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FY 2026 Preliminary Tentative Budget

Presented March 25, 2025



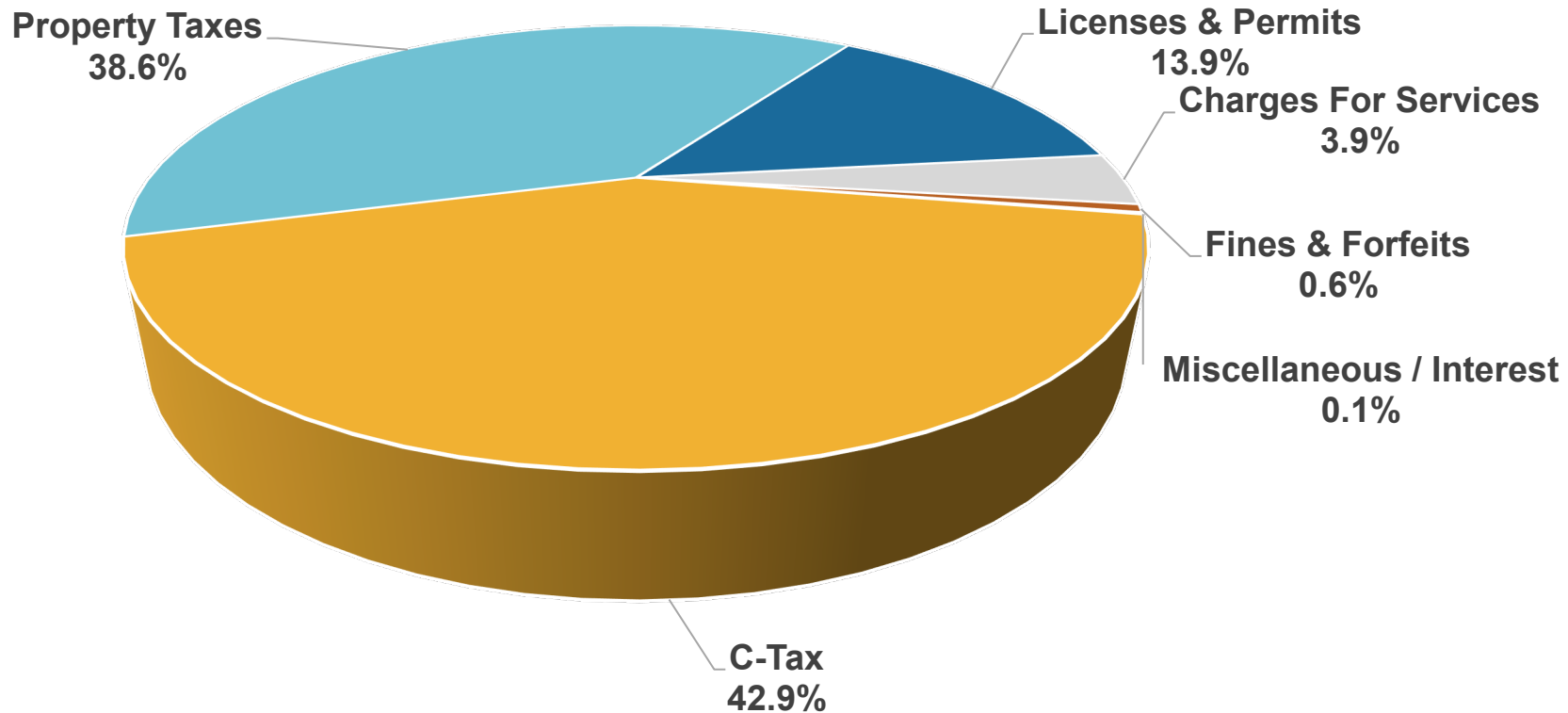
General Fund Overview



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FY 2026

Budgeted General Fund Operating Revenues



Excludes non-recurring transfers-in

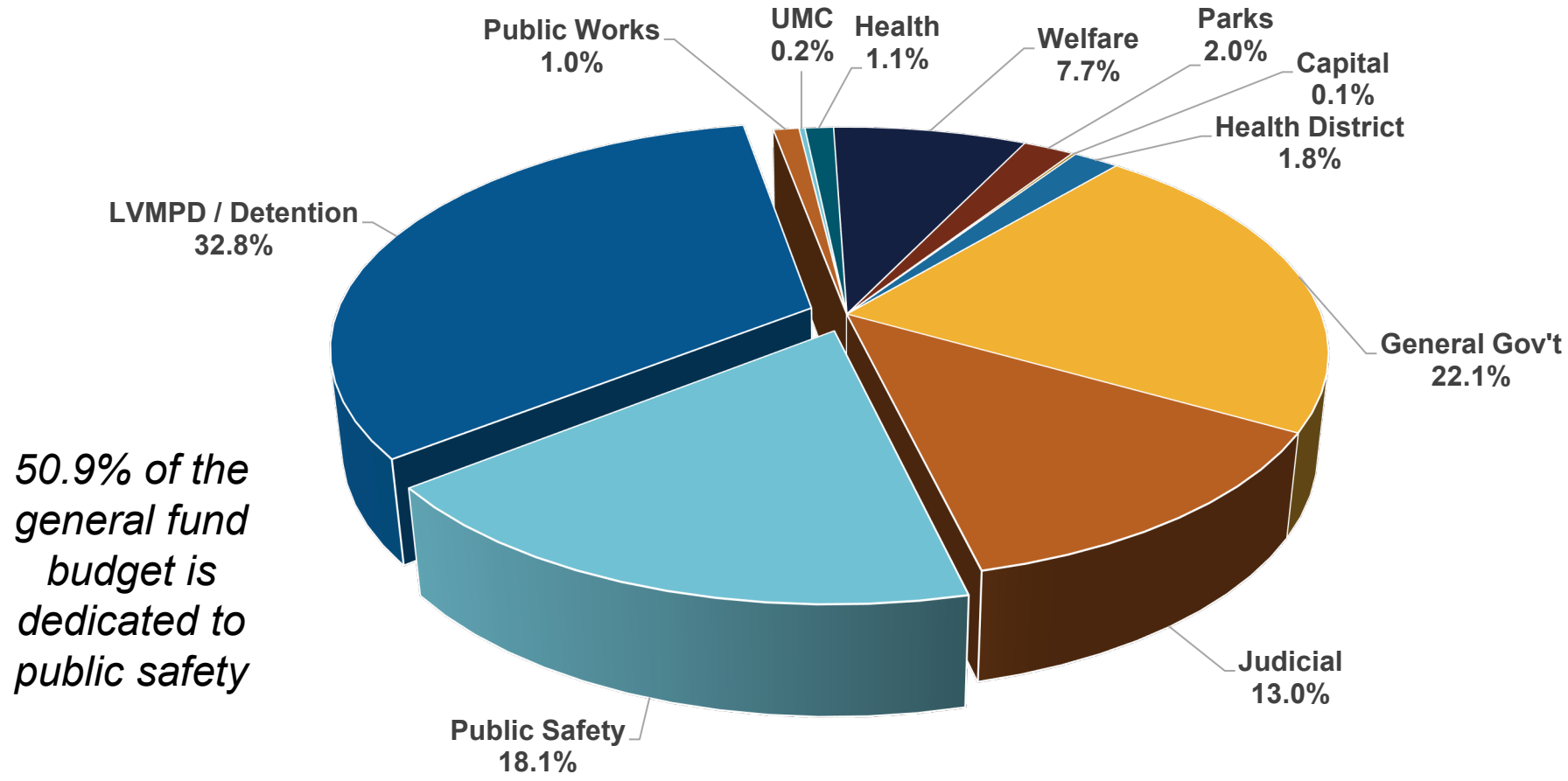
