



County of Fresno Mid-Year Budget Report

FY 2022-23

Presented: March 28, 2023

Presentation Overview



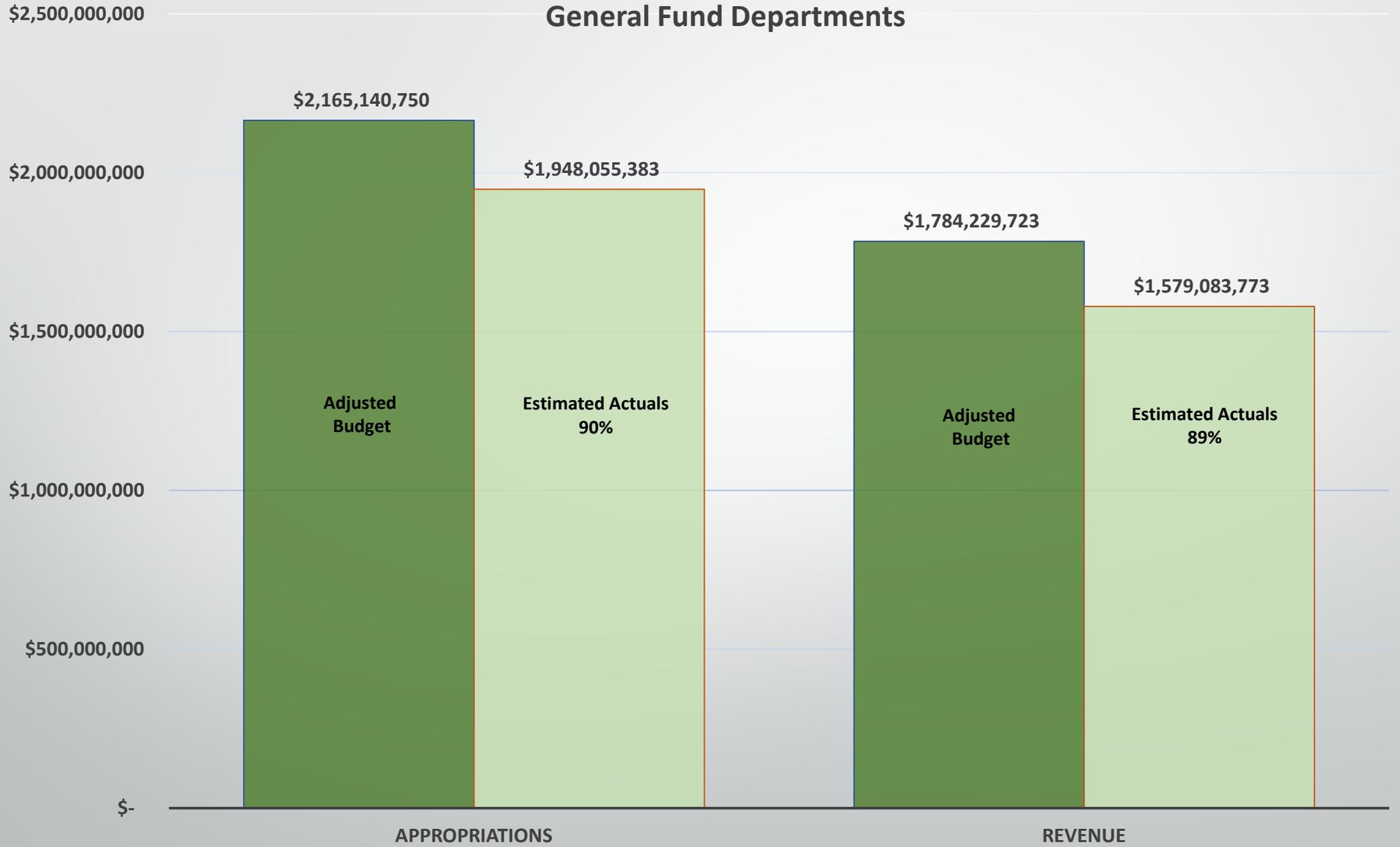
- Mid-Year FY 2022-23 Budget Status
- Fiscal Outlook for FY 2023-24 & Beyond
- Recommendations

FY 2022-23 Mid-Year Review



- All departments indicate they will be at or below their budgeted Net County Cost except for the Sheriff and Public Health Departments.
- Countywide revenues are forecasted to exceed budgeted revenue estimates and provide the necessary fund balance needed for ongoing operating costs for FY 2023-24.

