

June 25, 2024

Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue
Bakersfield, CA 93301

FISCAL YEAR 2024-25 BUDGET DISCUSSION AND PROPOSED PRELIMINARY RECOMMENDED BUDGET

Fiscal Impact: None

The Fiscal Year (FY) 2024-25 Preliminary Recommended Budget for the County of Kern and special districts governed by the Board of Supervisors is presented for consideration. The County Budget Act requires the County to approve a budget before June 30 (Government Code section 29064) to establish spending authority until final budget adoption. Public budget discussions are scheduled for July 29 in the evening, and Tuesday, July 30. The final adoption of the budget will take place during budget hearings scheduled to begin on Tuesday, August 27, 2024.

The document before you today is a temporary budget that will be used until budget hearings are completed. The County Administrative Office (CAO) will continue to work with the public and your Board in the coming months to update the Preliminary Budget which will provide the guiding principles and performance measures on which to base the final budget. The County Administrative Office will incorporate any Board direction received during the public budget discussions in the final recommended budget, which will be presented in August. The preliminary recommended budget will also be revised before budget hearings to account for final June 30, 2024 year-end fund balances and updated property tax revenue estimates based on the final assessment roll by the County Assessor-Recorder.

EXECUTIVE SUMMARY

The FY 2024-25 Preliminary Recommended Budget represents a balanced and responsible approach to managing the finances of our County, while continuing to provide essential services to our residents. This year's budget recognizes the challenges but also relies on past experience in managing our limited resources. Despite the challenges, our commitment to serving the needs of our community remains unwavering. To mitigate the budget constraints we must explore innovative ways to streamline operations and enhance efficiency. The fiscal realities may require difficult decisions; however, transparency and accountability are paramount during this process. The preliminary budget continues to enhance services for residents of unincorporated communities using Measure K funds with significant investments in public safety, education, homelessness, and economic development.

The County's FY 2024-25 Preliminary Recommended Budget totals \$3.9 billion, roughly \$43.9 million less than the FY 2023-24 Adopted Budget, adjusted for Budgeted Savings Incentive (BSI) Credits, Capital Projects, Major Maintenance, and increases to reserves. The County's General Fund budget totals \$1.1 billion, with a decrease of \$4.4 million, or 0.41% from the prior year. Overall, this budget focuses on stability, continuity of services, and your Board's continued investment in our workforce. Cost-of-living adjustments have been

provided to the County's entire workforce in the last three years, at an estimated ongoing cost of \$75 million, including upcoming adjustments in July.

DISCRETIONARY REVENUE AND ECONOMIC OUTLOOK

The U.S. economy has continued to outperform most predictions. Despite predictions of a recession, economic pressures due to inflation, and high interest rates, the economy grew in 2023. However, the March 2024 UCLA Anderson Economic Outlook forecasts a weaker 2024 with two quarters of 1% growth, which then accelerates back to 2.5% growth by the end of the forecast period in 2025. While the State remains the 5th largest economy in the world, it faces overlapping challenges, including rising unemployment, population outflow, and growing fiscal strains reflected in the projected \$55 billion State deficit addressed in the May Revised budget. Locally, our major industries are facing an existential threat. The State's goal of carbon neutrality by 2045 has negatively impacted the oil and gas industry. Our farmers and producers have faced many challenges—drought, rising input costs, and supply chain disruptions. Ensuring America's food production and distribution systems are strong is critical to our local economy. These are some of the factors that will shape the coming fiscal year's budget. With slowing housing markets and the effects of the regulatory environment on oil and gas, the preliminary recommended budget supports some ongoing service enhancements funded primarily with State and federal funds. Discretionary revenue, a limited resource, is being allocated to the services, facilities, and equipment that meet the most critical needs of our citizens.

The preliminary recommended budget includes \$554.3 million in discretionary revenue of which \$58.2 million is generated through Measure K sales tax. Overall discretionary revenue is increasing by \$21.5 million or 4.04% from the prior year's adopted budget. When compared to FY 2023-24 Estimated Actual, FY 2024-25 discretionary revenue reflects a decrease of \$33.2 million or 5.65%, inclusive of Measure K. Countywide discretionary revenue is allocated to mandated and discretionary programs and to cover the Maintenance of Efforts for State and federal mandated programs. Measure K revenue will be used to enhance services and address community priorities. The CAO has developed estimates for FY 2024-25 that are based on certain assumptions and key economic factors. Estimates will be reassessed and updated for the recommended budget as more information becomes available.