Total: \$2.1 Billion



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FY 2026

Budgeted General Fund Operating Expenditures



50.9% of the general fund budget is dedicated to public safety

Excludes non-recurring expenditures

Total: \$2.1 Billion



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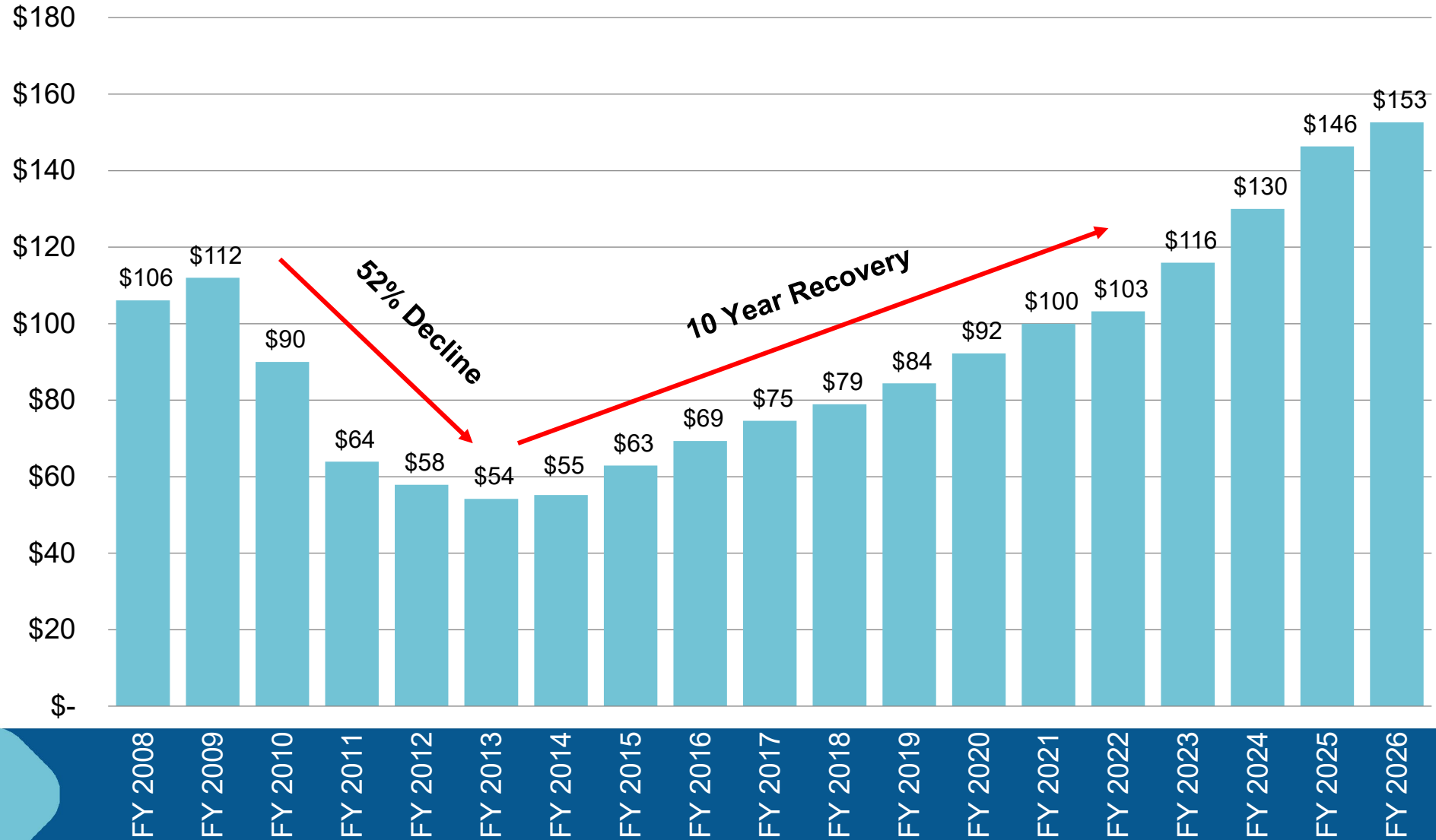