Budgeted vs. Estimated Actual Expenditures General Fund Departments

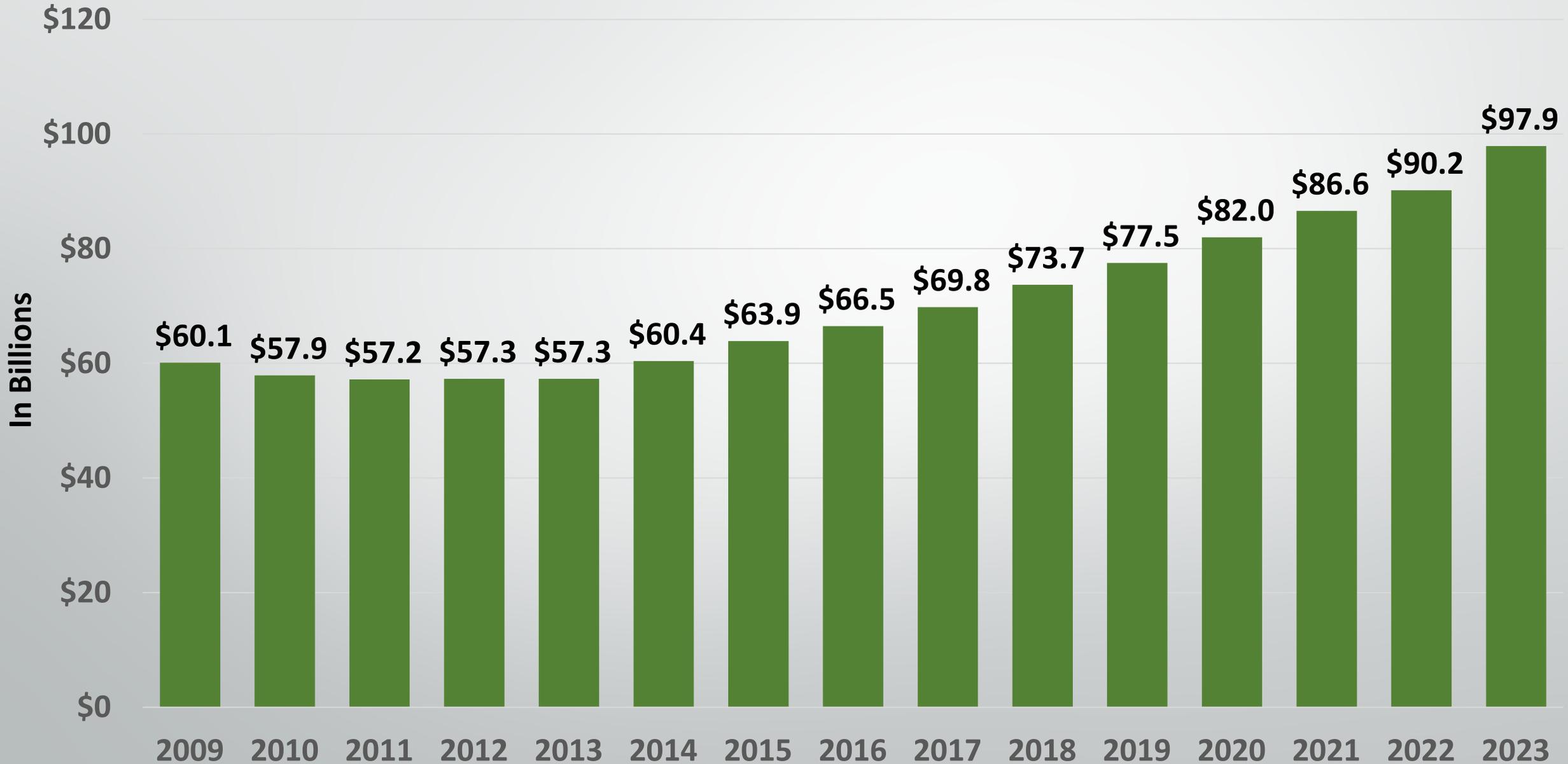


Discretionary Revenue Outlook for Fiscal Year 2023-24



- Countywide Revenues (*Discretionary Revenues*) are significantly impacted by the Assessed Value growth.
- FY 2022-23 used a *growth factor* of approximately **2%** over the prior year actuals.
- Actual Growth in Property Tax Revenue was approximately 8% leaving 6% for carryover for future years. (Prudent & Best Practice)

