

APPROVED ACCEPTED PENDING
DENIED PRESENTED MODIFIED

JPA Board
June 4, 2026
Item 4.a.



BY THE SANTA CLARA COUNTY LIBRARY
DISTRICT JOINT POWERS AUTHORITY

BY: Virginia Johnson
SECRETARY
DATE: 6/4/26

**JOINT POWERS AUTHORITY
BOARD TRANSMITTAL**

DATE: June 4, 2026
TO: JOINT POWERS AUTHORITY BOARD
FROM: Jennifer Weeks, County Librarian
SUBJECT: Adopt the Fiscal Year 2026-2027 Library Budget

RECOMMENDED ACTIONS

Adopt the Fiscal Year 2026-2027 Library Budget

BACKGROUND/REASONS FOR RECOMMENDATION

The Library District budget for 2026-2027 is \$108,439,507 including designated reserves and rollover amounts.

Overall, this budget assumes a small growth rate in property tax, which is the Library’s primary source of revenue. Even with this small amount of growth, the Library has sufficient resources to continue to work on Strategic Plan initiatives such as equitable open hours at all locations, literacy projects and programs, a new Integrated Library System (ILS) and continued building improvements per city directions and the Capital Maintenance Plan. This budget also assumes a smaller spend rate as compared to the previous years multi-million-dollar projects that have concluded in FY2026 including the Automated Materials Handling System (AMHS) replacement, the Campbell Library Renovation and building of The Nest.

This budget in combination with the approved Reserves Designations, ensures that the Library District remains well-positioned to confront future revenue fluctuations with prudently planned fiscal resources.

SANTA CLARA COUNTY LIBRARY DISTRICT

**PROPOSED BUDGET
FISCAL YEAR 2026-2027**

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Exhibit A

Fiscal Year 2026-2027

Budget Summary

REVENUE	2025-2026 BUDGET	2026-2027 BUDGET	Variance from PY
Property Tax	\$81,560,104	\$85,978,982	\$4,418,878
Other Income	\$10,201,243	\$9,992,249	-\$208,994
Total Revenue	\$91,761,347	\$95,971,231	\$4,209,884
EXPENDITURES			
Salaries & Benefits (Object 1)	\$56,201,828	\$58,233,632	\$2,031,804
Services & Supplies (Object 2)			
IT & Phone Services	\$9,843,780	\$11,557,411	\$1,713,630
Buildings & Utilities	\$27,882,036	\$16,031,858	-\$11,850,178
Books & Supplies & Promotions	\$16,516,111	\$15,413,892	-\$1,102,218
Contracts & County Costs & Misc.	\$8,255,190	\$7,202,714	-\$1,052,476
Subtotal Expenditures	\$62,497,117	\$50,205,875	-\$12,291,242
Total Expenditures	\$118,698,945	\$108,439,507	-\$10,259,439
Net Position (without Reserves)	\$ (26,937,598)	\$ (12,468,276)	\$14,469,323
Designated Reserves	\$34,890,041	\$5,225,000	-\$29,665,041
Rollover Amount	\$20,867,000	\$7,243,276	-\$13,623,724

