



# County Administrative Office

## COUNTY OF TULARE AGENDA ITEM

### BOARD OF SUPERVISORS

LARRY MICARI  
District One

PETE VANDER POEL  
District Two

AMY SHUKLIAN  
District Three

EDDIE VALERO  
District Four

DENNIS TOWNSEND  
District Five

**AGENDA DATE:** March 18, 2025-Revised

Public Hearing Required	N/A
Scheduled Public Hearing w/Clerk	N/A
Published Notice Required	N/A
Advertised Published Notice	N/A
Meet & Confer Required	Yes
Budget Transfer (Aud 308) attached	Yes
Personnel Resolution attached	Yes
Agreement(s) attached	N/A

CONTACT PERSON: Jason Britt PHONE: 5596365005

**SUBJECT:** Mid-Year Budget Report for FY 2024/25 and Approval of Rollover Operating Budget for FY 2025/26.

**REQUEST(S):**

That the Board of Supervisors:

**ADJOURN AS THE TULARE COUNTY BOARD OF SUPERVISORS AND CONVENE  
AS THE TERRA BELLA SEWER MAINTENANCE DISTRICT**

Approve the proposed schedule for preparation and adoption of the FY 2025/26 budget, which incorporates a rollover budget as the operating budget for the period between July 1, 2025, and adoption of the FY 2025/26 budget (4/5ths vote required).

**ADJOURN AS THE TERRA BELLA SEWER MAINTENANCE DISTRICT AND  
CONVENE AS THE TULARE COUNTY FLOOD CONTROL DISTRICT**

Approve the proposed schedule for preparation and adoption of the FY 2025/26 budget, which incorporates a rollover budget as the operating budget for the period between July 1, 2025, and adoption of the FY 2025/26 budget (4/5ths vote required).

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**ADJOURN AS THE TULARE COUNTY FLOOD CONTROL DISTRICT AND  
RECONVENE AS THE TULARE COUNTY BOARD OF SUPERVISORS**

1. Receive the Mid-Year Budget Report for FY 2024/25
2. Approve the proposed schedule for preparation and adoption of the FY 2025/26 budget, which incorporates a rollover budget as the operating budget (including the Capital Projects budget) for the period between July 1, 2025, and adoption of the FY 2025/26 budget (4/5ths vote required).
3. Adopt the personnel resolution to amend the required job specifications, class designations proposed in the Mid-Year Budget Report subject to completion of meet and advise.
4. Approve the capital asset purchase list.
5. Authorize the Auditor-Controller/Treasurer-Tax Collector, with the concurrence of the County Administrative Officer, to process any budget adjustments proposed in the Mid-Year Budget Report (4/5ths vote required).

**SUMMARY:**

**Mid-Year Budget Report**

This Mid-Year Budget Report is an opportunity to review the financial condition of the County's Fiscal Year 2024/25 budget approved by the Board of Supervisors on September 18, 2024.

This report also provides the opportunity to evaluate the fiscal outlook of the economy and future challenges, thereby ensuring adequate preparation for the County's Fiscal Year 2025/26 budget.

Tulare County will likely face several financial challenges in the coming years, including:

1. Increasing operational and structural costs, which include:
  - a. Increasing employer contributions to the retirement system in future years;
  - b. Increasing Internal Service Fund expenditures;
  - c. Rising operating costs; and
  - d. Rising public safety and fire service costs related to equipment replacement and personnel.
2. Increasing financial share of state mandated programs. This will be an important challenge to monitor in the coming months as the State attempts to manage their budget.
3. Fiscally unsustainable Zones of Benefit water systems and wastewater systems.

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into Law. As has been well noted, the pandemic created economic uncertainty for an unknown duration and a broad array of financial impacts throughout nearly all sectors of the economy – particularly in the service, tourism, and hospitality sectors. The intent of the ARPA is to mitigate against these and other pandemic-related expenses. As of December 31, 2024, reporting period, the County has obligated approximately \$90.6 million in ARPA funds.

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### **Condition of the Current County Budget**

As part of the Mid-Year Budget Report, the County General Fund budget is on target to finish the Fiscal Year within the Net County Cost adopted by the Board of Supervisors. In preparation for the upcoming fiscal year budget process, carryover fund balance (revenues and fund balance in excess of expenditures) is expected to be above the structural level necessary to end the current fiscal year.

The County's financial position is sound, which is reflective of the conservative approach used in developing discretionary revenue estimates, the unused contingency appropriation, strong and sustainable departmental fiscal and budget practices, and the continued development of prudent fiscal reserves.

Overall, the County continues the structural improvement of the General Fund while providing funding for:

1. mandated and essential services;
2. local programs and projects;
3. capital and infrastructure needs;
4. equipment maintenance and replacement; and
5. reserves and contingencies.