Property Taxes



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Assessed Valuation FY 2008 – FY 2026 (In Billions)

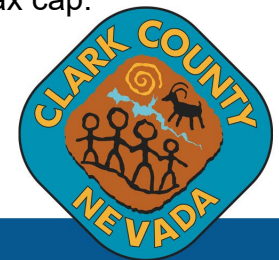


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Property Tax Cap Formula

- **RESIDENTIAL:** Property taxes paid cannot exceed 3%* above the amount of property taxes paid in the prior year.
- **COMMERCIAL:** Property taxes paid cannot exceed the **LESSER** of 8% or the Secondary Cap:
 - Secondary Cap is determined by the **greater** of:
 - 10-year average growth rate in assessed value
 - 2x the Consumer Price Index (CPI)

* If the Commercial property tax cap is less than 3%, the Residential property tax cap will be the same as the Commercial property tax cap.

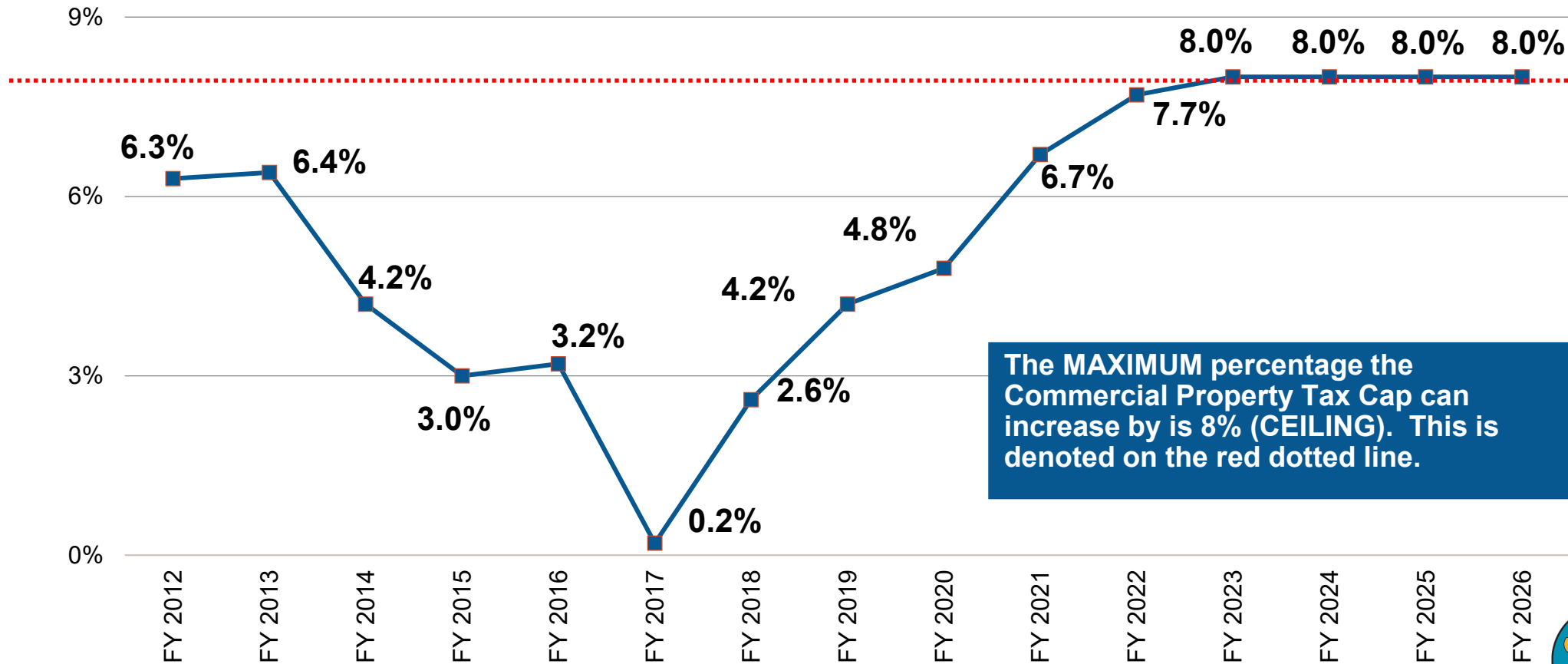


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FY 2026 Commercial Property Tax Cap Formula

