

FY25-26 County Budget Development

Key Considerations

County Administrator's Office

January 28, 2025





Agenda

1. County financial updates
2. Budgeting considerations
3. FY25-26 budget hearing calendar
4. Recommendations

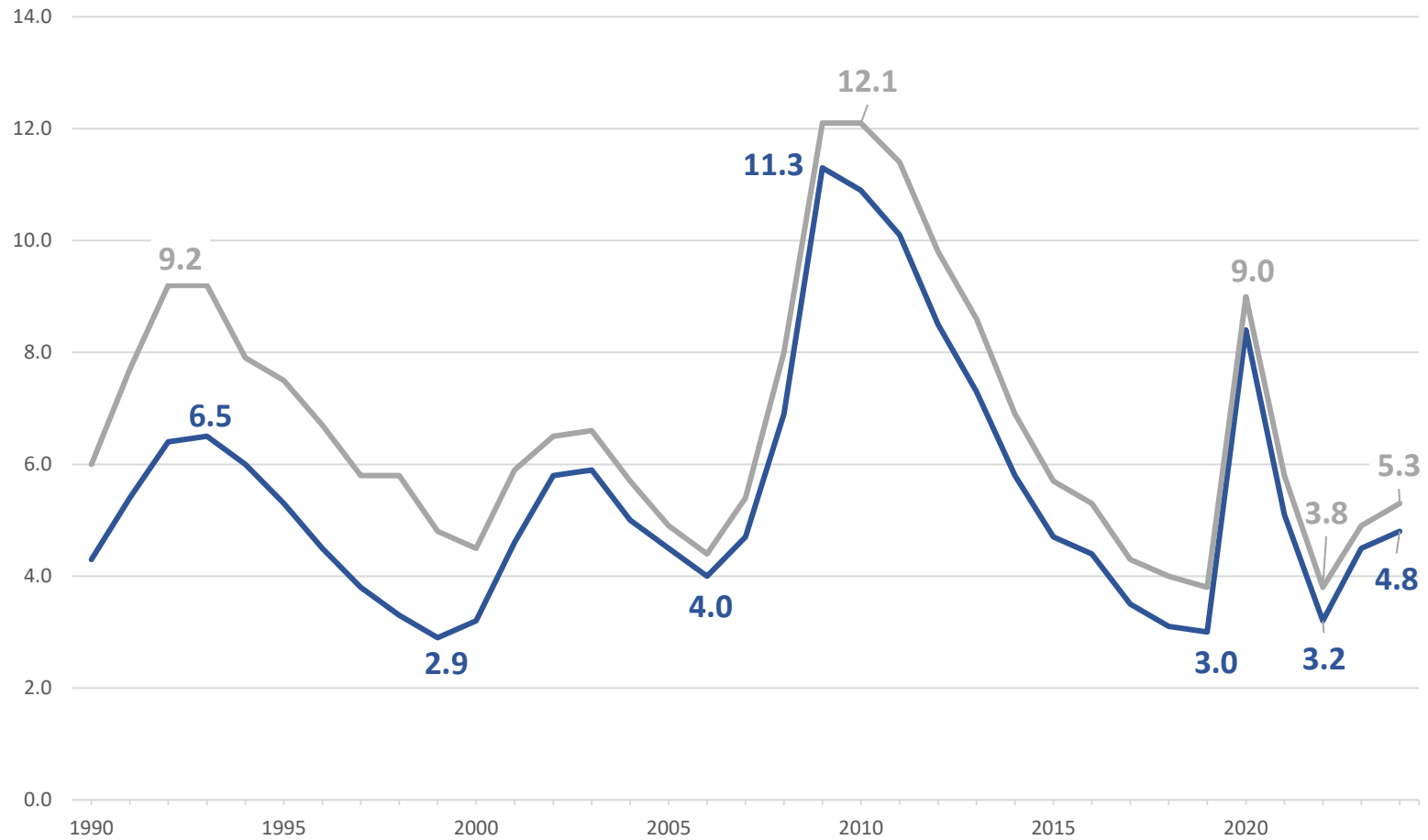


Bay Area Counties Unemployment Rates

	Nov-2024	Nov-2023
Alameda	4.7%	4.5%
Contra Costa	4.8%	4.5%
Marin	3.7%	3.7%
Napa	4.3%	3.7%
San Francisco	3.7%	3.5%
San Mateo	3.5%	3.3%
Santa Clara	4.0%	3.8%
Solano	5.3%	4.8%
Sonoma	4.1%	3.7%
Bay Average	4.2%	3.9%
Statewide	5.3%	4.9%



