

**CLERK OF THE BOARD OF SUPERVISORS  
EXHIBIT/DOCUMENT LOG**

**MEETING DATE & AGENDA NO. 05/20/2025 #19**

**STAFF DOCUMENTS (Numerical)**

No.	Presented by:	Description:
1	Staff	14-page PowerPoint presentation

2

3

4

5

**PUBLIC DOCUMENTS (Alphabetical)**

No.	Presented by:	Description:
A	N/A	

B

C

D

E

F



# **COUNTY OF SAN DIEGO**

## **FISCAL YEAR 2024-25 • 3RD QUARTER**

### **ECONOMIC UPDATE**

May 20, 2025

Item #19

Joan Bracci, Chief Financial Officer

Chris Herrera, Chief Deputy Treasurer

Matthew Parr, Director of Economic Development and Government Affairs



# Overview

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Regional Economic Update

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Federal and State Update

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Quarter 3 Budget Performance

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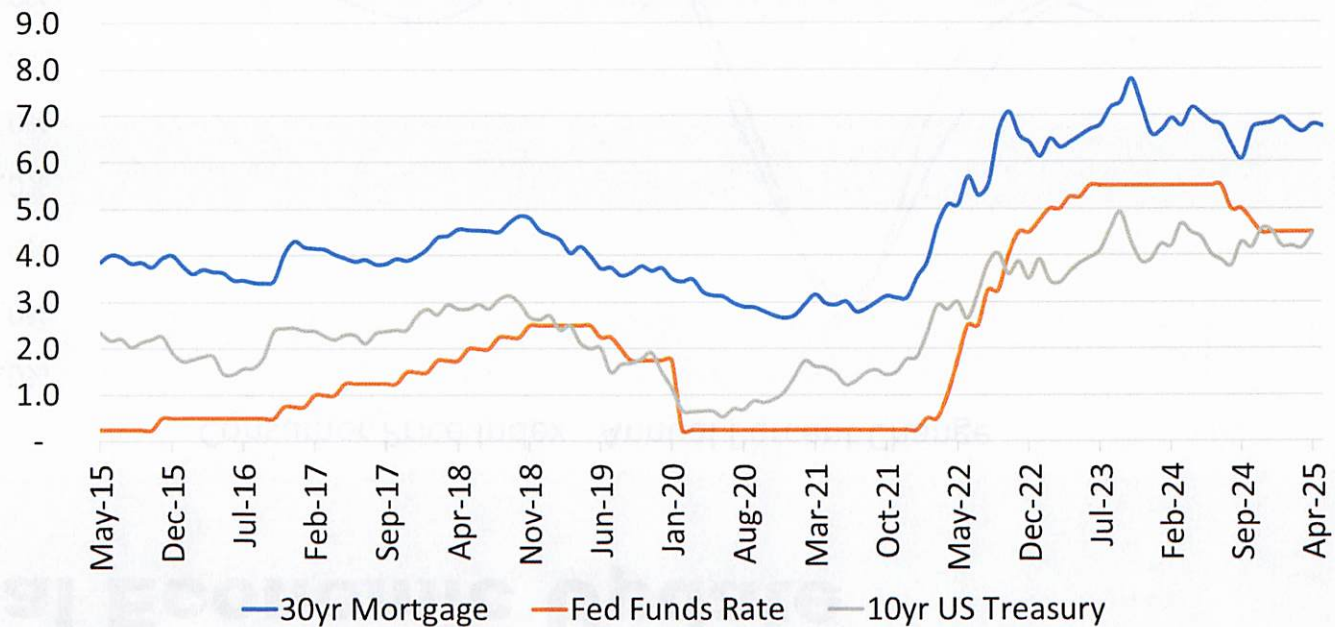
Looking Forward