Property Related Revenue

For budget development purposes in February, the assessed value estimates included an overall increase of 1.1%. We originally projected a conservative 1.5% increased assessed value for residential and commercial properties in the secured roll and, based on the volatility associated with the regulatory process of permitting oil and gas, assessments for these properties were estimated with zero growth for FY 2024-25. Since February, new information required updating estimates to an increase from 1.5% to 3.5% for residential and commercial properties and a decline of 25% in the oil and gas properties. As a result, estimates have been updated for the preliminary recommended budget and now reflect an overall decrease of 7% in assessed values. The net impact for the General Fund of this projected overall decrease in value is a corresponding reduction of \$10.02 million from FY 2023-24 final adjusted property tax-related revenue. The Fire Fund is also estimated to collect \$3.3 million less than the final property tax estimates for FY 2023-24. The Assessor will finalize the assessment roll for FY 2024-25 on June 30, 2024, after which revenue estimates will be updated for the final recommended budget that will be presented at upcoming budget hearings in August.

Sales and Use Tax Based Revenues

As noted in the FY 2023-24 Mid-Year Budget Report and the FY 2024-25 Budget Guideline Report, consumer spending has continued to grow despite price increases fueled by inflation. Experts vary on whether a recession will occur and to what extent. U.S. consumer sentiment continues to be mixed, the percentage of economists that expect a recession and a long road to economic recovery has held constant since 2023. From a sales-tax perspective, the FY 2024-25 estimate reflects a slowdown in spending as higher costs for utilities, food, and other necessities limit the ability to spend on discretionary and non-essential items. Sales and use taxes are budgeted at approximately \$80 million, which is \$2 million less than FY 2024-25 projected revenue but approximately \$5 million more than the adopted amount. We believe the increase is attainable despite the uncertainties in consumer spending and a potential economic slowdown.

FY 2023-24 was the first year for projects since the passage of Measure K in 2022. The fiscal year was a high-speed year as departments worked expeditiously to implement new and enhanced projects. During the first year, with \$66.5 million in collections expected, departments built capacity by improving recruitment and retention of qualified safety personnel, improved and expanded library hours, enhanced medical and emergency response, bolstered economic development activities, enhanced crime prosecution, and assisted with the administration of Measure K. After consulting with the County's sales tax consultant, FY 2024-25 includes \$58.2 million from Measure K sales and use taxes, which reflects an increase of approximately \$2 million from the prior year adopted estimates.

PROGRAM COSTS AND REVENUES

1991 Realignment and 2011 Realignment

Realignment funds are not projected to increase significantly for most programs in FY 2024-25. The State is projecting a decrease of approximately \$8 million in 1991 Realignment for Family Support and CalWORKs subaccounts. Both subaccounts offset the State's general fund responsibility for the CalWORKs program administered by the Department of Human Services. Fluctuations in the funding levels of these two revenue sources will not affect service levels of the program. The distribution of funds from the Family Support subaccount to counties is based on counties' expenditures for the CalWORKs program and insufficient Realignment revenue would be backfilled by the State general fund.

In conjunction with Public Safety Realignment (AB109), the State shifted the full financial burden of many social service and mental health programs to the County, including Adult Protective Services, Foster Care, Child Welfare Services, Child Abuse Prevention and Intervention, Drug Court, and Medi-Cal substance abuse treatment programs. The County was responsible for the delivery of these programs before realignment, but with the shift, the State would no longer participate in the share of cost. While the State no longer shares in this cost, it has dedicated a portion of State sales tax (1.0625%) revenue, along with a portion of vehicle license fees, for these realigned programs. However, realignment of sales tax and vehicle license fees also puts the County at the mercy of the business cycle, as funding will rise and fall in direct correlation to the State's economy. The base funding for FY 2024-25 is projected to increase \$9.3 million, or 3.9%, due to the modest increase in growth in the prior fiscal year. The unprecedented rapid pace of growth experienced in prior years has slowed and it is anticipated statewide sales tax collections will remain essentially flat in FY 2024-25 due to the current economic conditions, which include ongoing inflation and changes in consumer spending.

Public Safety Sales Tax (Proposition 172) Revenue

Proposition 172 revenue is a permanent extension of a half-cent Local Public Safety Sales Tax approved by California voters on November 2, 1993. Proceeds of this sales tax must be used for public safety. Proposition 172 revenue is restricted and is used solely for funding the Sheriff/Coroner/Public Administrator, District Attorney Criminal and Forensic Sciences Divisions, Public Defender, Probation, and Fire Departments.

