



Eastern Kern

Air Pollution Control District

Gary Ray, Jr.
Air Pollution Control Officer

July 23, 2026

Board of Directors
Eastern Kern APCD
2700 "M" Street, Suite 302
Bakersfield, California 93301

SUBJECT: Hearing to Consider Adoption of Eastern Kern Air Pollution Control District's
Recommended Fiscal Year 2026-2027 Budget

Honorable Board:

Section 40131 of the California Health and Safety Code requires each air pollution control district to hold an initial public hearing at which its proposed budget for the next fiscal year is presented for discussion. The initial hearing was held on May 7, 2026. This is the second hearing where the recommended (final) budget is considered for adoption.

Recommended Budget

Your packet includes a copy of the District's Recommended Fiscal Year (FY) 2026-2027 Budget. This document consists of three parts:

Breakdown of Budget:

- a. Budget unit financing summary comparing last year's budget to this year (Page 4).
- b. Budget unit financing analysis comparing last year's budget to this year (Pages 5 – 6).
- c. Expense keys 7500 and 7545 (professional and specialized services) (Pages 9 – 10).

Budget Narrative Summary

The District Staff have prepared the Recommended Budget for FY 2026-2026. Please note, there is no direct cost to the County of Kern or the three incorporated cities in the District from this Recommended Budget.

The Recommended FY 2026-2027 Budget has expenditures of \$6,096,200. The Recommended FY 2026-2027 Budget has an overall expenditure increase of \$382,700, or 6.7%, compared to the previous fiscal year's budget. Forecasted expenditures for Non-District operations (Account 7545, Professional & Specialized Services for Contracts) are \$3,213,700, or 52.7% of the budget. The Non-District expenditures are budgeted at an increase of \$399,600 compared to the prior fiscal year's budget. The Non-District account is a pass-through account used to fund special projects for other entities, drawing from three different grant funding sources. These funding sources include the motor vehicle registration fee surcharge collected by the Department of Motor Vehicles (DMV), the Carl Moyer Program funds distributed to the District by the California Air Resources Board (CARB), and Cap-and-Invest Funds distributed to the District by CARB.

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Salaries and Benefits are \$2,274,000, or 37.3% of the total budget. The District's Salaries and Benefits are budgeted with an increase in operational costs of \$64,000 compared to the prior fiscal year's budget. Anticipated salary raises through labor negotiations and step raises account for the increase.

Reserves

For the FY 2026-2027 Budget, the District recommends reducing the General Reserves. As of June 30, 2026, the General Reserve is approximately \$4.3 million. The Recommended Budget will reduce the General Reserves by \$48 thousand, which results in a cash reserve of approximately \$4.3 million.

IT IS RECOMMENDED your Board open the hearing; receive public comment; close the hearing; and adopt the Recommended Budget for Fiscal Year 2026-2027.

Sincerely,

Gary Ray, Jr.
Air Pollution Control Officer

GR: bg
Enclosure: Recommended FY 2026-2027 Budget