# Regional Economic Update

## Interest Rates

30yr Fixed Mortgage vs. 10yr Treasury Yield vs.  
Fed Funds Rate



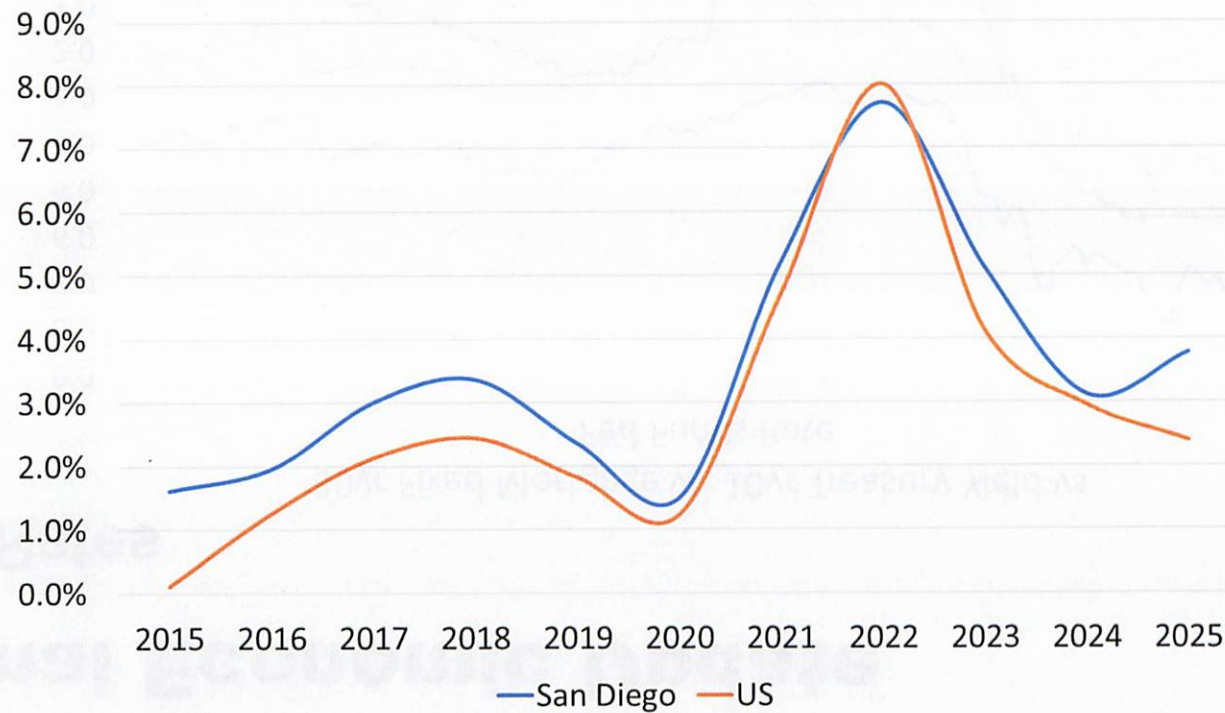
Source: Federal Reserve Bank of St Louis, Freddie Mac. As of May 15, 2025.



