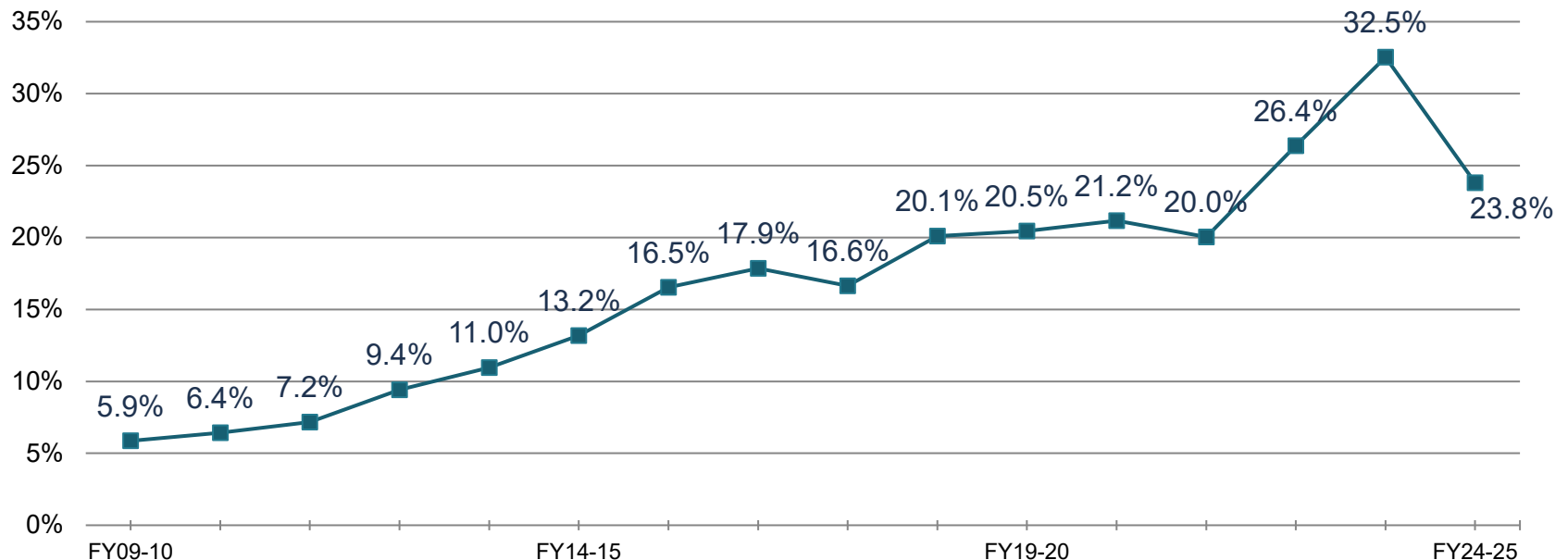




General Fund Reserves

1. For FY24-25, total General Fund revenues were \$2.454 billion and the total fund balance was \$1.213 billion, or 49.4% of total General Fund revenue
2. Of the \$1.213 billion:
 - a. \$584.6 million was unassigned (23.8% of total General Fund Revenues)
 - b. \$629.2 million was assigned, committed, restricted or nonspendable

General Fund: Unassigned Reserves as a Percentage of Revenues



Source: Annual Comprehensive Financial Reports



Pension funding

- Pension funded ratio steady at 91.0%
- County Net Pension Liability as of 12/31/2024 was \$1.17B, up from \$1.16B the prior year due to increased salary COLA's
- CCCERA investment earnings assumption is 6.75%
- Final Pension Obligation Bond payment was made June 2022

Contra Costa County Employees Retirement Association Pension Funding Status (Thousands)				
Actuarial Valuation Date	Total CCCERA Net Liability	Funded Ratio	County Net Liability	Fire Protection District Net Liability
2009	\$1,024,673	83.8%	\$727,578	\$68,294
2010	1,312,215	80.3%	918,919	104,750
2011	1,488,593	78.5%	1,037,535	130,737
2012	2,279,059	70.6%	1,591,610	228,950
2013	1,823,681	76.4%	1,260,363	180,209
2014	1,469,942	81.7%	1,003,749	151,686
2015	1,311,823	84.5%	879,610	154,708
2016	1,187,437	86.5%	776,396	143,193
2017	1,059,356	88.5%	689,426	131,765
2018	1,031,966	89.3%	677,735	123,353
2019	947,054	90.6%	607,938	132,554
2020	859,345	91.8%	557,373	121,270
2021	854,561	92.4%	588,842	147,987
2022	1,050,406	91.2%	736,081	166,181
2023	1,155,129	91.0%	781,782	172,407
2024	1,167,648	91.0%	815,833	189,230



