

Item #7
3-19-2024



COUNTY OF FRESNO MID-YEAR BUDGET REPORT FY 2023-24



PRESENTATION OVERVIEW

- **Mid-Year FY 2023-24 Budget Status**
- **Fiscal Outlook for FY 2024-25**
- **Recommendations**

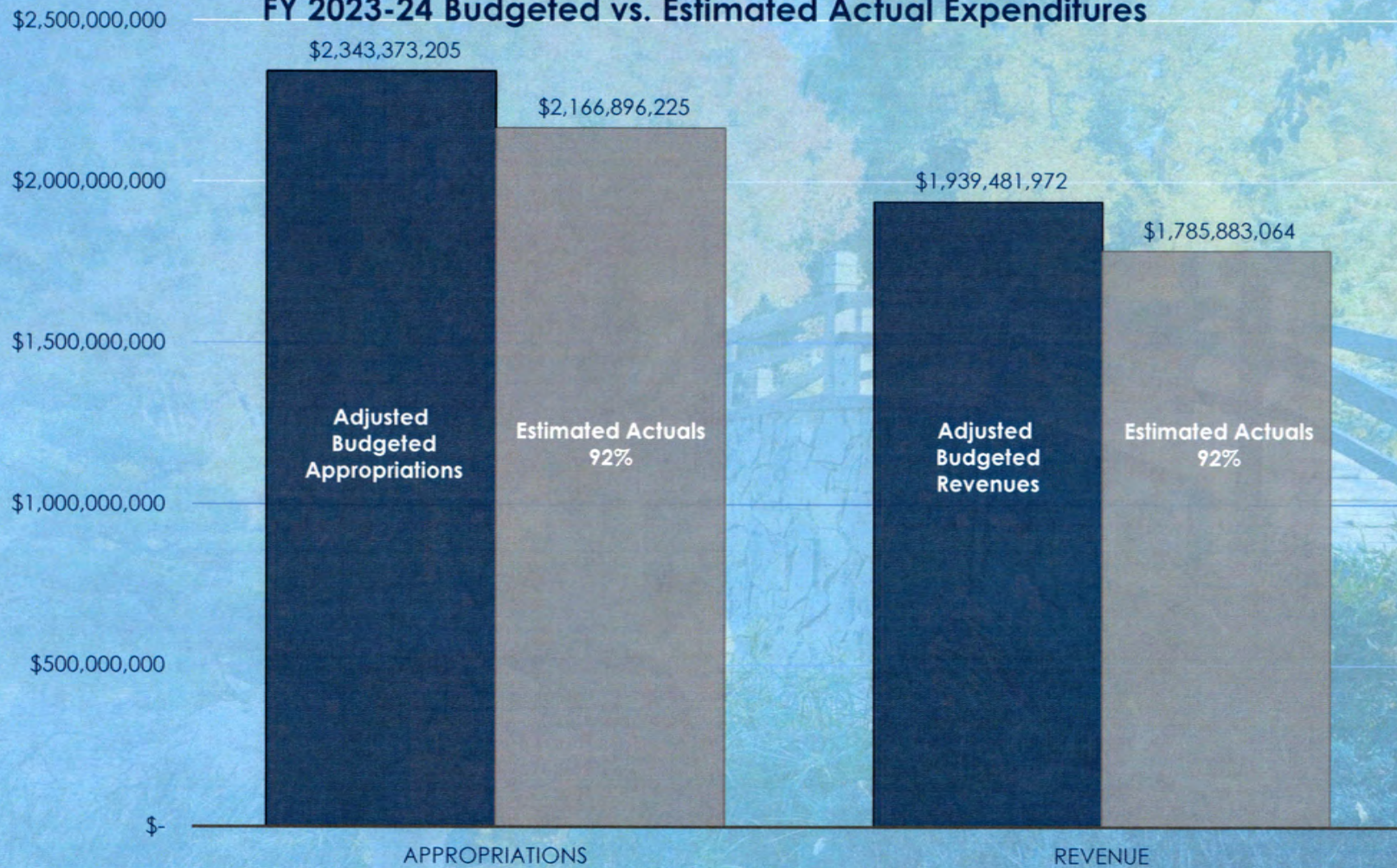
FY 2023-24

MID-YEAR

BUDGET STATUS

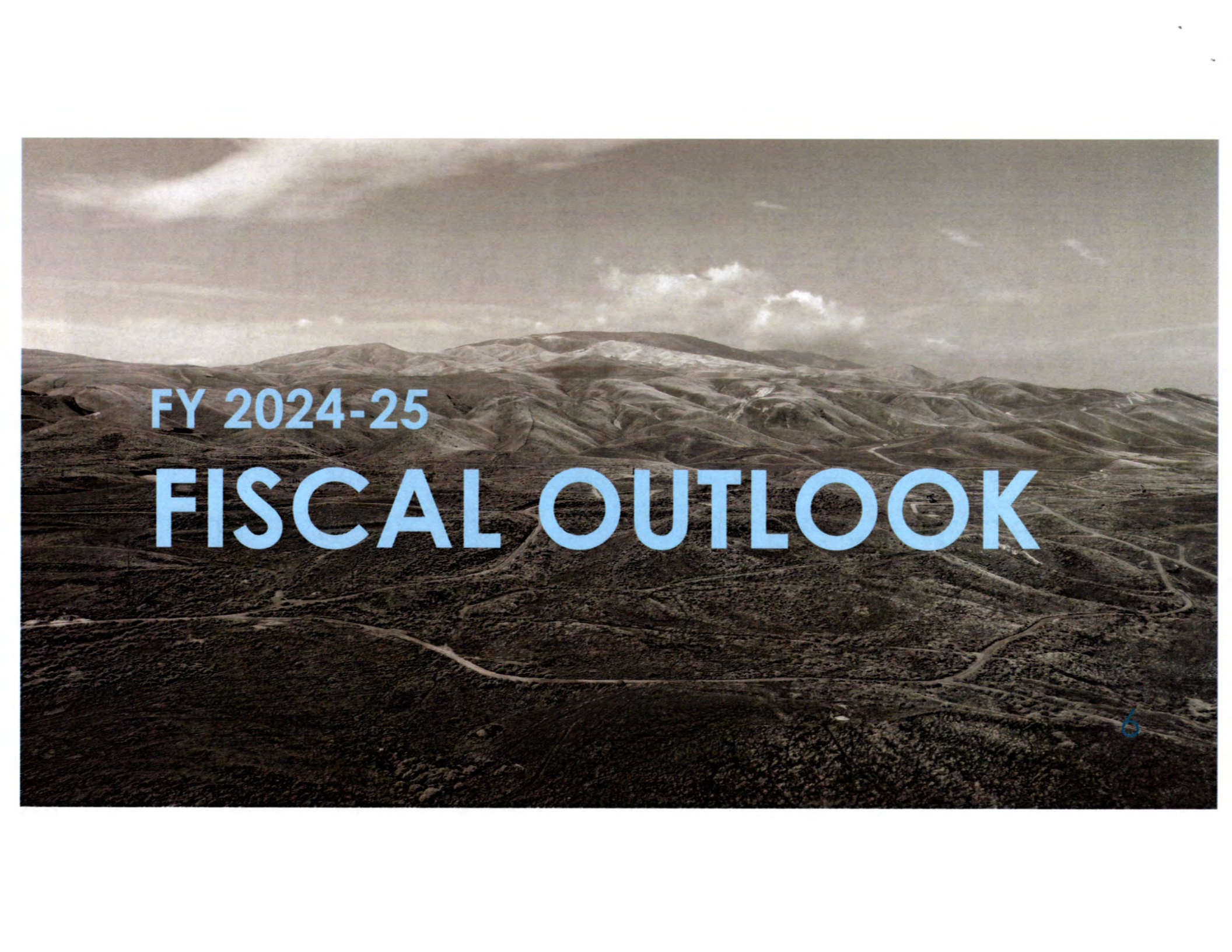
General Fund Departments

FY 2023-24 Budgeted vs. Estimated Actual Expenditures



FY 2023-24 MID-YEAR REVIEW

- Most departments indicate meeting their budgeted Net County Cost (NCC).
- Departments estimated to exceed their budgeted NCC are as follows:
 - Sheriff
 - County Clerk – Elections
 - Public Health
 - County Counsel

An aerial photograph of a rugged, mountainous landscape. The terrain is characterized by rolling hills and valleys, with some areas appearing more densely vegetated than others. The sky is filled with large, dramatic clouds, creating a moody atmosphere. The overall color palette is dominated by earthy tones like browns, greys, and muted greens, with the white of the clouds providing contrast.