# Regional Economic Update

## Inflation

Consumer Price Index - Annual Percent Change



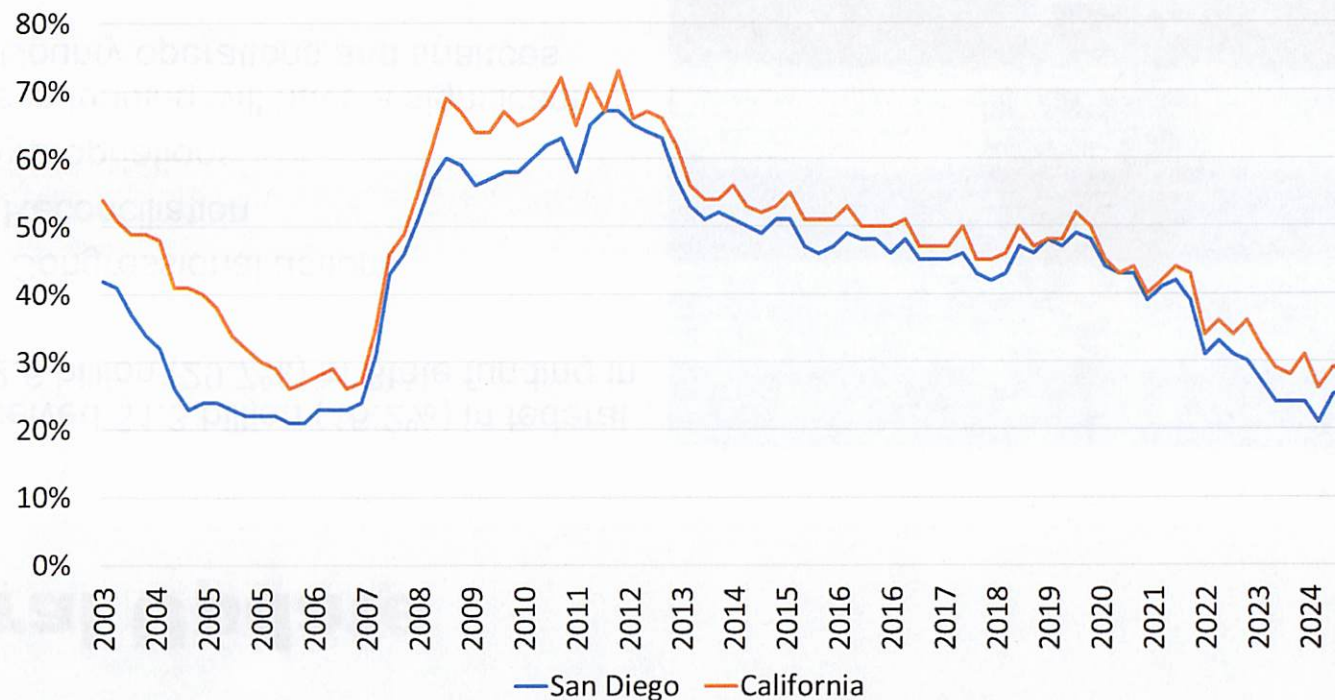
Source: Bureau of Labor Statistics. Non-seasonally adjusted figures as of March 2025.



# Regional Economic Update

## Housing Market

First-Time Buyer Housing Affordability Index



Source: California Association of Realtors First-Time Buyer Housing Affordability Index, 4Q 2024.



# Federal Update

- County received \$1.3 billion (16.2%) in federal funding, \$2.6 billion (29.7%) in State funding in FY 24-25
- Impacts to Congressional actions
  - Budget Reconciliation
  - FY 26 Appropriations
- Reductions in funding will have a significant impact on County operations and finances