Exhibit B

**Fiscal Year 2026-2027
Budget Revenue**

REVENUE SOURCE	FY 25-26 BUDGET	FY 26-27 BUDGET	Variance from PY
Supplemental Roll	\$1,189,899	\$1,238,760	\$48,861
Property Tax - Current Secured	\$46,185,000	\$48,438,000	\$2,253,000
Property Tax - Current Unsecured	\$2,586,020	\$2,415,000	-\$171,020
Property Tax - Unitary Roll	\$1,229,185	\$1,205,222	-\$23,963
Property Tax- Prior Year Adj.	\$0	\$0	\$0
RPTTF Residual	\$2,487,000	\$2,519,000	\$32,000
Property Tax - Others (Excess ERAF)	\$20,999,000	\$23,119,000	\$2,120,000
RDA Pass-through	\$1,741,000	\$1,688,000	-\$53,000
Motor Vehicle in Lieu Tax	\$5,143,000	\$5,356,000	\$213,000
TOTAL PROPERTY TAX	\$81,560,104	\$85,978,982	\$4,418,878
Library Fees and Charges	\$150,000	\$150,000	\$0
Interest Earnings	\$3,000,000	\$3,000,000	\$0
Homeowner Prop. Tax Relief	\$135,022	\$126,090	-\$8,932
State LSCA	\$115,131	\$115,131	\$0
Other State Grants (LATL)	\$0	\$0	\$0
Special Tax	\$6,100,000	\$6,100,000	\$0
Other Library Services	\$0	\$0	\$0
Contributions & Donations	\$0	\$0	\$0
Passport Fees	\$436,833	\$450,000	\$13,167
Misc. Income and Adj.	\$16,028	\$16,028	\$0
Contribution from County	\$213,229	\$0	-\$213,229
Federal Medicare Credit	\$35,000	\$35,000	\$0
TOTAL OTHER INCOME	\$10,201,243	\$9,992,249	-\$208,994
TOTAL REVENUE	\$91,761,347	\$95,971,231	\$4,209,884

Budget Expenditures

EXPENDITURE SALARY & BENEFITS (Object 1)	FY 25-26 BUDGET	FY 26-27 BUDGET	Variance from PY
Permanent Employees	\$32,662,748	\$34,255,623	\$1,592,875
Temporary Employees	\$1,822,679	\$1,906,284	\$83,605
Unemployment Ins & Worker's Comp Ins	\$244,255	\$249,857	\$5,602
Health Insurance	\$7,454,001	\$7,861,232	\$407,231
Retiree Health Insurance	\$3,133,811	\$3,277,556	\$143,745
Premium Pay	\$475,075	\$59,493	-\$415,582
Call Duty/OT/Holiday OT	\$0	\$0	\$0
Uniform & Childcare	\$14,650	\$15,062	\$412
FICA Soc.Sec.- Medicare	\$2,477,610	\$2,534,433	\$56,823
PERS Retirement	\$7,893,068	\$8,074,092	\$181,024
Salary wo Benefits (Extra Help) & Misc.	\$23,931	\$0	-\$23,931
TOTAL SALARIES & BENEFITS	\$ 56,201,828	\$ 58,233,632	\$2,031,804
EXPENDITURE SERVICES & SUPPLIES (Object 2)	FY 25-26 BUDGET	FY 26-27 BUDGET	Variance from PY
IT & Phone Services			
PC Hardware & Software	\$7,886,749	\$9,557,873	\$1,671,124
Data Processing	\$1,341,642	\$1,384,148	\$42,506
Telephone Service	\$615,389	\$615,389	\$0
Buildings & Utilities			
Structure Maint & Improve.	\$11,970,370	\$9,581,569	-\$2,388,801
Equipment Maint & Small Tools	\$12,239,057	\$1,474,907	-\$10,764,150
Utilities	\$2,000,000	\$2,000,000	\$0
Insurance Preimiums	\$640,609	\$712,509	\$71,900
Furniture	\$1,032,000	\$2,262,873	\$1,230,873
Books & Supplies & Promotions			
Library Collection Materials	\$15,206,858	\$14,107,771	-\$1,099,087
Office & Program Supplies	\$901,176	\$901,176	\$0
Incentives/Promotions/Summer Reading	\$408,076	\$404,945	-\$3,131
Contracts & County Costs & Misc.			
Prof.&Specialized Ser.	\$7,154,662	\$6,035,000	-\$1,119,662
County Overhead & Misc	\$269,871	\$337,056	\$67,185
County Counsel	\$181,065	\$181,065	\$0
Garage Fleet Services	\$162,093	\$162,093	\$0
Membership Dues	\$70,000	\$70,000	\$0
Business Travel & Meetings & Mileage	\$121,500	\$121,500	\$0
Education & Workshops	\$190,000	\$190,000	\$0
Postage	\$106,000	\$106,000	\$0
TOTAL SERVICES & SUPPLIES	\$ 62,497,117	\$ 50,205,875	-\$12,291,242
TOTAL EXPENDITURES	\$ 118,698,945	\$ 108,439,507	-\$10,259,439

