AB109 RESERVE POLICY FOLLOW UP

Katie Domingo

AB 109 Administrative Services Assistant

Contra Costa County Probation

AGENDA

- Current Policy
- Trends
- Other Counties
- Projections
- Considerations
- Discussion

CURRENT POLICY

- 50% annual state revenue
  - FY 25-26: ~$19M
  - FY 26-27: ~$20M
- Current Reserve Balance
  - On-going: ~$41M*
  - Non-obligated ~ $28M*

*Current year expenditures impact this amount

OTHER COUNTIES RESERVE POLICY

- Statewide
  - No current policy
  - 58 counties, 58 methods
- Small Counties
  - 1 year of budgeted expenditures
- Medium Counties
  - 15% - 20% of annual allocation
- Large Counties
  - 20% of annual allocation

TRENDS & FORECASTING

- Revenue average ~ 5%
- Actual expenditures average ~ 5%
- Budget exceeds revenue
  - Reserve usage FY24/25: ~$2.8M
  - Reserve usage FY25/26: ~$3.6M

OPTION A

50% annual state revenue - Our current policy

Fiscal Year	Start Fund Balance	Estimated Revenue	Estimated Expenditures	End Fund Balance	Reserve Amount
FY 26-27	$38M	$37M	$41M	$34M	**$18M**
FY 27-28	$34M	$38M	$45M	$27M	**$19M**
FY 28-29	$27M	$40M	$49M	$18M	**$20M**

OPTION B

40% annual state revenue

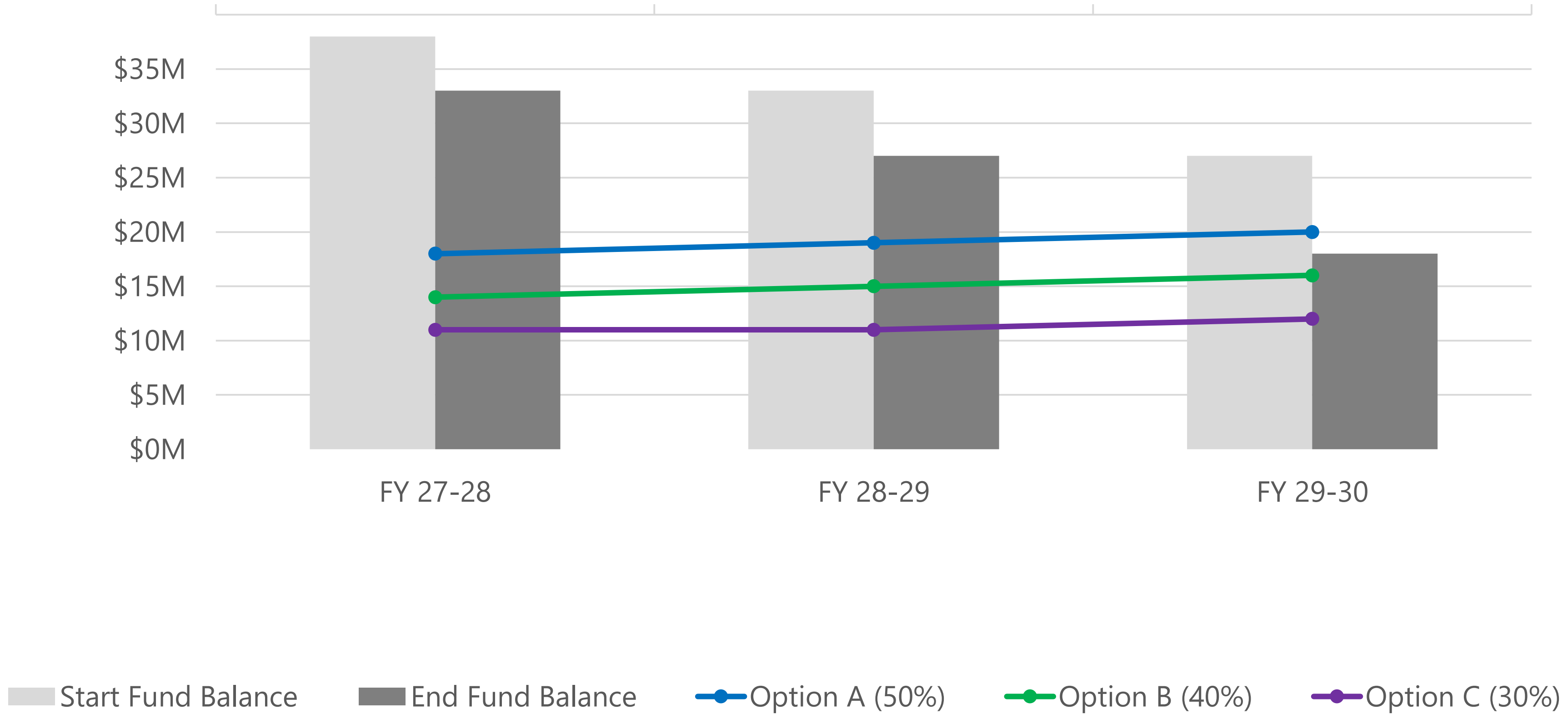
Fiscal Year	Start Fund Balance	Estimated Revenue	Estimated Expenditures	End Fund Balance	Reserve Amount
FY 26-27	$38M	$37M	$41M	$34M	**$14M**
FY 27-28	$34M	$38M	$45M	$27M	**$15M**
FY 28-29	$27M	$40M	$49M	$18M	**$16M**

OPTION C

30% annual state revenue

Fiscal Year	Start Fund Balance	Estimated Revenue	Estimated Expenditures	End Fund Balance	Reserve Amount
FY 26-27	$38M	$37M	$41M	$34M	**$11M**
FY 27-28	$34M	$38M	$45M	$27M	**$11M**
FY 28-29	$27M	$40M	$49M	$18M	**$12M**

PROJECTION SCENARIOS



CONSIDERATIONS

- Budget exceeds revenue
- Evolving fiscal environment
- Negotiated salary increases
- Emerging legislation
- Tumultuous Federal policies

DISCUSSION

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THANK YOU