This revenue is allocated to the County based on the proportionate share of statewide sales in the prior calendar year. As of January 2024, the County's FY 2024-25 pro-rata factor is projected to increase by 1.49%. This increase, combined with a modest projected growth in sales-tax collections, result in an increased estimated base for FY 2024-25. The increased base allocation of \$3.1 million, or 2.8%, over the FY 2023-24 adopted budget will be instrumental for public safety departments to cover the increased costs of operations.

BUDGET OVERVIEW

As displayed in Table 1, FY 2024-25 Preliminary Recommended Budget, the budget totals \$3.9 billion, roughly \$43.9 million less than the FY 2023-24 Adopted Budget, adjusted for BSI, Capital Projects, Major Maintenance, and increases to reserves. The majority of the reduction is associated with a spend down of American Rescue Plan Act funds, reductions in available Mental Health Services Act funding, and in Proposition 172 allocation to the Public Safety Communication Project. General Fund appropriations are decreasing by \$4.4 million, primarily the result of spending down of prior year allocations of Homeless Housing, Assistance and Prevention Grants, reduction in one-time allocations to the Election Department, and potential reductions in State funding for Public Health. The decrease is offset by increases for negotiated salary adjustments including the recently approved cost-of-living adjustment and the implementation of the community priorities and enhanced services funded by Measure K.

Operating Special Revenue Funds appropriations are expected to remain flat. The Fire Department will see an increase in appropriations to enhance the level of medical care within the unincorporated areas by providing safety squads and medical units capable of providing advanced life support intervention. This enhanced level of support is made possible through the allocation of Measure K funding. Additional appropriations are included to cover the cost-of-living adjustments and negotiated salary increases for safety personnel. Offsetting the increase is a reduction of capital purchases. Consistent with prior practice, equipment replacement is not included in the preliminary recommended budget. Once available Fire Fund carryforward (Unassigned Fund Balance) is determined, capital purchases will be included in the recommended budget. The Roads Fund includes a decrease of \$40.1 million or 18.78%. Federal and State funded projects including recovery work related to the March 2023 storm, were included in FY 2023-24 budget and will carry forward to FY 2024-25 as prior year budgets. Behavioral Health and Recovery Services' preliminary recommended budget includes an increase of \$8.7 million from the prior year adopted budget. This increase is primarily associated with negotiated salary increases, the operational cost of the new Psychiatric Health Facilities, and State payment reform. The decrease for Other Special Revenue Funds is associated with spending down of American Rescue Plan Act funds, reductions in available Mental Health Services Act funds and in Proposition 172 allocation to the Public Safety Communication Project.

TABLE 1 –FY 2024-25 PRELIMINARY RECOMMENDED BUDGET

All Funds (\$ in millions)	2023-24 Adopted Budget	2024-25 Preliminary Recommended	Change From FY 2023-24
General Fund ⁽¹⁾	\$ 1,081.3	\$ 1,076.9	\$ (4.4)
Operating Special Revenue Funds	1,573.3	1,574.1	0.80
Other Special Revenue Funds	697.6	640.9	(56.70)
Capital Project Funds	-	-	-
Enterprise Funds	192.2	196.9	4.70
Internal Service	323.7	350.7	27.00
Special District Funds	34.1	29.0	(5.10)
Employment Grant Programs	35.5	29.6	(5.90)
Community Development Programs	36.9	32.6	(4.30)
Total All Funds	\$ 3,974.6	\$ 3,930.7	\$ (43.9)

⁽¹⁾ Excludes BSI, Capital Projects, Major Maintenance and increases to reserves

BUDGET HIGHLIGHTS

Measure K Programs

The second year of Measure K programs continue to focus on addressing community priorities and setting aside designations to protect against an economic downturn. The priorities identified include:

1. Maintaining vital local services such as law enforcement, fire, and 911 response
2. Maintaining medical emergency response
3. Preventing thefts and property crimes
4. Recruiting and retaining qualified Sheriff's deputies and firefighters
5. Improving Sheriff, fire and 911 response
6. Attracting new industries and jobs
7. Helping address mental health and addiction challenges.
8. Preserving library services

The proposed expenditures for FY 2024-25 include the following projects that started in FY 2023-24:

Category		Initiative Name	Department	2024-25 Preliminary Recommended
	Administration and Reserves	Administration and Oversight	County Administrative Office	\$80,000
6	Attracting new industries and jobs	Economic Development	County Administrative Office	767,699
4	Recruiting and Retaining qualified Sheriff deputies and firefighters	Safety Recruitment and Retention Team	Human Resources	1,160,252
		Firefighter Workforce Retention	Fire Department	8,505,382
1	Maintaining vital local services - law enforcement, fire, 911 response	Detention Deputy Equity and Retention	Sheriff's Office	7,400,000
		Public Safety Recruitment and Retention	Sheriff's Office	7,575,000
		Justice for Kern Initiative	District Attorney	4,050,649
2	Maintain medical emergency response	Safety Squads and Medical Units	Fire Department	8,449,185
5	Improving Sheriff, Fire and 911 Response	Community Services Technicians	Sheriff's Office	960,942
		Communication Network Expansion	County Administrative Office	5,000,000
		Hart Flat Fire Station	Fire Department	-
8	Preserving library services	Expanded Library Hours	Library Department	2,783,804
7	Helping address mental health and addiction challenges	East Kern Mobile Evaluation Team	Behavioral Health and Recovery Services	1,674,366
Total Measure K Funded Initiatives				\$48,407,279

FY 2024-25 includes six new Measure K initiatives totaling \$3.2 million for investments in the care and upkeep of various county parks, emergency road repairs, at-risk youth enrichment activities, enhanced treatment settings for in-custody youth, and enhanced spay/neuter mobile clinics in unincorporated areas of the County.

Initiative Name	Department	FY 2024-25 Preliminary Recommended
Sheriff's Activities League	Sheriff's Office	\$112,077
Ford City Park Restroom Improvements	General Services	300,000
Fuller Acres Park Shade Structures	General Services	250,000
Northwest Ballfield Lights	General Services	323,000
Targeted Spay and Neuter Program	Animal Services	500,000
Mental Health Facility and Security	Probation	1,000,000
Sierra Way Reconstruct - Local Match	Public Works	767,699
Total Measure K Funded Initiatives		\$3,252,776

Public Safety

The Kern County Fire Department's preliminary recommended budget for FY 2024-25 is structurally balanced; however, the department will make further adjustments before the final recommended budget is adopted, in order to account for final June 30, 2024, year-end fund balances. In prior years, the department has attempted to limit the use of carryforward (Unassigned Fund Balance) to capital expenditures. However, the decline of property-tax-related revenue will pose long-term challenges for the department. Through an allocation of Measure K funding, this budget includes the addition of 14 positions to enhance the level of medical care within unincorporated areas.

The preliminary recommended budget for the Sheriff's Office continues to support the goal of reducing mandatory overtime and staffing detention facilities with detention personnel. This allows more Deputy Sheriffs to move out of detention facilities and into patrol assignments, providing additional public safety services to residents in unincorporated areas of the County. To assist with the recruitment and retention of qualified personnel, a total of \$3 million was set aside in Appropriation for Contingencies: \$2 million to fund two academies to train as many as 40 Deputy Sheriffs, and \$1 million for housing stipends for Deputy Sheriffs assigned to outlying locations that are difficult to staff. The planned transition of the Park Ranger Program, as detailed in the Sheriff's Office budget section, remains in progress. Details regarding the transition are being organized to ensure the most efficient, successful, and compliant structure for operation of the Park Ranger Program. Oversight by the Sheriff's Office will ensure Park Rangers remain in compliance with all regulations and expectations. The transition continues to be carefully planned to ensure the best use of resources.

The preliminary recommended budget provides Animal Services with additional Net General Fund Contribution (NGFC) to maintain current staffing, including the additional funding provided in FY 2023-24 for two veterinary assistant positions and five animal care workers. The department continues to focus on spay and neuter efforts which have proven meaningful in past years. Uncontrolled breeding has led to an influx of animals at the shelter, resulting in more animals being euthanized because of limited space. To mitigate this challenge, the preliminary recommended budget includes \$500,000 NGFC for spay and neuter efforts and \$500,000 in Measure K funding for a targeted spay and neuter program. Additionally, the land purchase for a new state-of-the-art facility in the metropolitan Bakersfield area, to replace the existing shelter location, was approved and funded in May. The design and engineering for this project is currently underway.

Social Services

Social Services revenue from both State and federal funding was initially expected to have relatively few negative impacts compared to FY 2023-24; however, the Governor's May Revised budget included significant cuts that would have greatly impacted services to the local community. While there have been encouraging signs from the State Legislature that some funding may be restored, risks remain for local Realignment funding—a significant source of funding for the Department of Human Services. After years of growth in sales tax revenue and vehicle license fee collections—the sources of Realignment funding—there has been very little growth statewide in the current year. It is unknown if consumer spending will continue to support the higher sales tax collections of the past few years. While revenue sources are at risk of decreasing, the cost of providing services has continued to rise. It is anticipated that increases in case-related costs will outpace revenue growth, placing pressure on the County's budget and the General Fund. While the full program impacts are still unknown, we will continue to prioritize resources to align program expenditures with State and federal funding and the needs of the community.