Exhibit D FISCAL YEAR 2026-2027 PERSONNEL REQUEST

The Library is proposing the following 8 new positions for **Fiscal Year 2026-2027**:

- 2 Literacy Specialists
- 2 Librarian
- 1 Library Assistant
- 4 Part-Time Library Assistants

The proposed personnel budget of \$58,233,632 reflects an increase of \$2,031,084 from current year personnel budget. This increase is solely associated with the personnel actions identified above and the anticipation of the development of the Sheriff's security personnel program which will provide 3 FTE's to the Library District.

Exhibit F **BUDGETED RESERVES**
Fiscal Year 2026-2027

Capital Maintenance Plan – Building & IT Innovation Reserve

The designated Capital Maintenance Reserve serves to identify funding for future significant building repair and maintenance, and IT Innovation obligations. The CMP approval in January 2026 of \$5,225,000 for the estimated cost of the following projects:

Interior -	\$1,775,000
Painting GI/MH/SA/WD/SSC	\$575,000
Lighting MH	\$450,000
Furniture MH/GI/LA	\$750,000
Exterior -	\$850,000
Painting Exterior for GI/LA/SCC	\$450,000
Roof Replacement MH	\$400,000
Technology Improvements -	\$2,600,000
Integrated Library System	\$2,000,000
AV Systems Upgrade CU/GI/LA	\$600,000

Reserves Recap: The *estimated* status of reserves funds balance, following adoption of the FY 2026-2027 Budget is as follows.

<u>FUND 0025</u>	
\$10,014,150	Capital Maintenance Reserve & Technology Innovations
\$46,000,000	Economic Uncertainty Reserve
\$1,900,000	The Nest -1344 Dell Avenue Capital Reserve
\$19,500,000	Literacy Innovation Reserve
\$26,831,508*	Undesignated Fund Balance

*Undesignated Fund Balance includes the held Excess ERAF possible payback of \$16,831,508 plus estimated surplus undesignated reserves for FY2025-2026 determined at year end.

Location Abbreviations

CU	Cupertino
CA	Campbell
GI	Gilroy
LA	Los Altos/Woodland
MI	Milpitas
MH	Morgan Hill
SA	Saratoga
SSC	Services & Support Center

**Exhibit G REBUDGET OF UNSPENT FISCAL YEAR 2025-2026
Fiscal Year 2026-2027**

The following projects, budgeted in Fiscal Year 2025-2026, will not be completed before June 30, 2025 and need to be rebudgeted to Fiscal Year 2026-2027:

- \$800,000 for Updated Audio-Visual Equipment MI/MH/SA/SSC
- \$1,767,000 for Bookmobile & Outreach Vehicles
- \$600,000 Carpet Replacement for CU & LA-Woodland
- \$350,000 for HVAC replacement in Saratoga
- \$1,500,000 for Staff Furniture Replacements for CU, MI and SA
- \$378,000 for Exterior Paint for GI/SSC
- \$100,000 for Interior Paint for LA
- \$991,926 for Public & Staff Computers (reclassified to LOA cost)
- \$756,350 for Children's Play Space for Los Altos

Total amount rebudgeted from Fiscal Year 2025-2026: \$7,243,276

Location Abbreviations

CU	Cupertino
CA	Campbell
GI	Gilroy
LA	Los Altos/Woodland
MI	Milpitas
MH	Morgan Hill
SA	Saratoga
SSC	Services & Support Center