Fresno County Net Assessed Value



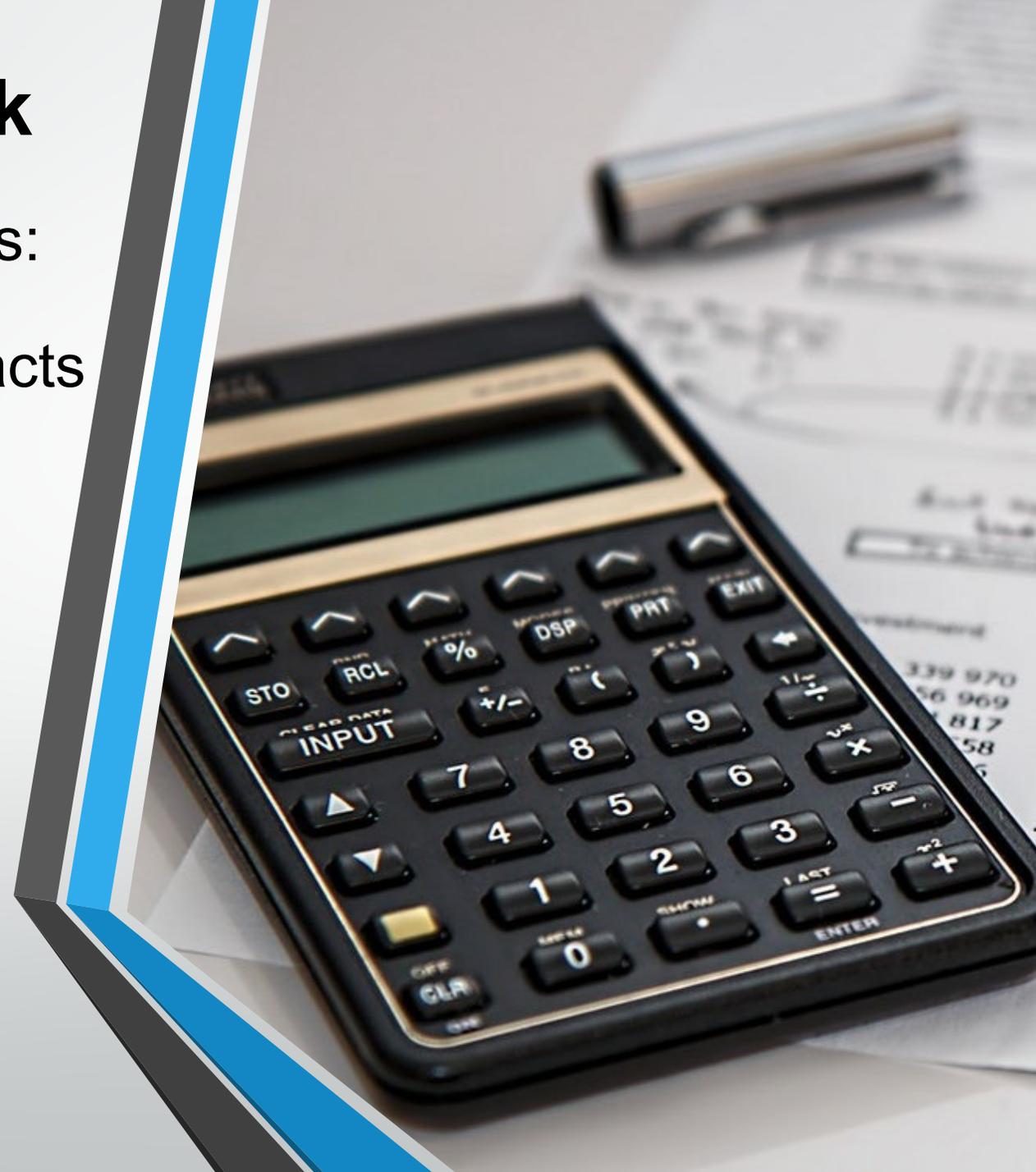
Bradley Burns Sales Tax



- First two quarters of FY 2022-23 were approximately nine percent above prior year actuals.
- This trend is not expected to continue for the remaining two quarters of FY 2022-23.
- Sales Tax revenues are forecasted to remain flat for the remainder of 2022-23 and FY 2023-24.

FY 2023-24 Budget Outlook

- Expected Operating Costs increases:
 - Salaries due to negotiated contracts
 - Services and Supplies due to ongoing inflation
 - Risk rates primarily in Liability Insurance
 - Jail and Juvenile Hall health contract costs significantly increasing



FY 2023-24 Budget Outlook

- Operating costs increases will be offset, at least in part due to reduction in Retirement Rates.
- At this time, Countywide Revenues, with prior year structural fund balance, is projected to cover operating expenditures funded with Net Count Cost.



Budget Outlook Concerns for FY 2023-24 and Beyond

- The housing market has cooled. Growth in Assessed Value is expected to be significantly less for FY 2023-24 and could result in minimal or no growth in future years.
- Sales Tax revenue is forecasted to remain flat for the remainder of this fiscal year and 2023-24.



State Budget Outlook For FY 2023-24

- The Governor's Proposed 2023-24 Budget projected a \$22.5 billion deficit.
- For the first eight months of 2022-23, cash receipts are \$4.7 billion below estimates included in the Governor's Proposed budget.
- Deficit could be significantly more by the end of the fiscal year. This will have to be addressed in the Governor's May Revise.



Budget Outlook For FY 2023-24 and Beyond

- Although it is projected there will be sufficient Countywide Revenues for FY 2023-24, there is concern for future budget years.
- A conservative approach should be taken in the usage of Countywide Revenues for FY 2023-24.



Proposed FY 2023-24 Budget Development Schedule

- Recommended Budget to Board of Supervisors by **June 20, 2023**.
- Final Budget Hearings on **September 11, 2023**.





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