Labor Contracts

	Filled Positions 2025	Filled Positions 2026	Contract End Date
AFSCME Local 1 (formerly Public Employees Union)	510	522	6/30/2026
AFSCME Local 512	232	247	6/30/2026
AFSCME Local 2700	1,535	1,558	6/30/2026
California Nurses Association	846	867	9/30/2025
CCC Defenders Association	107	109	6/30/2026
CCC Deputy District Attorneys' Association	99	106	6/30/2026
Deputy Sheriffs Association, Mgmt Unit and Rank and File Unit	840	875	6/30/2027
Deputy Sheriffs Association, Probation Peace Officers Association	211	223	6/30/2027
District Attorney Investigator's Association	21	23	6/30/2026
IAFF Local 1230	474	493	6/30/2027
Physicians and Dentists of Contra Costa	255	261	10/31/2025
IFPTE Local 21	1,349	1,468	6/30/2026
SEIU Local 1021, Rank and File and Service Line Supervisors Units	892	886	6/30/2026
Teamsters, Local 856	2,026	2,122	6/30/2026
United Chief Officers' Association	18	19	6/30/2027
Western Council of Engineers	25	27	6/30/2026
Management Classified & Exempt & Management Project	473	502	N/A
	9,913	10,308	



FY25-26 County mid-year budget status

				Mid-Year 25-26	Mid-Year 24-25	Mid-Year 23-24	Mid-Year 22-23	Mid-Year 21-22
				Percent	Percent	Percent	Percent	Percent
ALL FUNDS	Budget	Actual						
Expenditures	\$ 7,373,431,172	\$ 2,979,561,047		40%	46%	41%	40%	38%
Revenues	\$ 7,120,336,664	\$ 3,230,875,802		45%	52%	50%	42%	43%
GENERAL FUND	Budget	Actual						
Expenditures	\$ 2,789,135,470	\$ 1,187,069,748		43%	42%	41%	41%	37%
Revenues	\$ 2,619,953,959	\$ 1,136,458,123		43%	47%	41%	49%	45%
Wages & Benefits	\$ 1,299,102,680	\$ 602,476,875		46%	45%	43%	45%	45%
Services & Supplies	\$ 1,108,022,353	\$ 401,662,263		36%	34%	34%	35%	35%
Other Charges	\$ 402,798,373	\$ 190,955,852		47%	46%	43%	50%	33%
Fixed Assets	\$ 104,642,972	\$ 41,376,332		40%	78%	73%	13%	10%
Inter-departmental Charges	\$ (156,275,156)	\$ (49,401,915)		32%	39%	33%	27%	42%
Contingencies	\$ 30,844,248	\$ 341		0%		33%	27%	42%
Total Expenses	\$ 2,789,135,470	\$ 1,187,069,748		43%	42%	41%	41%	37%
Taxes	\$ 705,055,372	\$ 405,652,785		58%	58%	58%	71%	61%
License, Permits, Franchises	\$ 11,687,011	\$ 4,805,879		41%	27%	24%	28%	28%
Fines, Forfeitures, Penalties	\$ 24,187,133	\$ 1,297,949		5%	7%	10%	8%	9%
Use of Money & Property	\$ 67,320,619	\$ 17,740,759		26%	34%	62%	107%	31%
Federal/State Assistance	\$ 1,110,810,168	\$ 454,817,239		41%	53%	39%	51%	44%
Charges for Current Services	\$ 214,631,696	\$ 107,531,402		50%	45%	43%	41%	48%
Other Revenue	\$ 463,629,571	\$ 144,612,109		31%	25%	16%	19%	20%
Use of Fund Balance	\$ 22,632,388	\$ -		0%	0%	0%	0%	0%
Total Revenues	\$ 2,619,953,959	\$ 1,136,458,123		43%	47%	41%	49%	45%



Measure X financials

1. \$40.3M revenue collected through December 2025 for the current fiscal year, and \$549.6M collected lifetime
2. Remaining revenue requirement of \$82.2M to fund the \$631.8M total allocated expenditures through FY25-26
3. Measure X has no remaining unallocated balance
4. FY25-26 budgeted revenue of \$122.5M currently projected to have a \$1.1M deficit
5. FY26-27 Measure X sales tax revenue projected to grow 2.0%, allowing a 1.1% (\$1.4M) cost of living adjustment for ongoing allocations to balance to the projected revenues of \$123.9M