Homelessness and Housing

The County continues to focus on homelessness through the M Street Navigation Center. Since 2022, \$15 million of American Rescue Plan Act funding has been committed to homelessness, including behavioral health co-response teams with the Bakersfield Police Department, the Safe Camping and Parking Project, and the development of a non-congregate housing facility with wraparound services, which opened in May of this year. This facility consists of 50 tiny homes with one or two beds, community rooms, and shared bathrooms that provide housing and wraparound services for up to 50 or 60 individuals. In the May budget revision, the Governor proposed reducing Homeless Housing, Assistance, and Prevention (HHAP) funds for counties in order to balance the budget. While the State Legislature has restored this funding, the final decision will not be known until the Governor approves the budget. The County will continue to seek strategies and partnerships to address this complex issue in our community.

Kern County Library System

The Library has continued to restore and expand services across its many branches, and, thanks to outside partnerships and an allocation of Measure K funding, nearly all branches have reached the goal of being open five days a week. In FY 2024-25, the department will bring back the Bookmobile, which has not been in operation in many years, providing additional library services to six communities that do not have their own neighborhood library. The Bookmobile, funded with Measure K, will provide regularly scheduled stops serving unincorporated County residents.

Behavioral Health and Recovery Services

The preliminary recommended budget for Behavioral Health and Recovery Services includes an increase in appropriations of \$8.7 million. A portion of this is related to additional contracts that will be in operation for the entire fiscal year for two new Psychiatric Health Facilities that will expand capacity for inpatient hospitalization by 32 beds for adults and children. During the coming year, the department will continue its efforts to address the needs of homeless residents who have historically refused services through the department's Relational Outreach and Engagement Model (ROEM) team and continue bringing crisis services to individuals through the Mobile Evaluation Team (MET). In FY 2024-25, the department will expand MET services, bringing a dedicated team to East Kern funded through Measure K.

The passage of Proposition 1 evolves the Mental Health Service Act (MHSA) into the Behavioral Health Services Act (BHSA) and includes up to \$6.4 billion in bonds to build new behavioral health treatment beds and supportive housing, as well as outpatient capacity to help serve individuals experiencing homelessness statewide. However, it also redirects approximately 30% of existing MHSA funds currently used to provide vital services to support housing and community-based treatment settings by broadening the eligible uses of funds. The California Department of Health Care Services is tasked with developing policy and guidance to support counties in fulfilling the statutory requirements in this initiative. The department will continue to evaluate the system of care for opportunities to improve outcomes, access and quality of care, and cost-effectiveness, while fulfilling additional responsibilities. In addition, the department is focusing on the expansion of Crisis Stabilization Units in response to increased demand for both voluntary and involuntary crisis services and is planning a full implementation of Senate Bill 43, which made substantive changes to the Lanterman-Petris-Short Act. The department is analyzing expected financial impacts related to these mandated changes, and is budgeting conservatively in the preliminary recommended budget.

Public Health

The preliminary recommended budget reflects an overall decrease in revenue. The Governor's May Revised budget included the elimination of public health funding that was previously anticipated for critical public health infrastructure and workforce development. With the anticipated loss of this funding, the department is shifting resources to focus on areas of the highest need and reducing expenses where possible. The department will hold 29 vacant positions unfunded to mitigate State revenue loss. Additional appropriations for non-critical expenses have been reduced within the preliminary recommended budget to mitigate the impacts. Sufficient appropriations are allocated to maintain mandated services, provide clinic care, infectious disease testing, and maintain services to assist in the prevention of disease and the improvement of the health, safety, and quality of life for the residents of Kern County.

