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# Eastern Kern

## Air Pollution Control District

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Gary Ray, Jr.  
Air Pollution Control Officer

May 7, 2026

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

**SUBJECT:** Hearing to Present and Receive Comments on Eastern Kern Air Pollution Control District's Proposed 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 second hearing, at which the final budget is considered for adoption, is scheduled for the July 23, 2026 Governing Board Meeting.

### Requirements

At least thirty days before the first hearing, the Eastern Kern Air Pollution Control District (District) must make a summary of the proposed budget available for public examination and notify those for whom a fee was imposed the preceding year of the proposed budget availability and the hearing date.

The District fulfilled these mandates with the following actions:

1. Public notice was given to the community and permit fee holders on the Fiscal Year (FY) 2026-2027 Budget through a published announcement in The Bakersfield Californian, The Tehachapi News, Daily Independent, Rosamond Weekly News, The Kern Valley Sun, and The Mojave Desert News.
2. The proposed FY 2026-2027 budget was also made available on our website ([www.kernair.org](http://www.kernair.org)) and at our Bakersfield office.

### Proposed Budget

Included in your packet is a copy of the District's Proposed FY 2026-2027 Budget in three parts:

1. Organizational Chart (Page 3).
2. Department functional statement (Page 4).
3. Breakdown of Budget (as of March 31, 2026).
  - a. Budget unit financing summary comparing last year's budget to this year's (Page 6)
  - b. Budget unit financing analysis comparing last year's budget to this year (Pages 7 – 8)
  - c. List of definitions for terms used in budget (Pages 9 – 10)
  - d. Expense keys 1101SC - Professional & Specialized Services and 1120SC – Contracts (Pages 11 – 12).

Budget Narrative Summary

The District Staff has prepared the Proposed Budget for FY 2026-2027. Please note, there is no direct cost to the County of Kern or the three incorporated cities in the District from this proposed budget.

The Proposed FY 2026-2027 Budget has recommended expenditures of \$6,096,200. The Proposed Budget has an overall expenditure increase of \$602,700, or 11.0%, compared to the previous fiscal year's budget. Forecast expenditures for Non-District operations (Account 11020SC - Contracts) are \$3,213,700 or 52.7% of the proposed budget. The Non-District expenditures are budgeted at an increase of \$619,600 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-Trade Funds distributed to the District by CARB.

Salaries and Benefits are \$2,274,000, or 36.2% of the total Proposed Budget. The District's Salaries and Benefits are budgeted for an increase to operational costs of \$64,000 compared to the prior fiscal year's budget. The District is aware that the County is negotiating with bargaining unions representing District employees. The full fiscal impact of the negotiations is unknown at this time, but the District believes the budget can absorb potential pay increases. The budget includes anticipated salary increases from bargaining negotiations and contributes to the overall rise in cost between fiscal years.

Reserves

For the FY 2026-2027 Budget, the District is proposing that expenses exceed revenue by \$48,000. As of March 31, 2026, the General Reserve stands at approximately \$3.7 million. The proposed budget will decrease the General Reserve by 1.3%.

**IT IS RECOMMENDED** your Board open the budget hearing, receive public comments, close the hearing, and direct staff to consider all comments received in preparation for the final Proposed Fiscal Year 2026-2027 Budget for Board consideration at the July 23, 2026 Governing Board Meeting.

Sincerely,

Gary Ray, Jr.  
Air Pollution Control Officer

GR: bg  
Enclosure: Proposed FY 2026-2027 Budget