Exhibit H Santa Clara County Library Formula 2026-2027								
Library	Population 1-1-25	Percent	Assessed Valuation	Percent	Circulation	Percent	Formula Share	FY25-26
Campbell	43,281		15,332,128,557					
Unincorporated	11,959		2,950,091,572					
Redevelopment			-1,588,425,632					
RDA Pass-thru			1,580,847,219					
RDA Dissolution			<u>7,578,413</u>					
	55,240	13.259%	18,282,220,129	10.582%	863,460	7.445%	10.43%	10.38%
Cupertino	59,831		34,929,009,291					
Unincorporated	1,192		18,518,276					
	61,023	14.647%	34,947,527,567	20.228%	3,291,426	28.379%	21.08%	21.40%
Gilroy	62,205		12,732,812,349					
Unincorporated	7,134		<u>1,201,534,696</u>					
	69,339	16.643%	13,934,347,045	8.065%	686,724	5.921%	10.21%	10.01%
Los Altos	31,720		24,231,398,155					
Los Altos Hills	8,548		11,693,200,023					
Unincorporated	14,712		<u>5,833,661,627</u>					
	54,980	13.196%	41,758,259,805	24.170%	1,838,788	15.854%	17.74%	17.80%
Milpitas	81,915		27,122,071,497					
Unincorporated	630		101,073,917					
Redevelopment			-11,048,265,416					
RDA Pass-thru			1,826,660,115					
RDA Dissolution			<u>4,043,363,041</u>					
	82,545	19.813%	22,044,903,154	12.760%	2,539,113	21.892%	18.15%	18.36%
Morgan Hill	46,599		14,759,066,755					
Unincorporated	9,910		2,287,479,627					
Redevelopment			-5,048,662,610					
RDA Pass-thru			829,093,366					
RDA Dissolution			<u>1,896,144,043</u>					
	56,509	13.564%	14,723,121,182	8.522%	829,033	7.148%	9.74%	9.58%
Saratoga	31,110		22,326,502,363					
Monte Sereno	3,637		3,410,430,394					
Unincorporated	1,634		<u>1,343,060,409</u>					
	36,381	8.732%	27,079,993,166	15.674%	1,549,582	13.361%	12.59%	12.47%
Percentages are based on assigned								
	Population		Assessed Valuation		Circulation			
Total	459,922		191,871,055,072		12,968,186			
Assigned	416,626		172,770,372,048		11,598,126			
Cities	368,846		166,536,619,384					
Unincorporated	47,780		13,735,420,124					
Unassigned	43,296		11,599,015,564		1,370,060		(Bookmobile, HQ)	
Redevelopment			-7,501,667,460					
Total Unincorp	91,076		25,334,435,688					

**Exhibit I FUNDING FORMULA PARAMETER ADJUSTMENTS
Fiscal Year 2026-2027**

At the October 27, 2016 JPA Board meeting, the Board adopted the following funding formula parameters to the existing funding formula, beginning in Fiscal Year 2017-2018:

When a community’s relative percentage of assessed valuation and/or “public service transactions”¹ exceeds their Community Library’s funding formula share by more than 5%, increase these Community Libraries’ staffing and library materials budgets to an amount that would be realized if these differences were limited to 5%, subject to available annual funding from excess fund balance.

¹“Public Service Transactions” include circulation of library materials, program attendance, reference questions, and computer sessions.

	Test #1 : Assessed Valuation				Test #2: Public Service Transactions			
	Assessed Value %	Formula %	Difference		Location	PST%	Formula%	Difference
Campbell	10.582%	10.429%	0.153%		Campbell	7.027%	10.429%	-3.401%
Cupertino	20.228%	21.085%	-0.857%		Cupertino	28.728%	21.085%	7.644%
Gilroy	8.065%	10.210%	-2.144%		Gilroy	5.759%	10.210%	-4.451%
Los Altos	24.170%	17.740%	6.430%		Los Altos	16.126%	17.740%	-1.614%
Milpitas	12.760%	18.155%	-5.395%		Milpitas	22.142%	18.155%	3.987%
Morgan Hill	8.522%	9.744%	-1.223%		Morgan Hill	7.066%	9.744%	-2.678%
Saratoga	15.674%	12.589%	3.085%		Saratoga	13.151%	12.589%	0.562%

