



2025-26
Financial
Update

Luther Snoke, *Chief Executive Officer*
Matthew Erickson, *County Chief Financial Officer*
County Administrative Office

May 6, 2025



Topics:

Risks

County Fiscal Strategy
Updated 5-Year Forecast
2025-26 Funding Priorities
Next Steps in 2025-26 Budget

Risks



- Market Volatility



- Federal Funding Uncertainty

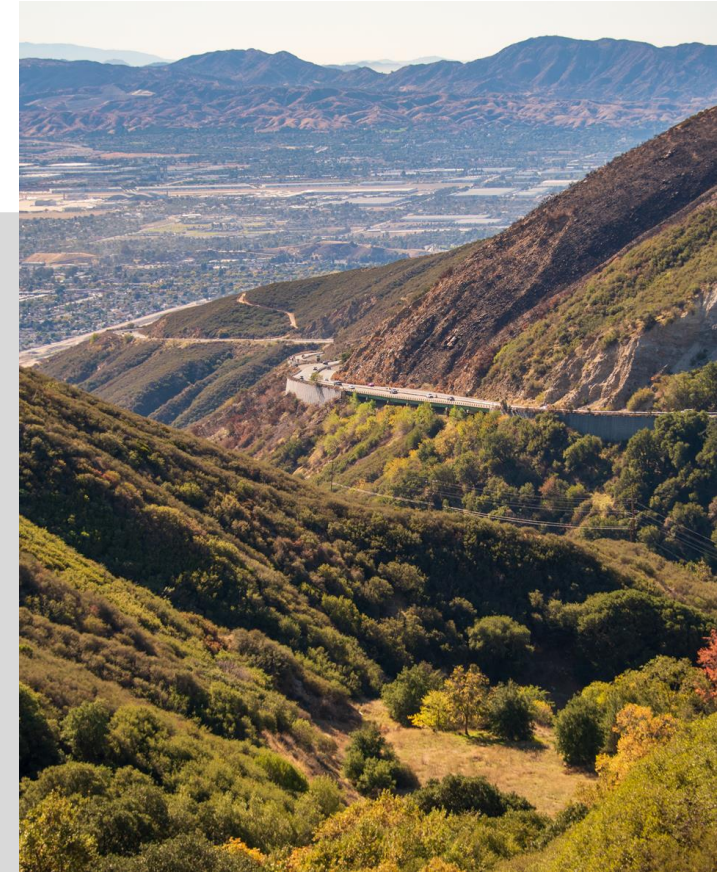


- Recession/Stagflation

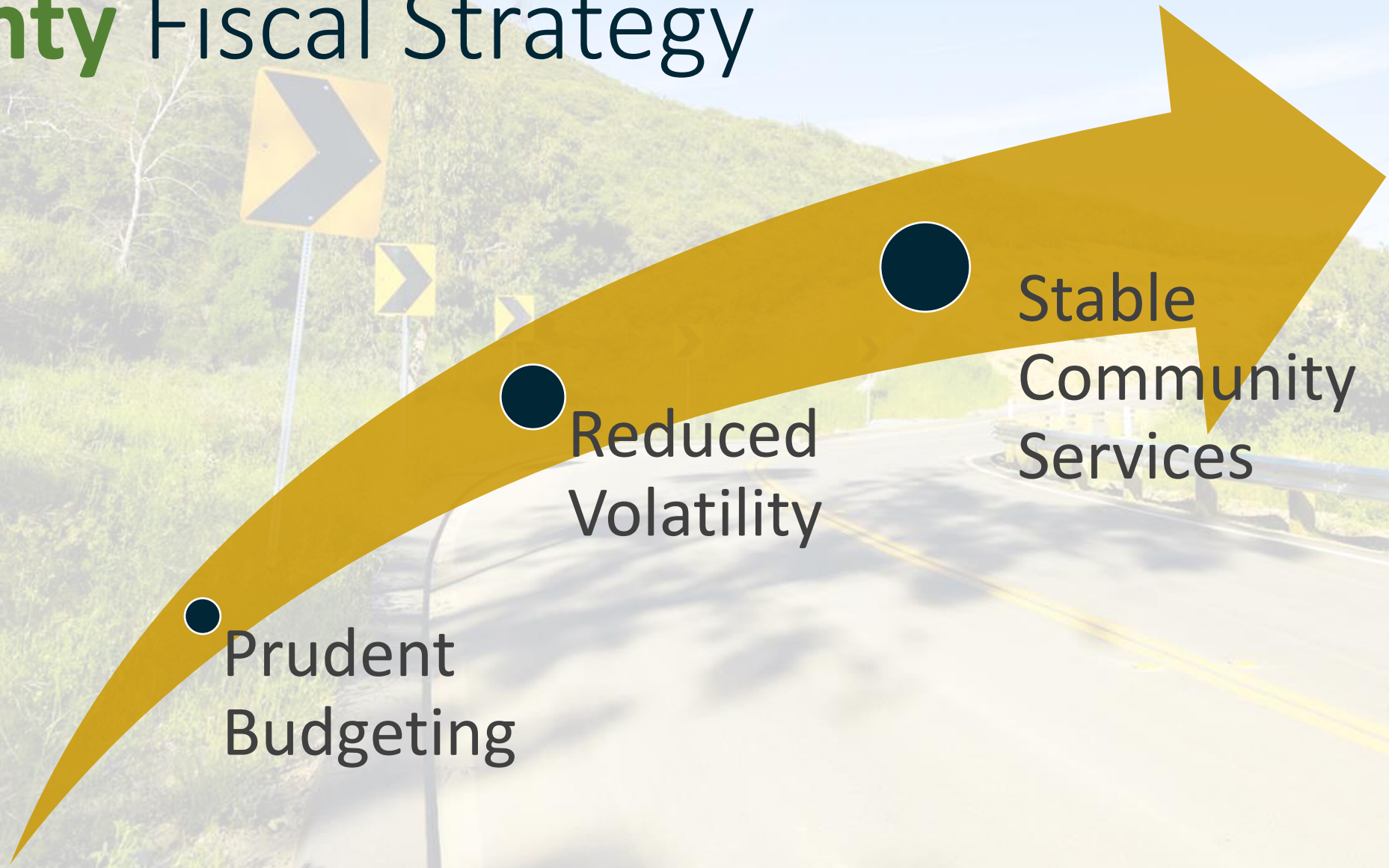


- State Budget

- Disasters



County Fiscal Strategy



Prudent
Budgeting

Reduced
Volatility

Stable
Community
Services

5-Year General Fund Ongoing Forecast



- Property Tax Growth Model
 - 3% 2025-26 and Beyond
 - Over The Last 10 Years = 6.7% Average Annual Assessed Valuation Growth Rate



- Sales Tax Slow-Down (Proposition 172 Half Cent)
 - 2022-23 and 2023-24 New Program Funding - \$50 million
 - 2024-25 New Program Funding - \$0
 - 2025-26 New Program Funding - \$0



- Strategic Investments
 - Community Concerns (\$2.1 Million New Ongoing, \$5.1 Million Ongoing Total)

Prior Years
Funding for
Economic
Uncertainty



\$74 Million
Ongoing

5-Year General Fund Ongoing Forecast

Planning for
the Future

- Employee Investments
 - \$208 Million Ongoing General Fund For MOUs Through 2029-30
- Human Service Programs
 - Up To \$55.7 Million Ongoing General Fund Through 2029-30 For Current Estimated Costs (e.g. Adoptions, Foster Care, IHSS)
- Public Safety
 - Continue To Set Aside \$8.7 Million Ongoing For Potential Law Enforcement/Detention Needs

5-Year General Fund Plan (in millions)

	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>	<u>2029-30</u>	<u>Total Five Year</u>
1. 2024-25 Ongoing Carryover	76.83					76.8
2. Revenue Change:						
3. Property Tax	32.1	33.2	30.1	31.0	31.9	158.3
4. Proposition 172	4.0	7.0	7.3	7.5	7.7	33.5
5. AB 109 - Public Safety Realignment	(4.0)					(4.0)
6. Other Revenue	7.6	1.3	1.4	1.5	1.5	13.3