Unemployment Rates 1990 - 2024



Source: CA Employment Development Department

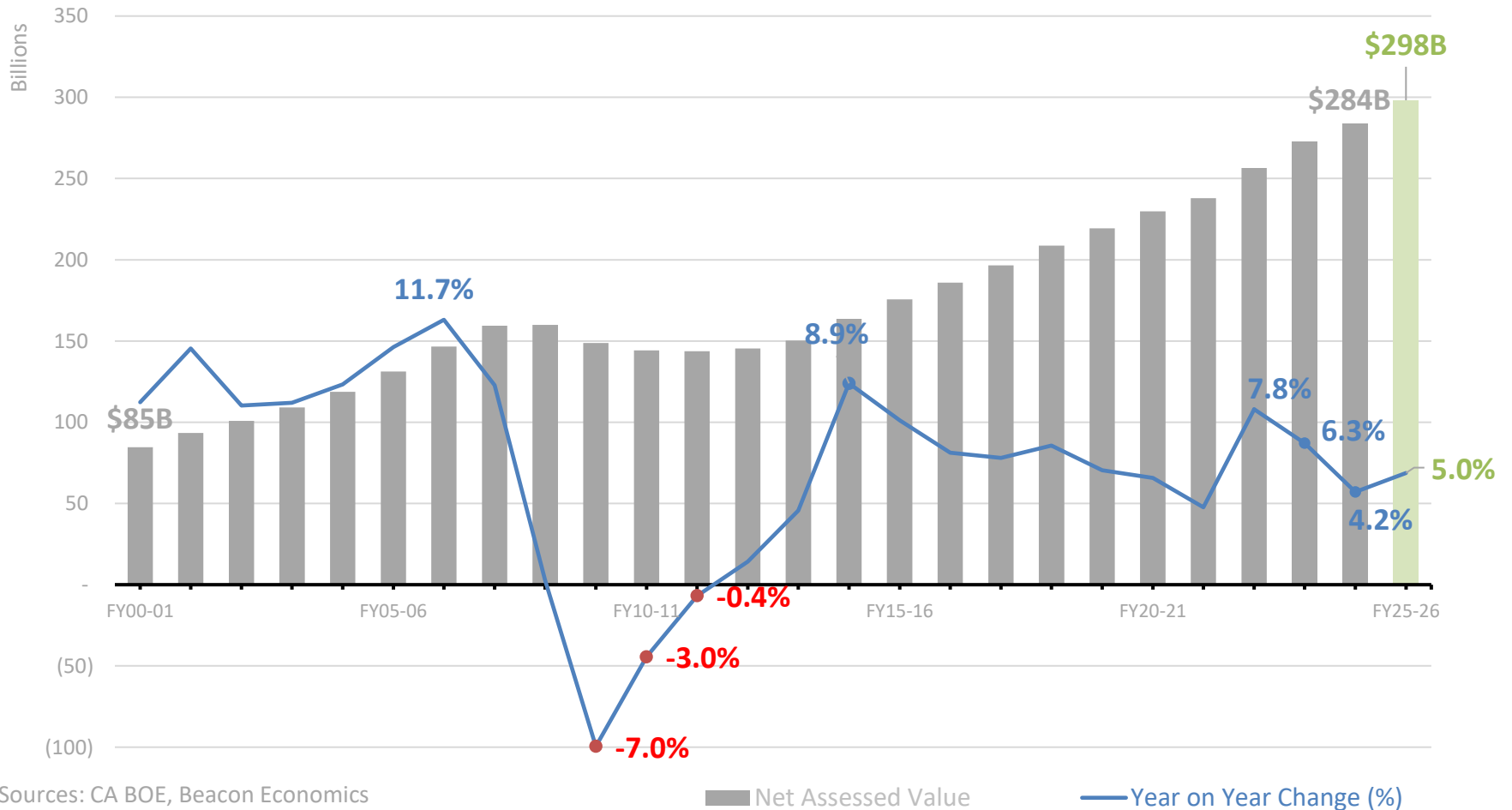
— Contra Costa — CA



Contra Costa County - Assessed Value

Fiscal Years 2000 - 2026

FY00-26 Actuals and Projection





Property Tax Revenues – County General Fund

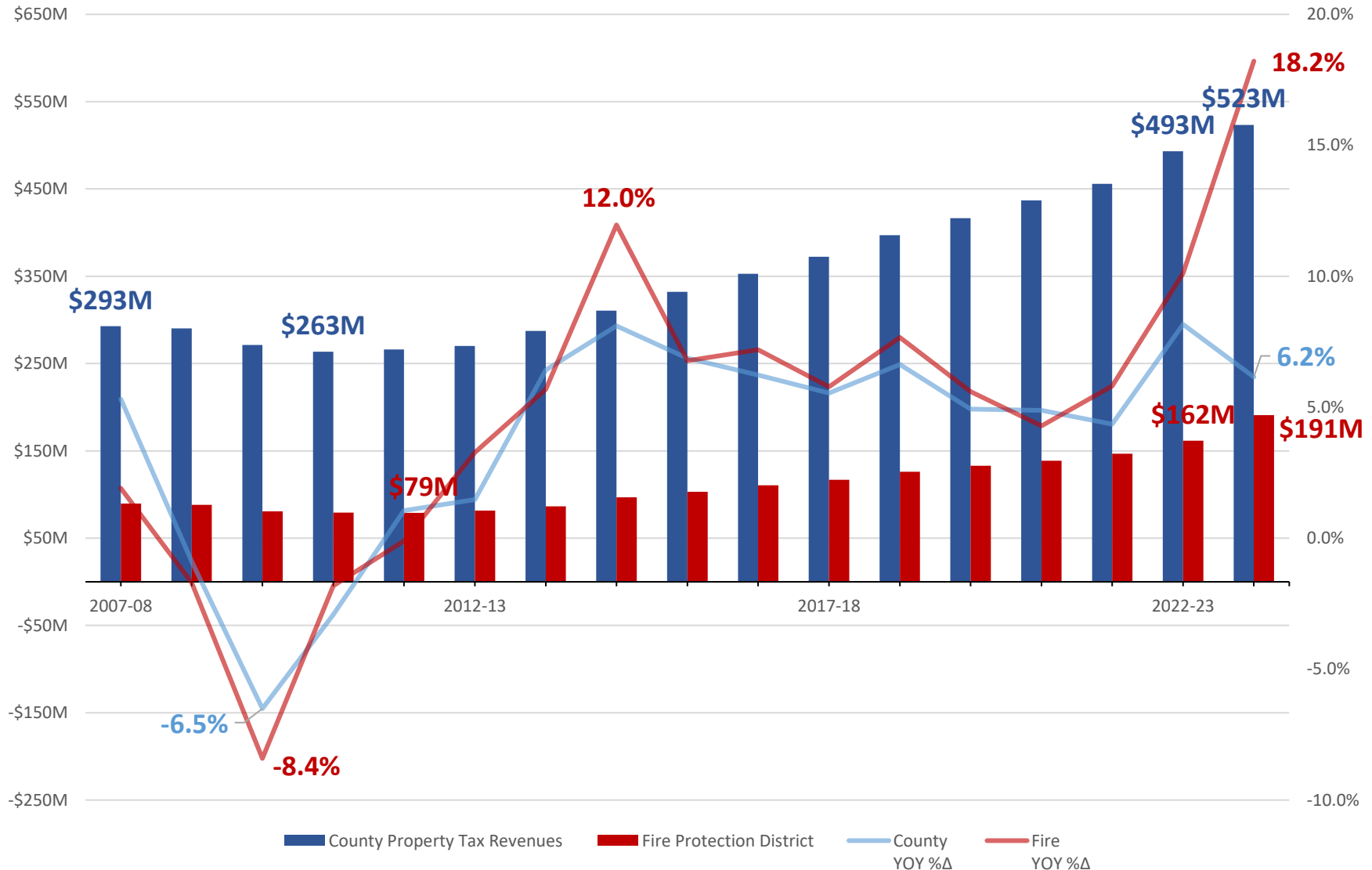
Fiscal Years 2006-2024





Property Tax Revenues – Fire District

Fiscal Years 2006-2024