Roads

State and federal funding for road maintenance and construction is estimated to total \$115.9 million in the FY 2024-25 Preliminary Recommended Budget. This includes funds from the State Road Repair and Accountability Act, which will fund several projects, including safety improvements, rehabilitation and construction of complete street components, and multi-modal facilities on streets and roads in the following unincorporated areas of Kern County: Oildale, Lamont, Buttonwillow, Lebec, Lost Hills, Rosamond, Mojave, Boron, Kernville, Lake Isabella, Frazier Park, Tehachapi, Arvin, Delano, McFarland, Shafter, Wasco, Taft, Ridgecrest, and unincorporated areas of metropolitan Bakersfield. Independent engineers have rated parts of the County's 3,300 miles of roads as "fair," "poor," or "very poor" and the budget for FY 2024-25 includes deferred maintenance needs throughout the County as part of a long-term strategy to maintain and upgrade roads and road safety conditions. Public Works staff will continue to work on all previously approved Roads Division ARPA projects that have not yet been completed, including sidewalk and road repairs and improvements in the Lake Isabella, Bodfish, Ford City-Taft Heights, Rexland Acres, and Oildale areas. Additionally, of the \$115.9 million total government aid, \$32.2 million is budgeted for disaster recovery projects around the County as a result of damage incurred from multiple storm and flood events.

Major Maintenance and Capital Projects

The preliminary recommended budget does not include any new major maintenance or capital projects. After final cost estimates are developed, the projects will be included in the final recommended budget for FY 2024-25. The County has numerous facilities and grounds that must be maintained to protect the health and safety of residents. Available funding will be evaluated after year-end closing to determine if any critical projects identified by General Services can be completed.

Fund Balance

Fund balance carry-forward is typically the result of revenue collected and appropriations not spent at the end of the fiscal year, which can be used in the following year's budget. Best budgeting practices limit the use of fund balance carry-forward to one-time expenses to the greatest extent possible. Prudently, your Board has used most of the carry-forward balance for one-time expenditures or designations over the past several years. The preliminary recommended budget does not include the use of carryforward. These one-time funds will be recommended for critical major maintenance projects or reserved for future use in accordance with Board policy.

Reserves and Designations

While there is no requirement or mandate to have reserves, all counties have reserves as a manner of prudent financial planning and best practices. Reserves and designations primarily serve the following purposes: to provide security in case of an unforeseen crisis, to offset the costs of short-term shortfalls in revenue or unanticipated costs, to save for specific future liabilities or projects, and to ensure good financial standing so the County can attract investors and encourage economic growth. The County has several designations that have been established over the years for specific purposes such as payment of State liabilities, set aside for economic opportunity areas, mitigation of pension cost increases, park improvements, infrastructure replacement, and the general-purpose reserve of \$50 million established to mitigate current and future risk. Best practices from the Government Finance Officers Association recommend no less than two months of regular General Fund operating revenue or regular General Fund operating expenses. This equates to an approximate \$148 million minimum reserve. Sufficient reserves ensure financial protection during economic uncertainties from one year to the next. The preliminary recommended budget includes adding \$16 million of Measure K funds to reserves to mitigate any fluctuations in revenue.

SHORT AND LONG-TERM BUDGET ISSUES

As we prepare for the upcoming fiscal year, we must identify the challenges ahead. We are tasked every year with balancing the increased demand for services with limited resources, while the cost of providing these services increases at a faster rate than available financing sources. We must continue to be fiscally prudent and prepare for long-term budget issues by implementing multi-year plans to fund pension cost increases, setting aside reserves to hedge against unforeseen fiscal issues, and ensuring that increases in programs or costs have sufficient ongoing resources to sustain beyond the next fiscal year.

CONCLUSION

Because the preliminary recommended budget could not fully account for the still unknown State and local challenges described above, it is imperative that we continue to focus efforts on core functions, ensuring that we continue to support the County's goal of providing quality services to the public. Prior to the August budget hearings, the County Administrative Office will incorporate revisions to the FY 2024-25 Recommended Budget, as changes in State and federal spending levels are finalized and revenue estimates are updated to reflect the latest information on available funds, striving to maintain or enhance service levels for our residents.

The next public meeting to discuss the budget will be on July 29, 2024, at 6:00 p.m., followed by the regularly scheduled Board meeting on July 30. These meetings, as well as budget hearings in August, will provide opportunities for members of the public to comment on the budgetary recommendations presented here and any revisions made from final year-end totals and State impacts. Based on your Board's direction, additional revisions may be made to the final budget. Budget hearings will commence on Tuesday, August 27 at 9:00 a.m.

Therefore, IT IS RECOMMENDED that your Board hear the presentation, discuss the proposed budget, and approve the FY 2024-25 Preliminary Recommended Budget for the County of Kern and special districts governed by the Board of Supervisors in accordance with the County Budget Act.

Sincerely,



Elsa T. Martinez
Interim Chief Administrative Officer

EM: BUDFIS PRERECBUD2324

Attachment

cc: All Departments