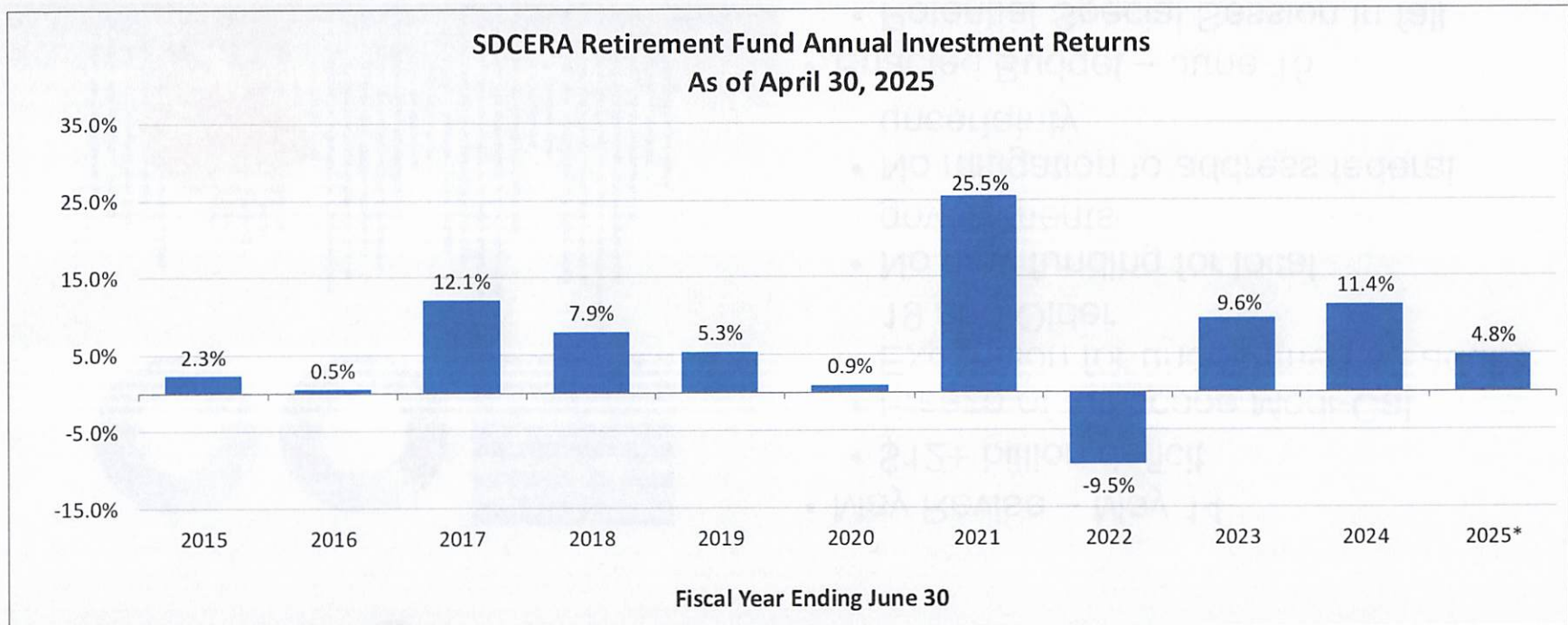
# State Budget Outlook



- May Revise – May 14
  - \$12+ billion deficit
  - Freeze of full-scope Medi-Cal Expansion for undocumented adults 19 and Older
  - No new funding for local governments
  - No mitigation to address federal uncertainty
- Enacted Budget – June 15
  - Potential Special Session in fall



# Retirement Update



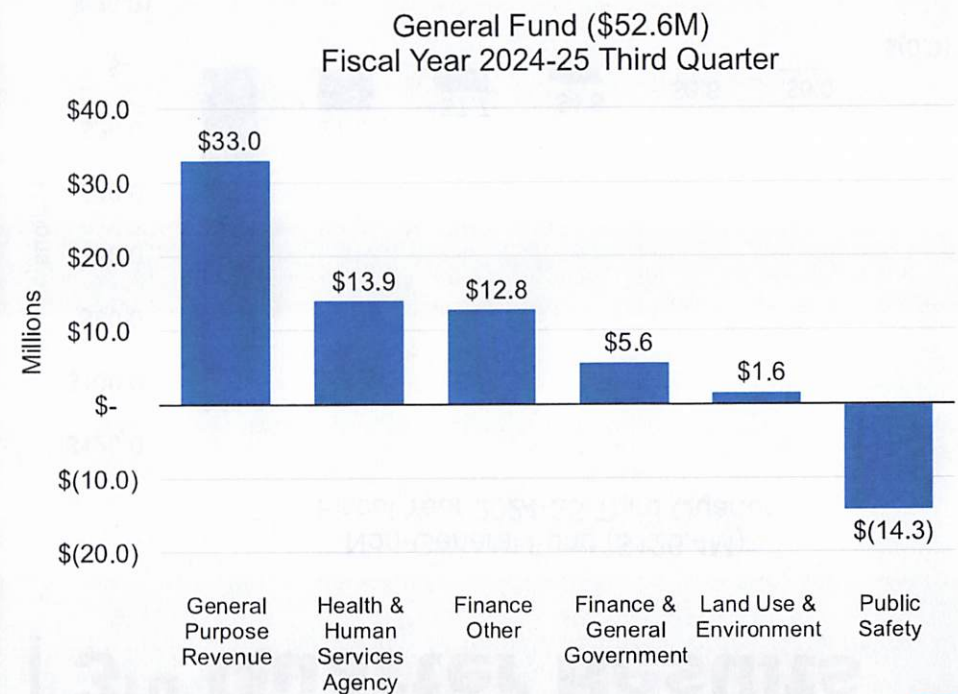
Sources: SDCERA Actuarial Valuation and Review as of June 30, 2024, page 25