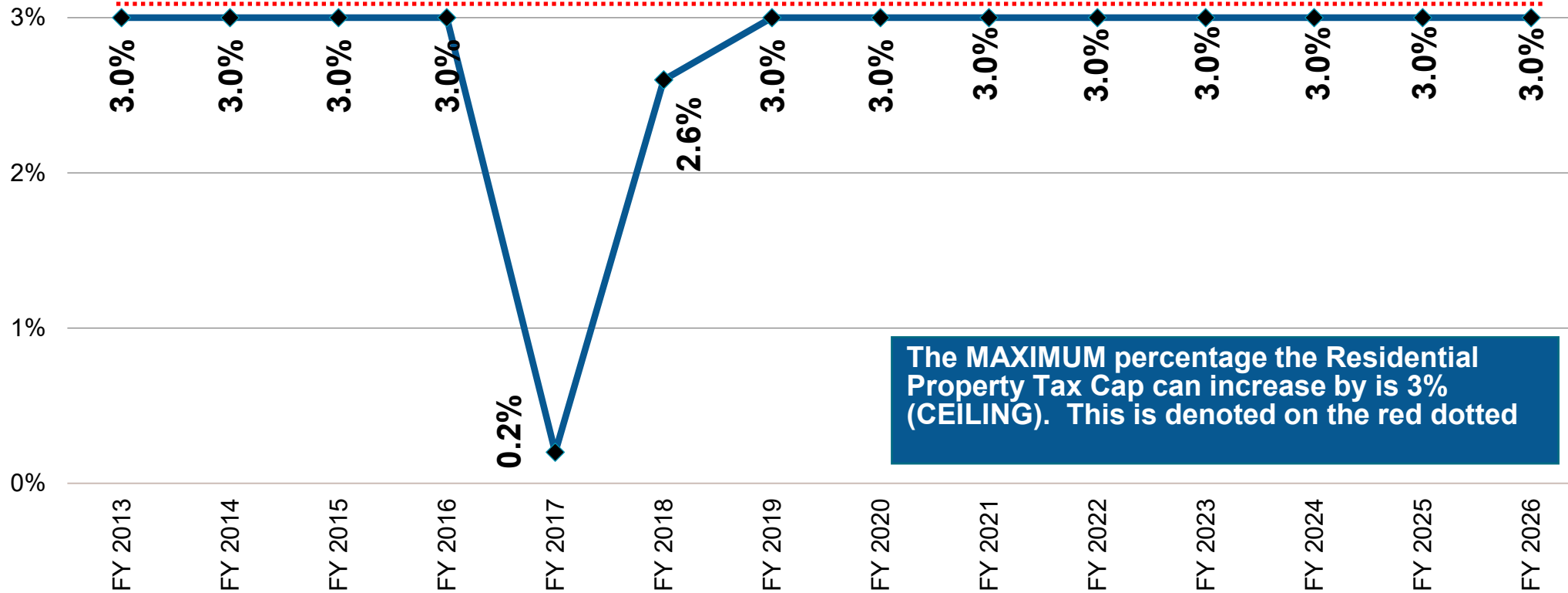
	FY26 Preliminary	FY25	FY24	FY23	FY22	FY21	FY20	FY19	FY18
10 YR Average Growth Rate in Assessed Value	8.5%	12.3%	8.6%	8.8%	7.7%	6.7%	4.6%	0.3%	-2.8%
2x CPI	5.8%	8.2%	16.0%	9.4%	2.4%	3.6%	4.8%	4.2%	2.6%
GREATER OF:									
<ul style="list-style-type: none"> 10 YR Average Growth Rate in Assessed Value 2x CPI 	8.5%	12.3%	16.0%	9.4%	7.7%	6.7%	4.8%	4.2%	2.6%
LESSER OF:									
<ul style="list-style-type: none"> 8% Greater of 10 YR Average Growth Rate in Assessed Value OR 2x CPI 	8.0%	8.0%	8.0%	8.0%	7.7%	6.7%	4.8%	4.2%	2.6%

Commercial Property Tax Cap FY 2012 – FY 2026



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Residential Property Tax Cap FY 2012 – FY 2026