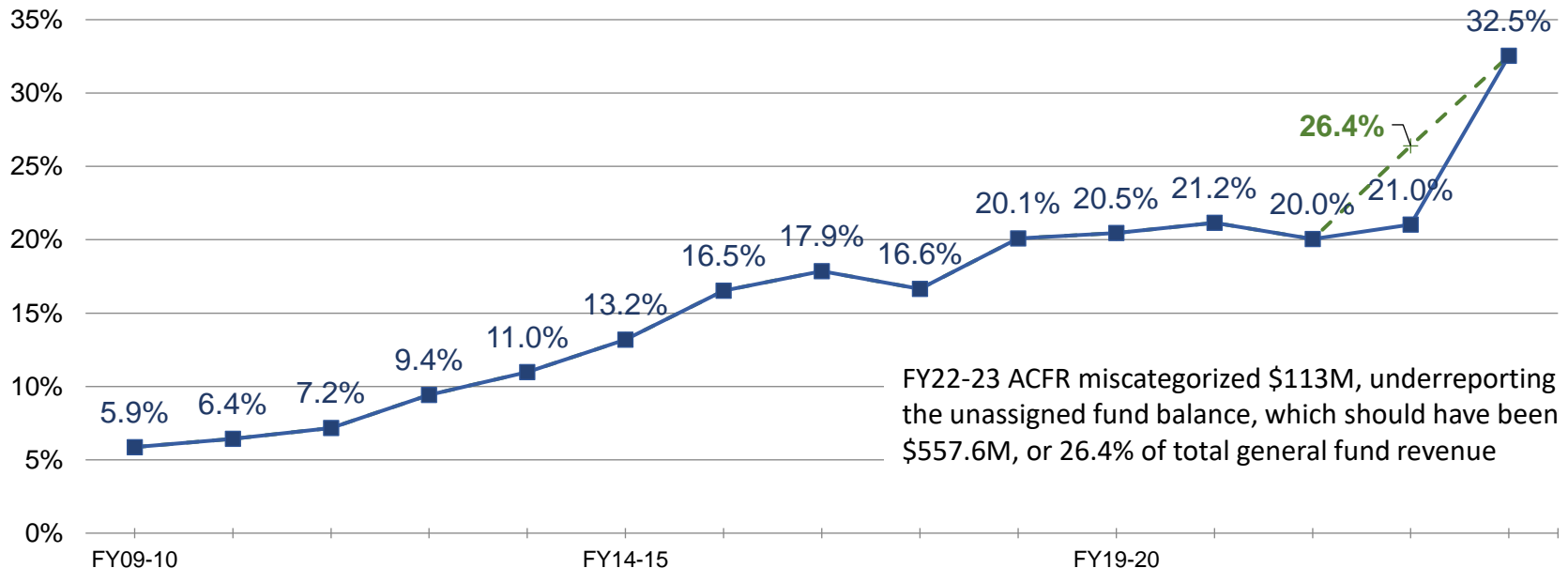




General Fund Reserves

1. For FY23-24, total General Fund revenues were \$2.236 billion and the total fund balance was \$1.100 billion, or 49.2% of total General Fund revenue
2. Of the \$1.100 billion:
 - a. \$727.6 million was unassigned (32.5% of total General Fund Revenues)
 - b. \$372.5 million was assigned, committed, restricted or nonspendable

General Fund: Unassigned Reserves as a Percentage of Revenues



Source: Annual Comprehensive Financial Reports



Pension funding

- Pension funded ratio is 91.0% (vs. 91.2%)
- County Net Pension Liability as of 12/31/2023 was \$1.16B, up from \$1.05B the prior year due to increased salary COLA's and lower recorded investment returns compared to assumptions
- CCCERA investment earnings assumption is 6.75%
- Final Pension Obligation Bond payment was made June, 2022