Budgetary Pressures

1. Expenditures are growing faster than revenues
 - a. Negotiated annual increases over the past four years have compounded to 21.5% wage growth for most of the county's workforce, contributing to a projected FY26-27 position cost increase of \$208M, with next rounds of labor negotiations upcoming
 - b. Higher mortgage rates suppressing real estate transactions and property tax growth
 - c. Sluggish sales tax growth projected at 2.0%
2. Federal and State budget and policy changes affecting local revenues (e.g. Medi-Cal reimbursements, SNAP administration share of costs), projected to total \$307M by FY28-29 for Health Services. Federal and State deficits will likely limit policy solutions in future years.
3. Needed capital investments for service improvements and aging facilities (e.g. hospital seismic retrofitting, East County Service Center, Martinez Detention mandated renovations, Youth Centers)
4. Necessary technology replacements
 - 1) Property Tax and Assessments systems for Assessor's Office, Auditor-Controller, and Treasurer / Tax Collector
 - 2) Personnel and payroll systems

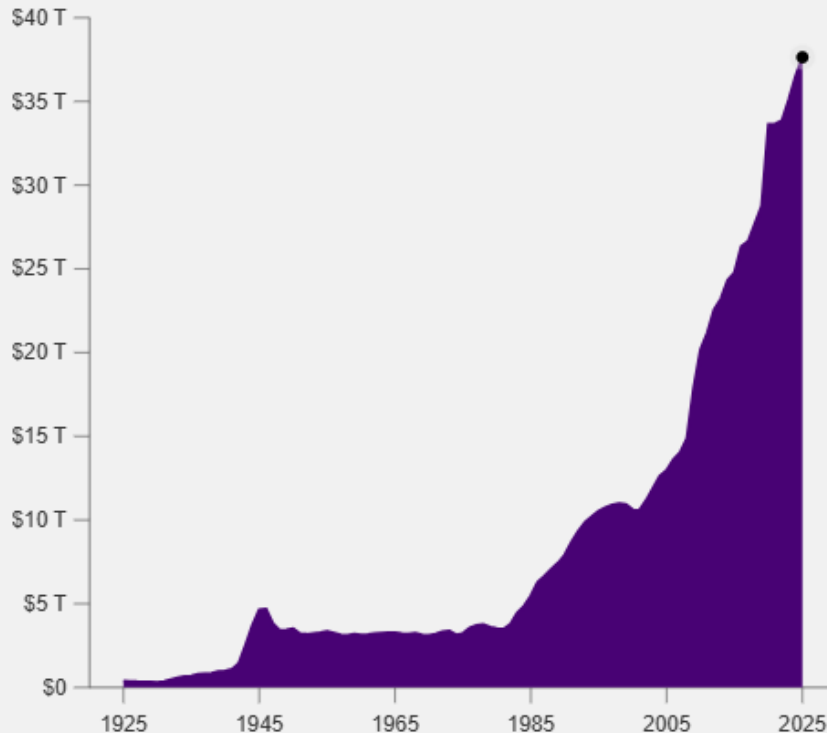


Rising federal debt

U.S. National Debt Over the Last 100 Years
Inflation Adjusted - 2025 Dollars

2025
Fiscal Year

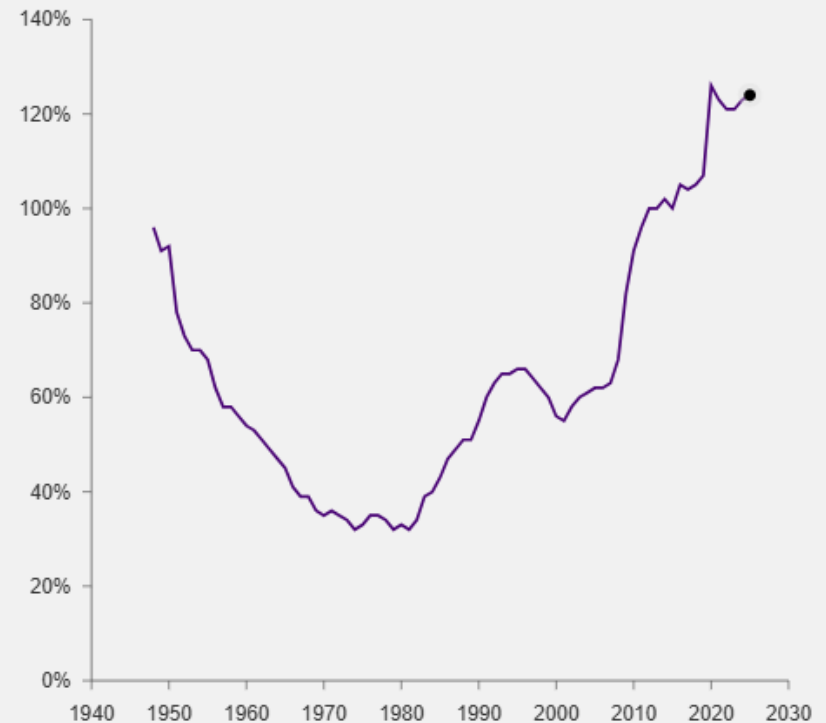
\$37.64 T
Total Debt



Federal Debt Trends Over Time, FY 1948 – 2025
Debt to Gross Domestic Product (GDP)