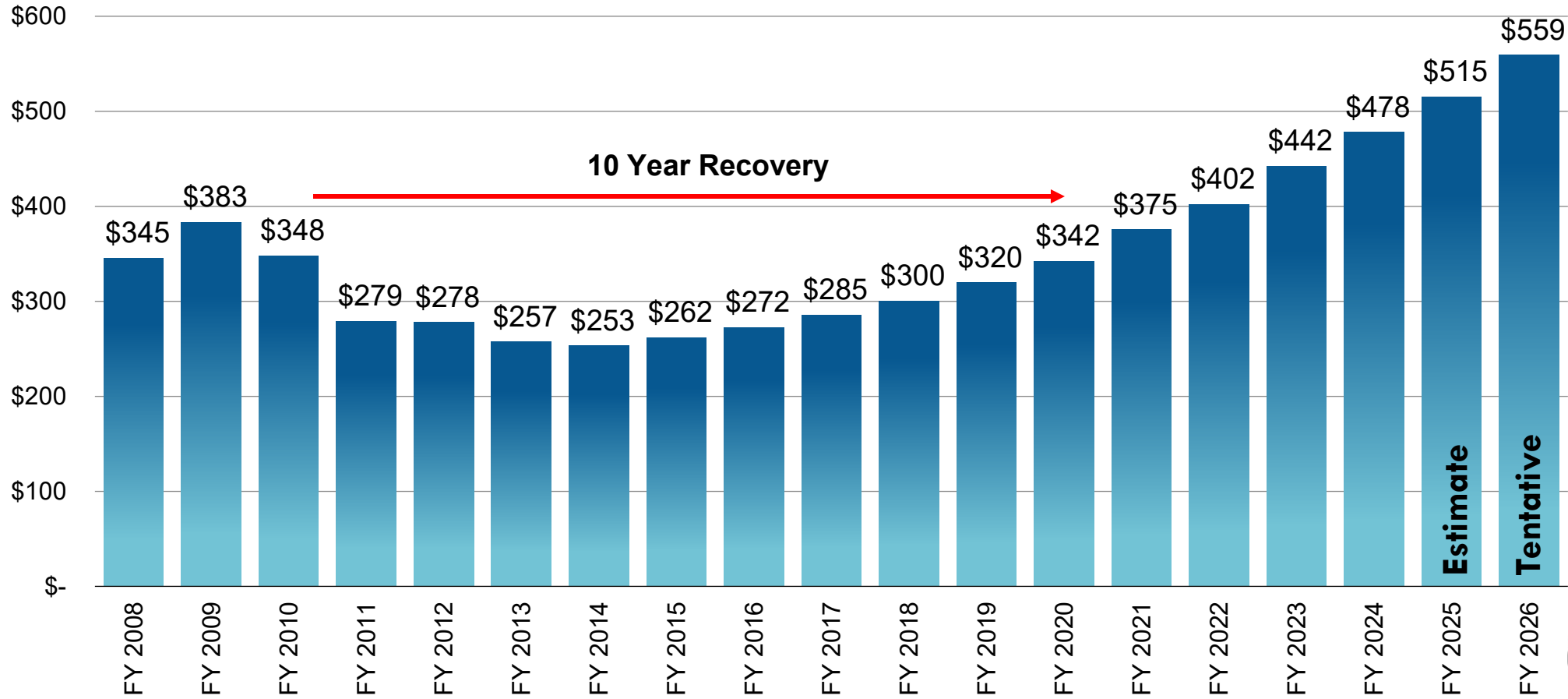


The MAXIMUM percentage the Residential Property Tax Cap can increase by is 3% (CEILING). This is denoted on the red dotted