Contra Costa County Employees Retirement Association Pension Funding Status (Thousands)				
Actuarial Valuation Date	Total CCCERA Net Liability	Funded Ratio	County Net Liability	Fire Protection District Net Liability
2009	\$1,024,673	83.8%	\$727,578	\$68,294
2010	1,312,215	80.3%	918,919	104,750
2011	1,488,593	78.5%	1,037,535	130,737
2012	2,279,059	70.6%	1,591,610	228,950
2013	1,823,681	76.4%	1,260,363	180,209
2014	1,469,942	81.7%	1,003,749	151,686
2015	1,311,823	84.5%	879,610	154,708
2016	1,187,437	86.5%	776,396	143,193
2017	1,059,356	88.5%	689,426	131,765
2018	1,031,966	89.3%	677,735	123,353
2019	947,054	90.6%	607,938	132,554
2020	859,345	91.8%	557,373	121,270
2021	854,561	92.4%	588,842	147,987
2022	1,050,406	91.2%	736,081	166,181
2023	1,155,129	91.0%	789,782	172,407



Labor Contracts

	Filled Positions 2024	Filled Positions 2025	Contract End Date
AFSCME Local 512, Professional and Technical Employees	239	232	6/30/2026
AFSCME Local 2700, United Clerical, Technical and Specialized Employees	1,489	1,535	6/30/2026
California Nurses Association	816	846	9/30/2025
CCC Defenders Association	104	107	6/30/2026
CCC Deputy District Attorneys' Association	100	99	6/30/2026
Deputy Sheriffs Association, Mgt Unit and Rank and File Unit	816	840	6/30/2027
Deputy Sheriffs Association, Probation Peace Officers Association	205	211	6/30/2027
District Attorney Investigator's Association	19	21	6/30/2026
IAFF Local 1230	453	474	6/30/2027
Physicians and Dentists of Contra Costa	252	255	10/31/2025
Professional & Technical Engineers – Local 21, AFL-CIO	1,282	1,349	6/30/2026
Public Employees Union, Local One & FACS Site Supervisor Unit	497	510	6/30/2026
SEIU Local 1021, Rank and File and Service Line Supervisors Units	831	892	6/30/2026
Teamsters, Local 856	1,879	2,026	6/30/2026
United Chief Officers' Association	17	18	6/30/2027
Western Council of Engineers	21	25	6/30/2026
Management Classified & Exempt & Management Project	461	473	N/A
	9,481	9,913	



FY24-25 County mid-year budget status

			Mid-Year 24-25	Mid-Year 23-24	Mid-Year 22-23	Mid-Year 21-22	Mid-Year 20-21
	Budget	Actual	Percent	Percent	Percent	Percent	Percent
ALL FUNDS							
Expenditures	\$ 5,535,364,681	\$ 2,529,273,639	46%	41%	40%	38%	44%
Revenues	\$ 5,254,616,139	\$ 2,725,226,197	52%	50%	42%	43%	45%
GENERAL FUND							
Expenditures	\$ 2,637,001,497	\$ 1,097,123,920	42%	41%	41%	37%	43%
Revenues	\$ 2,451,543,726	\$ 1,141,893,989	47%	41%	49%	45%	46%
Wages & Benefits	\$ 1,239,170,465	\$ 553,047,523	45%	43%	45%	45%	45%
Services & Supplies	\$ 1,050,236,008	\$ 355,574,958	34%	34%	35%	35%	43%
Other Charges	\$ 393,382,685	\$ 180,900,461	46%	43%	50%	33%	46%
Fixed Assets	\$ 85,987,134	\$ 67,400,327	78%	73%	13%	10%	25%
Inter-departmental Charges	\$ (151,774,796)	\$ (59,811,371)	39%	33%	27%	42%	44%
Contingencies	\$ 20,000,000	\$ 12,022					
Total Expenses	\$ 2,637,001,497	\$ 1,097,123,920	42%	41%	41%	37%	41%
Taxes	\$ 670,517,458	\$ 391,104,664	58%	58%	71%	61%	62%
License, Permits, Franchises	\$ 12,291,011	\$ 3,282,010	27%	24%	28%	28%	23%
Fines, Forfeitures, Penalties	\$ 24,500,525	\$ 1,782,747	7%	10%	8%	9%	5%
Use of Money & Property	\$ 61,795,464	\$ 20,716,289	34%	62%	107%	31%	42%
Federal/State Assistance	\$ 955,566,737	\$ 503,505,341	53%	39%	51%	44%	50%
Charges for Current Services	\$ 201,160,588	\$ 89,725,199	45%	43%	41%	48%	44%
Other Revenue	\$ 525,711,943	\$ 131,777,739	25%	16%	19%	20%	23%
Total Revenues	\$ 2,451,543,726	\$ 1,141,893,989	47%	41%	49%	45%	46%



