



COUNTY OF SANTA CRUZ

701 OCEAN STREET, SANTA CRUZ, CA 95060-4073

(831) 454-2000 WWW.SANTACRUZCOUNTY.US

CARLOS J. PALACIOS, COUNTY ADMINISTRATIVE OFFICER

NEWS RELEASE



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Contact: Jason Hoppin

Jason.Hoppin@santacruzcounty.us

SANTA CRUZ COUNTY 2025-26 PROPOSED BUDGET RELEASED

The County of Santa Cruz has released its Proposed Budget for Fiscal Year 2025-26, outlining a comprehensive plan that balances fiscal responsibility with strategic investments in community well-being, infrastructure, and environmental resilience.

The \$1.23 billion budget includes a General Fund budget of \$793.5 million and the equivalent of 2,724 full-time positions, while maintaining General Fund reserves of more than 12 percent and strong credit ratings. However, due to potential State and federal funding cuts, there are significant uncertainties forecasted for County finances.

“While this represents a fiscally responsible budget that includes targeted investments in roads, behavioral health services and other community priorities, we are also aware of the potential for reduced health care and human services funding, shifting federal priorities, further delays in disaster reimbursements, and the potential for economic changes impacting State funding,” County Executive Officer Carlos Palacios said.

The past year included milestones such as the rollout of the the South County Government Center, expanded access to behavioral health services including the launch of 24/7 mobile crisis response teams, numerous infrastructure upgrades, and the launch of the Pajaro River Flood Risk Reduction Project. Through Measure K and other General Fund revenues, the County is also investing \$1 million in environmental and parks projects, \$1 million in homelessness services, \$1 million in housing-related uses, \$1 million in facility improvements, and nearly \$4 million in road and drainage infrastructure maintenance.

The 2025-26 budget also eliminated 74.40 full-time equivalent positions in the Health Services Agency, most of them currently unfilled.

The coming year includes milestones such as a refresh of the County Strategic Plan, setting forth a renewed vision that prioritizes equity, sustainability, resiliency, and our commitment to customer service. The County also anticipates the opening of the Children’s Crisis Center, and transitional housing projects to help people experiencing homelessness move into permanent housing.

Santa Cruz County remains committed to transparency and public participation in the budgeting process. Residents may review the Proposed Budget at

<https://www.santacruzcountyca.gov/VisionSantaCruz/Budget.aspx>.