As of December 31, 2024, overall General Fund revenues are 34% recognized, which is 1% higher when compared to the prior year. The majority of General Fund revenues are received in the second half of the year, with a large portion received in the last quarter. Additionally, in subvented portions of the budget, revenues increase or decrease according to their related claimable expenses.

Budgeted General Fund expenditures are approximately 49% obligated, as of December 31, 2024, which is 3% higher when compared to the prior year. General Fund expenditure balances at mid-year include full-year charges for COWCAP, Workers' Compensation Insurance, General Liability Insurance, Property Insurance, Medical Malpractice Insurance, and encumbrances to vendors.

Based on the information provided and analyzed, all General Fund agencies and departments indicate they will finish this fiscal year at or below their allocated Net County Cost.

Funds outside the General Fund with potential challenges include the County's Internal Service Funds and the Zones of Benefit Funds which are discussed further in the attached Mid-Year Budget Report.

### **Budget Schedule and Rollover Budget**

The Budget Schedule follows the same timeframe as the prior fiscal year and allows for a more accurate estimate of the year-end fund balance.

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It is anticipated that the State's budget information will be available in time to produce a Recommended Budget by the end of August 2025. Budget hearings are recommended to commence on September 16, 2025, thereby allowing sufficient time to address potential year-end issues.

Budget Schedule – Action	Date	Responsible Party
Notice of Final Budget Hearing Posted	9/1/2025	Clerk – BOS
Final Budget Hearing Materials to the Board of Supervisors and Public	9/1/2025	CAO
Recommended Budget to the Board of Supervisors	9/16/2025	CAO
Final Budget Hearing Begins and may Proceed to September 29, 2025, per Govt. Code § 29081	9/16/2025	Board of Supervisors
Personnel Resolution with all Adopted Budget Personnel Actions are finalized	9/26/2025	CAO
Deadline for Budget Adoption per Govt. Code § 29088	10/02/2025	Board of Supervisors
Adopted Budget Book to the Board of Supervisors and Public	11/14/2025	County Auditor
Adopted Budget Book to the State of California	12/01/2025	County Auditor

Consistent with budget policy, it is recommended that the Board of Supervisors adopt the current modified Fiscal Year 2024/25 adjusted budget as the operating budget for the period beginning July 1, 2025, and concluding with the adoption of the Fiscal Year 2025/26 final budget. This approach allows departments to continue operations from the close of Fiscal Year 2024/25 until the Fiscal Year 2025/26 budget is approved in September without having to prepare a temporary budget for that period.

This rollover process also allows for re-budgeting of unexpended appropriations for individual capital projects that are not completed at year-end. The rollover process does not allow additional positions or capital asset purchases without explicit approval from the Board of Supervisors.

### **Personnel, Capital Assets, and Budget Adjustments**

Proposed personnel changes, capital asset requests, and budget adjustments are presented in the Mid-Year Budget Report (Attachment 1).

To the extent that any budget adjustments are necessary, it is recommended that the Board of Supervisors authorize the Auditor-Controller/Treasurer-Tax Collector, with the concurrence of the County Administrative Officer, to process budget adjustments

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resulting from the Mid-Year Budget Report. However, any budget adjustments necessary during the rollover period should occur before this fiscal year ends.

The Mid-Year Budget Report proposes amendments to the County's personnel class specifications, class designations, and position allocation list. Some personnel actions are subject to meet and advise with represented bargaining units.

Accordingly, the County Administrative Office recommends the approval of the proposed personnel, capital assets, and other budget requests.

**FISCAL IMPACT/FINANCING:**

There is no additional Net County Cost as a result of this Mid-Year Budget Report, which includes personnel actions, capital asset purchases, and budget adjustments. All requested items utilize department operational savings (including grants) and the County's Miscellaneous Administration budget.

**LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:**

Tulare County's five-year strategic plan includes the Organizational Performance Initiative to continuously improve organizational effectiveness and fiscal stability. The approval of the Mid-Year Budget Report and its recommendations help fulfill this initiative by ensuring that the Adopted Budget is modified promptly to account for periods of economic fluctuations, changing priorities, and service demands.

**ADMINISTRATIVE SIGN-OFF:**

**/s/ Jason T. Britt**

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Jason T. Britt  
County Administrative Officer

Cc: County Administrative Office  
Human Resources & Development

**Attachments:**

- Attachment 1 - Mid-Year Budget Report FY 2024/25
- Attachment 2 - AUD 308's - Budget Adjustments
- Attachment 3 - Personnel Resolution
- Attachment 4 - Class Specifications and Class Designations
- Attachment 5 - Capital Asset Purchase List
- Attachment 6 - Mid-Year Presentation