\*FYTD 2025 based on SDCERA Monthly Risk-Return Report as of April 30, 2025.



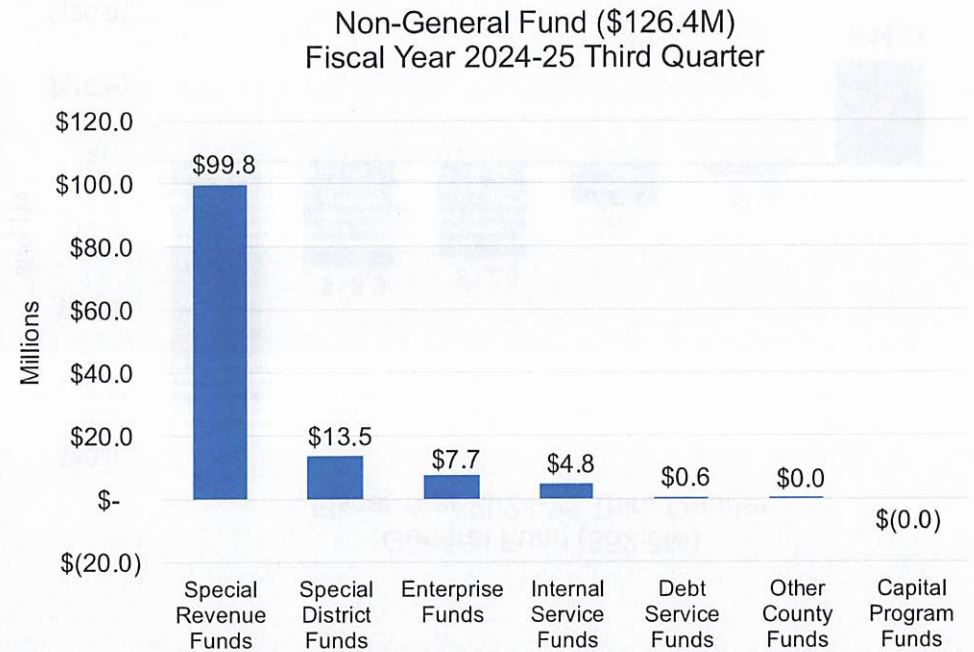
# Budget Performance | 3<sup>rd</sup> Quarter Results

County Summary (in millions)				
	Expenditures Variance	Revenues Variance	Projected Fund Balance (FB)	% of Projected FB to Budget
General Fund (GF)	\$156.8	(\$104.2)	\$52.6	0.7%
Non-GF	\$139.4	(\$13.0)	\$126.4	4.1%
TOTAL	\$296.2	(\$117.2)	\$179.0	1.6%



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# General Fund Reserve

	(in millions)
<b>Unassigned Fund Balance as of June 30, 2024</b>	<b>\$ 691.8</b>
Plus: FY 2024-25 Year End Projected Operating Results as of 3 <sup>rd</sup> quarter	52.6
<b>(A) Projected Unassigned Fund Balance for June 30, 2025</b>	<b>744.4</b>
<b>(B) General Fund Minimum Reserve Requirement as of June 30, 2024</b>	<b>\$ 973.5</b>
<b>FY 2024-25 Estimated Amount Above (Below) Minimum Requirement (A-B)</b>	<b>\$ (229.1)</b>
Replenishment strategy based on anticipated FEMA reimbursement in FY 25-26 (\$138.8) and future operating results and over-realized Assessed Value (AV) growth for general purpose revenue in FY 26-27 (\$45.2) and FY 27-28 (\$45.2)	<b>\$ 229.1</b>