FY 2024-25

FISCAL OUTLOOK

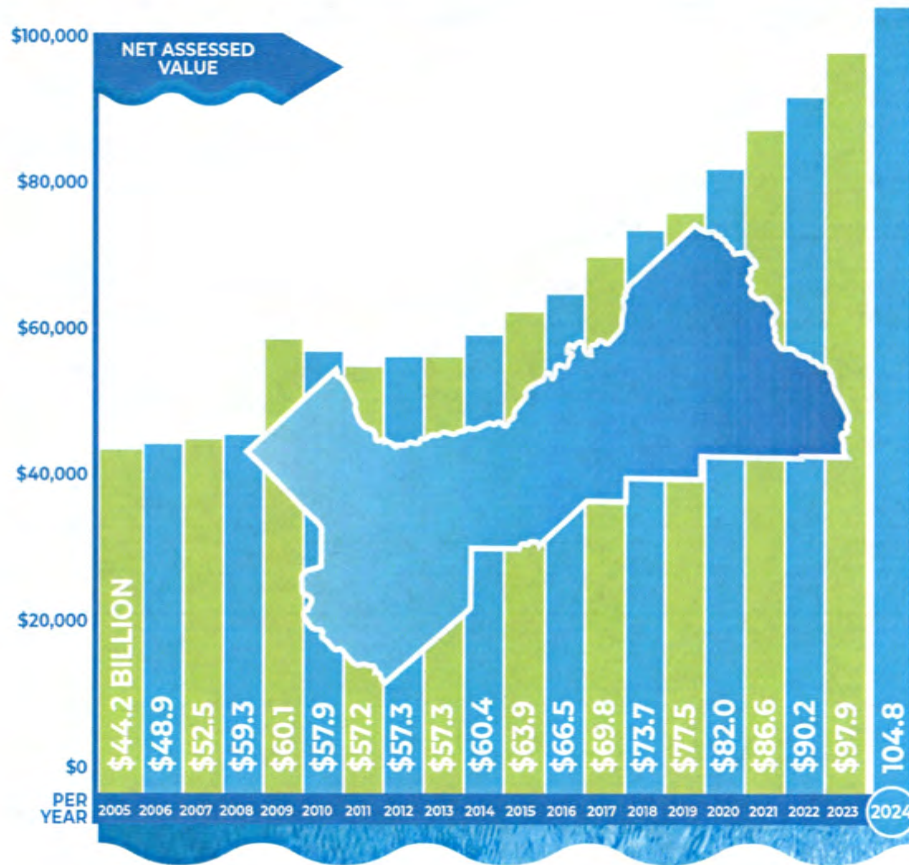
OUTLOOK FOR FY 2024-25

- Countywide Revenues

- Countywide Revenues or *Discretionary Revenues* are significantly impacted by Assessed Value growth.
- A growth factor of approximately **2%** was applied to prior year actual Property Tax for FY 2023-24 budget.
- Continuing this conservative approach to budgeting Discretionary Revenues is recommended.



NET ASSESSED VALUE



Net Assessed Value (in \$Millions)
Source: County of Fresno Assessor

OUTLOOK FOR FY 2024-25

- Sales Tax Revenues
 - Bradley-Burns Sales Tax
 - Receipts for the first two quarters of FY 2023-24 were 2% less than actuals received in the prior year.
 - Sales tax revenues are expected to be mostly flat for FY 2024-25.

Proposition 172 – ½ Sales Tax for Public Safety

In Millions



OUTLOOK FOR FY 2024-25

- Expected Operating Cost Increases
 - Salaries & Benefits
 - Negotiated increases
 - Retirement contribution increase
 - Services & Supplies
 - Inflationary cost increases across the board
 - Liability Insurance increase
 - Jail and Juvenile Hall medical services contract increase
 - IHSS negotiations

OUTLOOK FOR FY 2024-25

- State Budget

- The Governor's proposed \$291.5 billion budget included a projected **\$37.9 billion deficit**, proposing a variety of spending reductions, delays, fund shifts, and reversions which could have varying impacts to the County.
- As of late February, the California Legislative Analyst's Office (LAO) estimates the budget deficit to be significantly greater at **\$73 billion.**
- Department of Finance's February Finance Bulletin indicates that cash receipts were \$5.9 billion (4.8%) below the fiscal year-to-date forecast of \$121.5 billion.

OUTLOOK FOR FY 2024-25

- Other Potential Concerns
 - Assessed Value Growth
 - Sales Tax & Vehicle License Fee Revenue
(State Realignment Funding)
 - Impact of Proposition 1
(Mental Health Services Act [MHSA] Funding)

PROPOSED FY 2024-25 **BUDGET DEVELOPMENT SCHEDULE**

- **June 18, 2024**
 - Recommended Budget to Board of Supervisors
- **September 16, 2024**
 - Final Budget Hearings