2025
Fiscal Year

124%
Debt to GDP





Risks to the State's FY26-27 budget

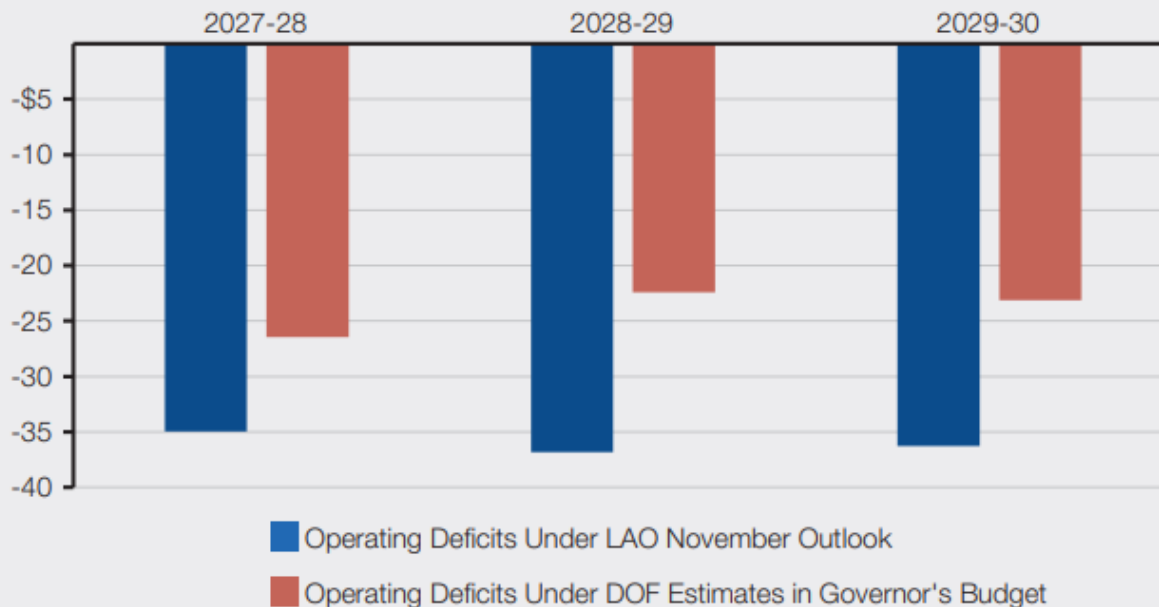
“While the significant revenue increase since the 2025 Budget Act is encouraging, it is important to recognize that much of this surge is attributable to a relatively small number of technology companies that have experienced a substantial increase in their share prices due to investor enthusiasm in artificial intelligence. Given the outsized effect that technology companies’ stocks have on personal income tax revenues, history indicates that these surges cannot be sustained indefinitely at such high levels....”

– Governor’s Budget Summary 2026-27



LAO projects continuing State deficits

Chronic Multiyear Budget Deficits



DOF = Department of Finance.

LAOA

“Deficits have transitioned from cyclical to structural.... The Governor Acknowledges These Challenges but Proposes No Material Actions to Address Them.”

– LAO Overview of the Governor’s Budget, 1/23/26



FY26-27 Budget Hearings

1. Hearing dates

1. Recommended Budget: Monday-Tuesday, April 27-28, 2026
2. Adopted Budget: Tuesday, May 19, 2026

2. Format

1. County Administrator: Overview of Recommended Budget
2. Department Presentations
3. Public Comment
4. Board Discussion and Action



Recommended Budget Hearing: Proposed Department Presentation Schedule

1. Monday, April 27

- a. County Administrator's Office – Budget overview
- b. Animal Services
- c. Clerk-Recorder and Registrar of Voters
- d. Employment and Human Services
- e. Health Services
- f. Library
- g. Public Works

2. Tuesday, April 28

- a. Contra Costa County Fire Protection District
- b. District Attorney
- c. Public Defender
- d. Probation
- e. Sheriff-Coroner



Budget Development - Recommendations

ACCEPT report on Budget Development Key Considerations for FY26-27 and beyond