Measure X financials

Measure X Budget vs Actual Revenues

	Budget	Actuals	Difference
FY20-21	24,078,616	27,659,018	(3,580,402)
FY21-22	104,000,000	117,721,524	(13,721,524)
FY22-23	107,000,000	122,416,463	(15,416,463)
FY23-24	118,169,856	121,276,971	(3,107,115)
FY24-25	120,181,754	48,447,190	
	473,430,226	437,521,167	

Measure X adopted allocations through FY24-25

	Budget
Reserve	20,000,000
FY21-22 one-time	136,895,200
FY22-23	78,150,000
FY23-24	121,793,535
FY24-25	120,181,754
FY24-25 one-time	30,663,879
	507,684,368



Measure X financials

1. \$48.4M revenue collected through December 2024 for the current fiscal year, and \$437.5M collected lifetime
2. Remaining revenue requirement of \$70.2M to fund the \$507.7M total allocated expenditures through FY24-25
3. Remaining unallocated balance of ~\$1.5M
4. Current fiscal year growth projected at -1.1%. FY25-26 Measure X sales tax revenue projected to grow 2.1% to \$122.5M (\$123.9M was assumed for FY25-26 budget development, generating a potential ~\$1.4M deficit)
5. FY25-26 base budget totals \$120.2M, with a proposed 3.1% (\$3.7M) cost of living adjustment for ongoing allocations to balance to the originally projected revenues of \$123.9M



Budgetary Pressures & Strategies

1. Expenditures are growing faster than revenues
 - a. Negotiated employee wage increases of 5% contributing to a projected FY25-26 position cost increase of \$261M, with next rounds of labor negotiations upcoming
 - b. Higher interest and mortgage rates reducing real estate transactions
 - c. Sluggish sales tax growth projected at 2.0%
 - d. Prison Law Office Settlement: \$12M needed for Detention ADA improvements
 - e. Workers' Compensation program charges increasing 10% to \$47.3M
 - f. General Liability insurance premiums increasing 15% to \$20.3M
2. Potential Federal and State budget and policy changes affecting revenues (e.g. Medi-Cal reimbursements, SoCal fires)
3. Needed capital investments for service improvements and aging facilities
4. Obsolete technology
 - a. Replace mainframe systems for Assessor's Office and Treasurer / Tax Collector
 - b. Significant needs countywide for new hardware and cybersecurity
5. Potential county debt reduction options



FY24-25 Budget Hearings

1. Hearing dates

1. Recommended Budget: Monday-Tuesday, April 28-29, 2025
2. Budget Adoption: Tuesday, May 20, 2025

2. Format

1. County Administrator: Overview of Recommended Budget
2. Department Presentations
3. Public Comment
4. Board Discussion and Action



Recommended Budget Hearing: Proposed Department Presentation Schedule

1. Day 1

- a. County Administrator's Office – Budget overview
- b. Animal Services
- c. Clerk-Recorder and Registrar of Voters
- d. Contra Costa County Fire Protection District
- e. Employment and Human Services
- f. Health Services
- g. Library

2. Day 2

- a. Public Works
- b. District Attorney
- c. Public Defender
- d. Probation
- e. Sheriff-Coroner



Budget Development - Recommendations

1. ACCEPT report on Budget Development Key Considerations for FY25-26 and beyond;

2. Measure X – PROVIDE DIRECTION on the
 - a. Proposed cost of living adjustment (COLA) of 3.1% to ongoing allocations
 - b. Budgeting options for the Measure X revenue remaining surplus of ~\$1.5M