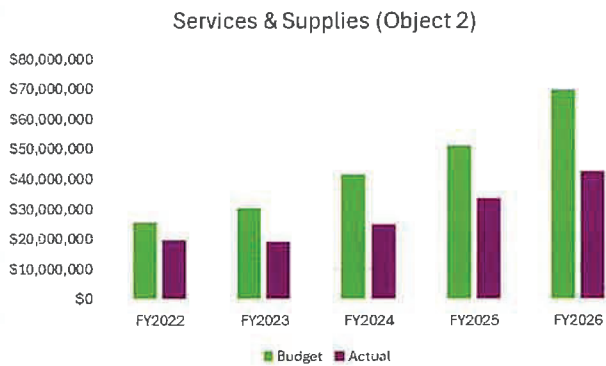
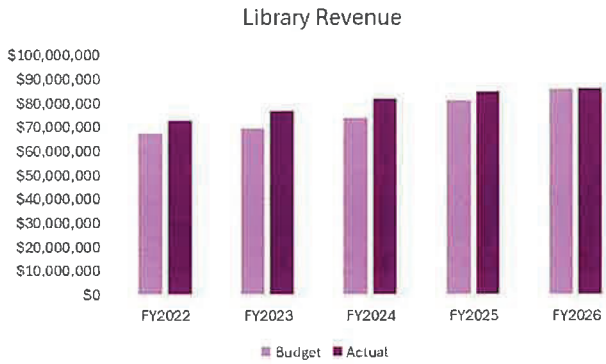
In the Fiscal Year 2026-2027 Funding Formula, there are two instances in which one-time adjustments could be made.

- 1) Los Altos’ relative share of assessed valuation is 24.170%, while the formula share is 17.740% -- a difference of 6.430%. If this difference was capped at 5%, Los Altos libraries would receive an additional *estimated \$250,000* for staffing and an *estimated \$150,000* for materials.
- 2) Cupertino’s relative share of Public Services Transactions is 28.728%, while the formula share is 21.085% -- a difference of 7.644%. If this difference was capped at 5%, Cupertino Community Library would receive an additional *estimated \$400,000* for staffing and an *estimated \$300,000* for materials.

Upon approval from the JPA Board, the 2026-2027 Personnel Budget and Books & Materials Budget will be adjusted accordingly.

Exhibit J

Library District Historical Budget to Actual
FY2022 – FY2026



Revenue budget figures are prepared by the Assessor’s office and typically include no more than a 2% increase each year.

Personnel Expense (Object 1) budget figures are based upon the salary and benefits of all positions approved for Library district and are subject to County wide employee rules and costs.

Services & Supplies (Object 2) budget figures are based upon the programmatic, facility, materials, building needs, business travel, supplies and other day to day operational needs – typically includes the Capital Maintenance costs and projects.

Library District Revenue:	FY2022	FY2023	FY2024	FY2025	FY2026
Budget	\$67,101,177	\$69,163,917	\$73,467,798	\$80,873,421	\$85,480,118
Actual	\$72,599,447	\$76,282,817	\$81,469,396	\$84,461,990	\$85,830,118
Library District Object 1	FY2022	FY2023	FY2024	FY2025	FY2026
Budget	\$41,170,698	\$42,943,968	\$45,551,239	\$50,291,426	\$56,199,337
Actual	\$36,331,689	\$37,772,636	\$42,677,742	\$47,246,367	\$54,749,670
Library District Object 2	FY2022	FY2023	FY2024	FY2025	FY2026
Budget	\$25,714,951	\$30,330,239	\$41,600,853	\$51,084,798	\$69,739,478
Actual	\$19,503,448	\$19,008,794	\$24,705,190	\$33,607,945	\$42,508,477