

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.7
(ID # 30242)

MEETING DATE:
Tuesday, June 02, 2026

FROM : EXECUTIVE OFFICE

SUBJECT: EXECUTIVE OFFICE: Receive and File the Fiscal Year 2025/26 Third Quarter Budget Report; Approval of the recommendations and associated budget adjustments, All Districts. \$125,923,531 - 89% General Fund, 11% Department budgets] (4/5 Vote Required)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file the Fiscal Year 2025/26 Third Quarter Budget Report; and
2. Approve the recommendations and direct the Auditor-Controller to make the budget adjustments contained in Attachment A.

ACTION:4/5 Vote Required, Policy

Jeff Van Wagenen, County Executive Officer 5/28/2026

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Gutierrez, seconded by Supervisor Medina and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Medina, Spiegel, Washington, Perez, and Gutierrez
Nays: None
Absent: None
Date: June 2, 2026
xc: EO

Kimberly A. Rector
Clerk of the Board
By:
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$125,923,531	\$0	\$125,923,531	\$0
NET COUNTY COST	\$112,682,062	\$0	\$112,682,062	\$0
SOURCE OF FUNDS: 89% General Fund, 11% Department Budgets			Budget Adjustment: Yes	
			For Fiscal Year: 2025/26	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

The Third Quarter Budget Report provides an overview of the County's financial performance for Fiscal Year 2025/26. This report provides an overview of key revenue trends and identifies emerging fiscal pressures that may impact the County's financial outlook and inform future budgetary and fiscal planning strategies.

The General Fund's discretionary financial position is projected with revenue of \$1.366 billion and a net county cost (NCC) of \$1.393 billion, resulting in an operational deficit of \$28 million.

As of Third Quarter, General Fund discretionary revenue continues to demonstrate moderate but stable growth and is projected to increase by \$46 million, or 3% above the adopted budget.

This increase is primarily attributed to a \$19.8 million net increase in Property Tax revenue, a \$22 million increase from Interest Earnings, a projected \$4.6 million increase in Sales & Use Taxes, and \$2.3 million in Motor Vehicle in Lieu.

While Interest Earnings continue to outperform original projections due to favorable market conditions and higher cash balances, this revenue source remains sensitive to future interest rate changes and should be viewed as less structurally reliable than core tax revenues for long-term fiscal planning purposes. Although discretionary revenue continues to show steady growth, certain revenue categories are performing below meeting expectations. Prop 172 Public Safety Sales Tax revenue is now projected to fall short of the adopted budget by \$4.4 million. While the shortfall reflects broader economic uncertainty and may impact public safety funding levels if current trends continue, moderate revenue growth is anticipated in FY 2026/27.

As noted in the Midyear report, at the time of the FY 2025/26 budget adoption, the just-in-time process was established to provide flexibility by allocating resources to departmental needs as those needs became more apparent, and as discretionary revenue projections trended higher than originally estimated. Consistent with the Midyear process, and following continued collaboration with departments regarding additional funding requirements, a just-in-time allocation of \$60 million from reserves is recommended to address immediate Third Quarter departmental needs.

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Beyond revenue considerations, the County continues to face a variety of structural and operational fiscal pressures. Rising labor costs, uncertainty surrounding state and federal funding, increasing demand for core services, and ongoing infrastructure investment needs are placing additional strain on available resources. Collectively, these factors are contributing to an increasingly complex fiscal environment. Many of these issues, along with related mitigation strategies, will be further addressed as part of the FY 2026/27 Recommended Budget.

In conclusion, while current-year discretionary revenues provide near-term budgetary support, future growth is expected at moderate levels. As fiscal pressures continue to emerge, maintaining fiscal discipline will be critical to sustaining core services and aligning available resources with County priorities. Moving forward, the County will need to continue emphasizing balanced decision-making, operational efficiency, and long-term financial sustainability.

Impact on Residents and Businesses

The recommended budget adjustments will allow County departments to continue to meet the needs of Riverside County residents.

ATTACHMENTS:

- FY 2025/26 Third Quarter Budget Report


Brett Austin, Supervising Accountant 5/28/2026



Riverside County Board of Supervisors
Request to Speak

Submit request to the Clerk of the Board (right of podium), Speakers are entitled to three (3) minutes, subject to Board Rules listed on the reverse side of this form. The Board may limit the public input on any item, based on the number of people requesting to speak and the business of the Board.

SPEAKER'S NAME: Roy Beckwith

Address: _____

City: _____ Zip: _____

Phone #: _____

Date: _____ Agenda # 3.7

PLEASE STATE YOUR POSITION BELOW:

Position on "Regular" (non-appealed) Agenda Item:

_____ Support _____ Oppose _____ Neutral

Note: If you are here for an agenda item that is filed for "Appeal", please state separately your position on the appeal below:

_____ Support _____ Oppose _____ Neutral

I give my 3 minutes to: _____

Parking validations available for speakers only – see Clerk of the Board.

(Revised: 04/23/2025)

BOARD RULES

Requests to Address Board on "Agenda" Items:

You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

Requests to Address Board on items that are "NOT" on the Agenda:

Notwithstanding any other provisions of these rules, member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES. The Board may limit the public input on any item, based on the number of people requesting to speak and the business of the Board.

Power Point Presentations/Printed Material:

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, ensuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please ensure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo. **Speakers are prohibited from bringing signs, placards, or posters into the hearing room.**

Individual Speaker Limits:

Individual speakers are limited to a maximum of three (3) minutes. The Board may limit the public input on any item, based on the number of people requesting to speak and the business of the Board. Please step up to the podium when the Chair calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chair adheres to a strict three (3) minutes per speaker. **Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.**

Group/Organized Presentations:

Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chair's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the front bottom of the form.

Addressing the Board & Acknowledgement by Chair:

The Chair will determine what order the speakers will address the Board and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the public and/or meeting participants. Such behavior, at the discretion of the Board Chair may result in removal from the Board Chambers by Sheriff Deputies.