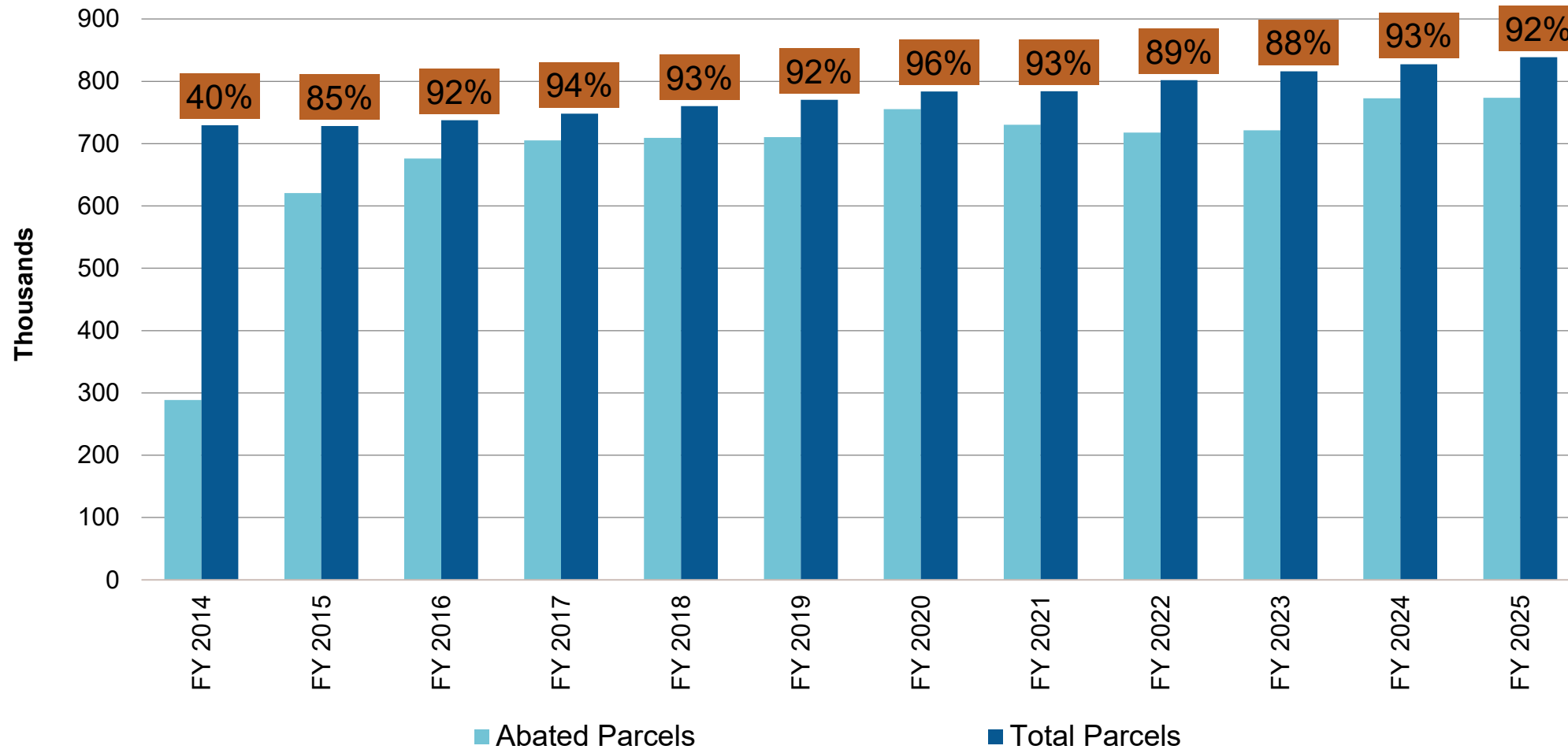


Property Tax Collections – General Fund

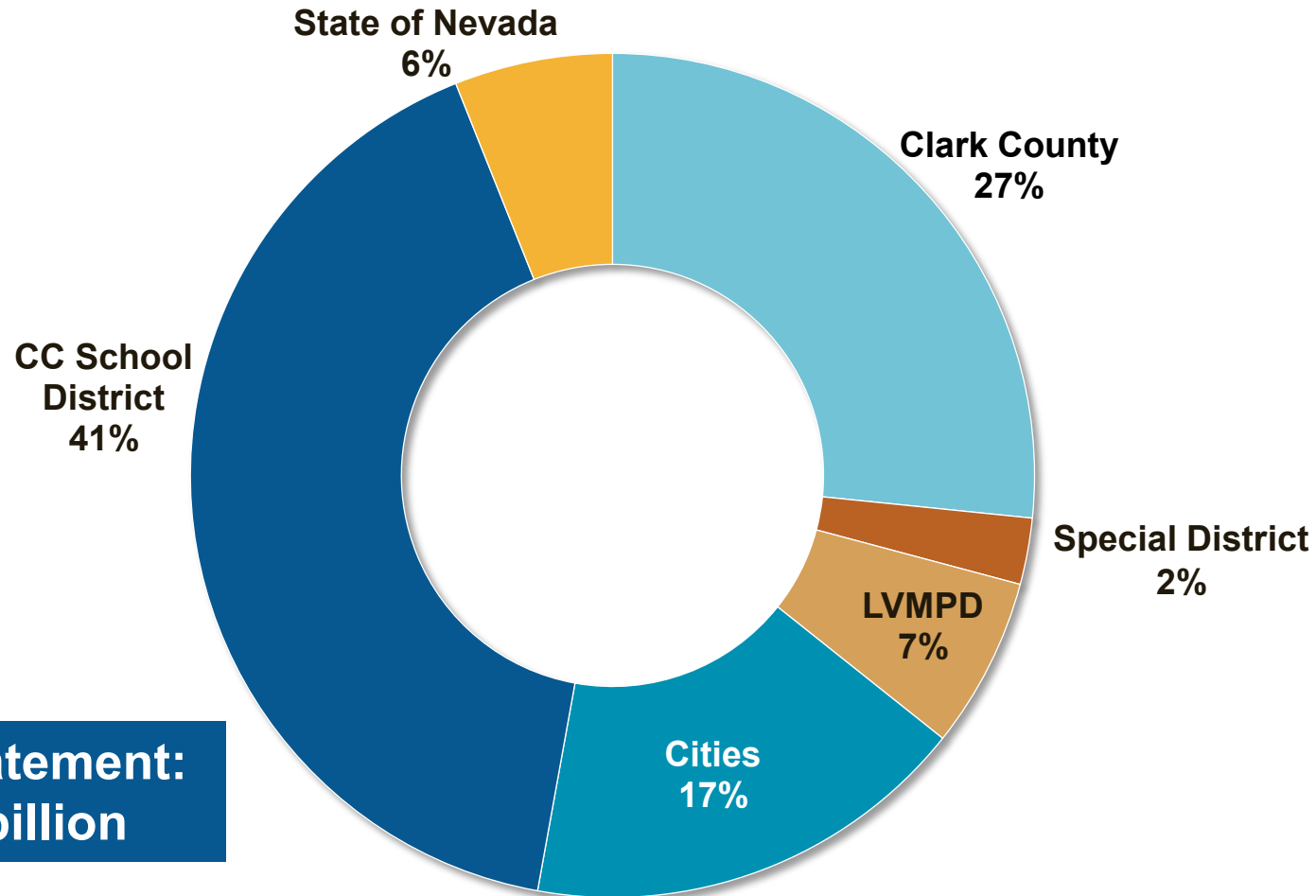
FY 2008 – FY 2026 (In Millions)