# Looking Forward



Economic Conditions



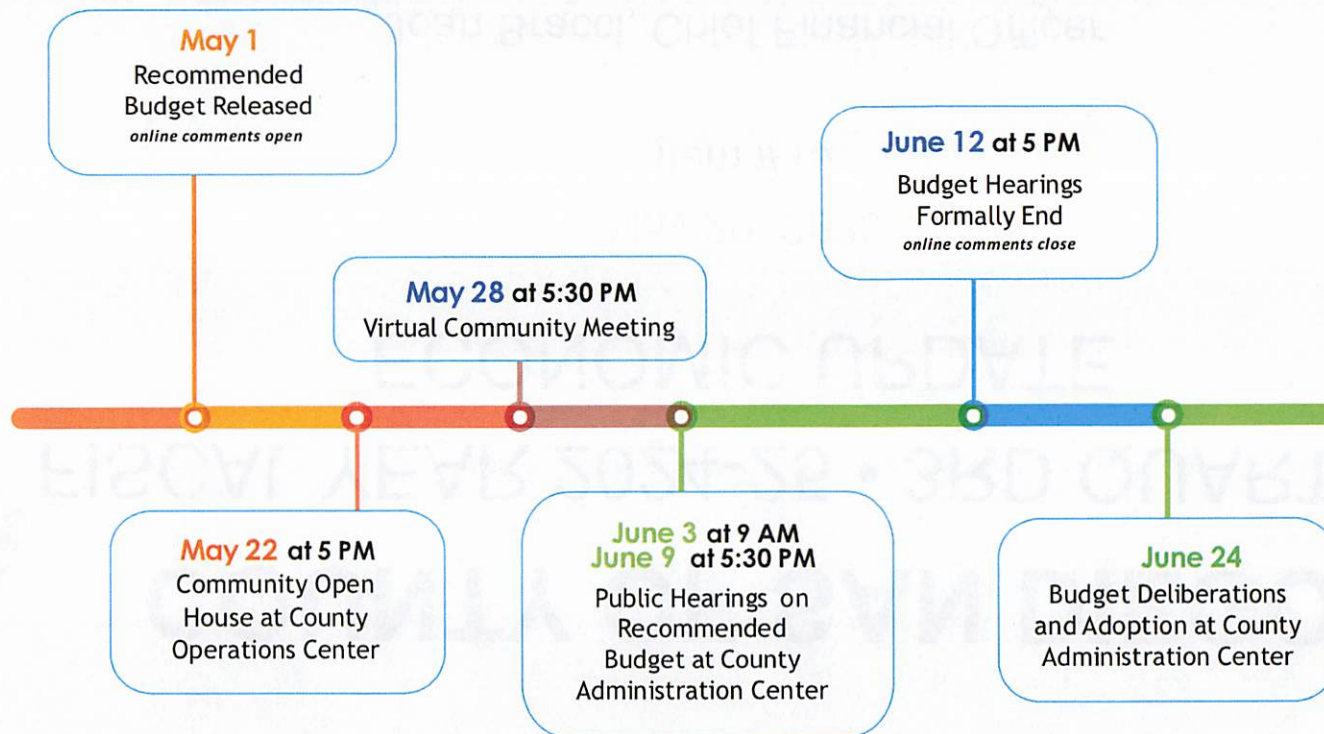
Federal Policy Impacts



Budget Strategies



# Upcoming Budget Engagement Opportunities



Visit [www.sandiegocounty.gov/budget](http://www.sandiegocounty.gov/budget) for more information





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