7. Total Revenue Change	39.7	41.5	38.8	40.0	41.1	201.1
8. Cost Change:						
9. Total Ongoing Costs To Maintain Services	(44.6)	(10.6)	(27.7)	(16.2)	(20.5)	(119.6)
10. Ongoing Requests	(15.6)	-	-	-	-	(15.6)
11. Total Future Estimated Costs	(17.5)	(43.0)	(38.5)	(43.3)	(43.8)	(186.1)
12. Total Cost Change	(77.7)	(53.6)	(66.2)	(59.5)	(64.3)	(321.3)
13. Ongoing Available/(Deficit)	(38.0)	(12.1)	(27.4)	(19.5)	(23.2)	(43.3)
14. Cumulative Ongoing Available/(Deficit)	38.8	26.8	(0.7)	(20.1)	(43.4)	

Note: Numbers may not add due to rounding

2025-26 New County Priorities

\$205.2 Million Investment

Board Operations and Priority Funding



\$5.0 Million
- Board Discretionary Funding

Infrastructure



\$17.0 Million
- For Public Works Projects

Support Vulnerable Populations



\$8.9 Million
- For support for underserved individuals

Economic Development



\$0.75 Million
- For various projects and programs under development

Development Assistance



\$5.6 Million
- For Land Use Permit Funding and Staffing Needs

Community Services



\$2.3 Million
- For essential operations

2025-26 New County Priorities

\$205.2 Million Investment

Capital Replacement Needs



\$33.2 Million
- For County Office/
Operations Improvements

Innovation/Technology



\$22.3 Million
- For ESRI Cloud Services
and PIMS Upgrade Project

Public Safety



\$15.2 Million
- For District Attorney and
Sheriff program enhancements

Financial Security



\$44.8 Million
- For 5% Contingency fund, General
Purpose Reserve, and Retirement Reserve

Department Needs/Mandates



\$50.2 Million
- Various needs requested by departments
for staffing, systems, and projects

Next Steps:

Stay up to date using the County's budget website (<https://main.sbcounty.gov/about-cao/finance/>)

May 20, 2025:

Budget Book Delivery

June 10, 2025:

2025-26 Budget Hearing and Adoption

QUESTIONS



SAN BERNARDINO
COUNTY

THANK YOU