Percent of Parcels Abated FY 2014 – FY 2025



Abatement Distribution - Countywide FY 2025



**Total Abatement:
\$1.27 billion**

**12% Increase in FY25
Abatement Value**

**Increases in assessed
values are resulting in larger
abatements**

**1 cent County operating rate
= \$14.6 million before
abatement and \$2.4 million
after abatement**



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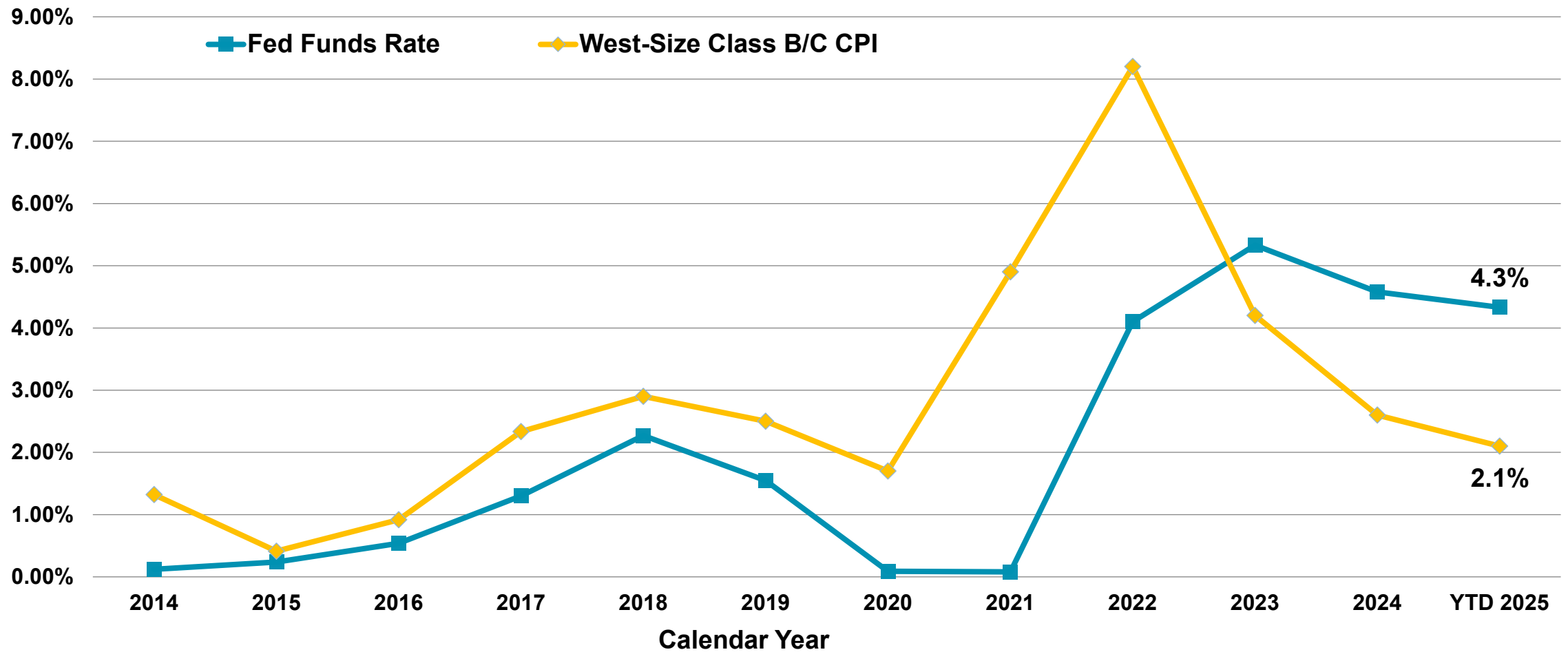


Consolidated Tax Revenues



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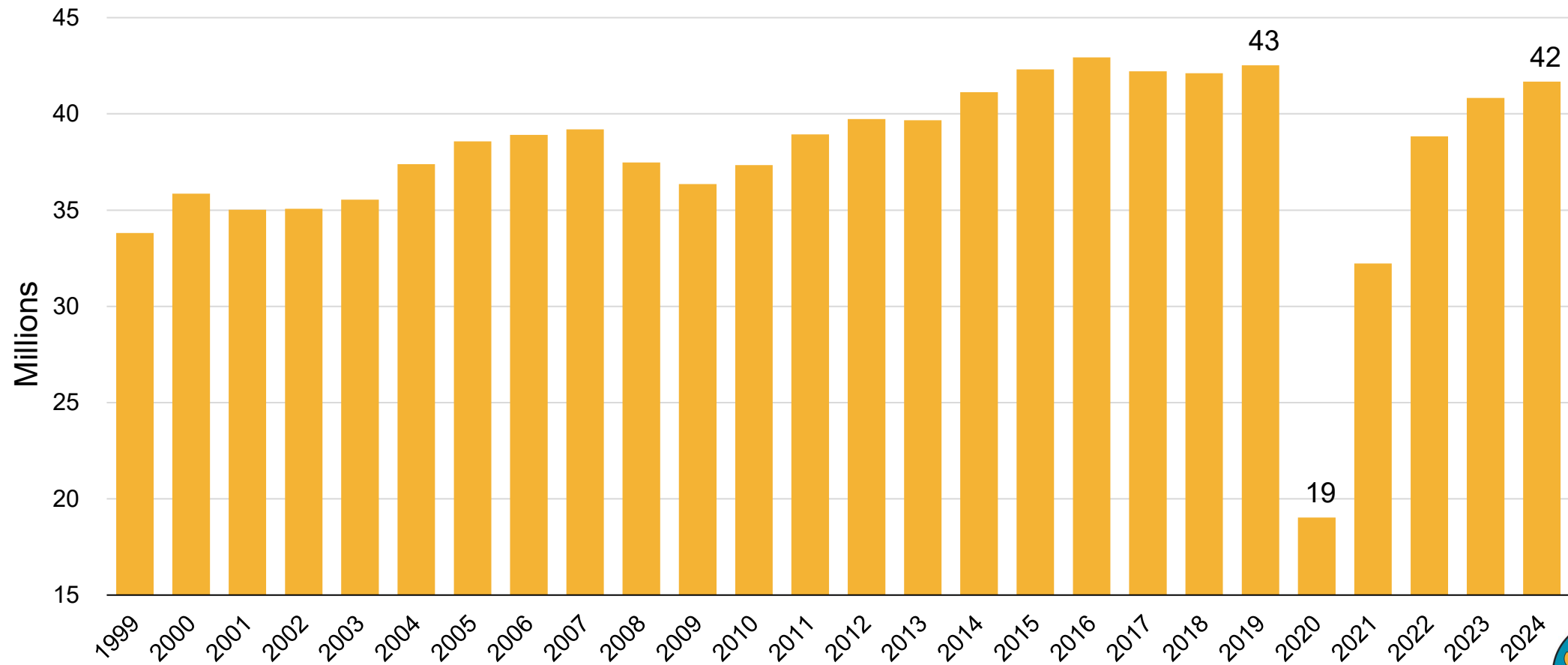
Average Annual Growth in CPI vs. Fed Funds Rate



West-Size Class B/C = City population of 2.5 million or less.

Source: United States Bureau of Labor Statistics – CPI All Urban Consumers, All Items; Federal Reserve Bank of St. Louis

Visitor Volume (In Millions)

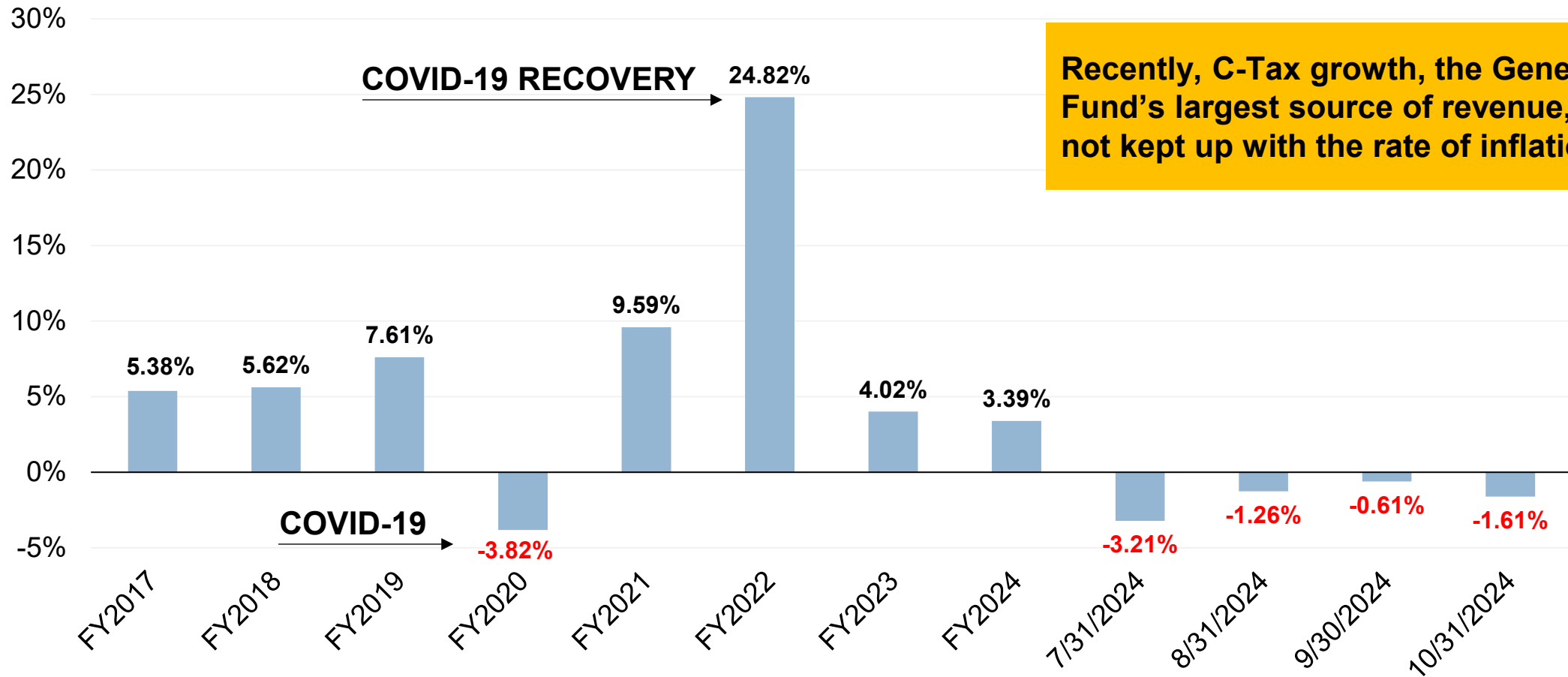


Source: Las Vegas Convention and Visitors Authority

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General Fund C-Tax Collections

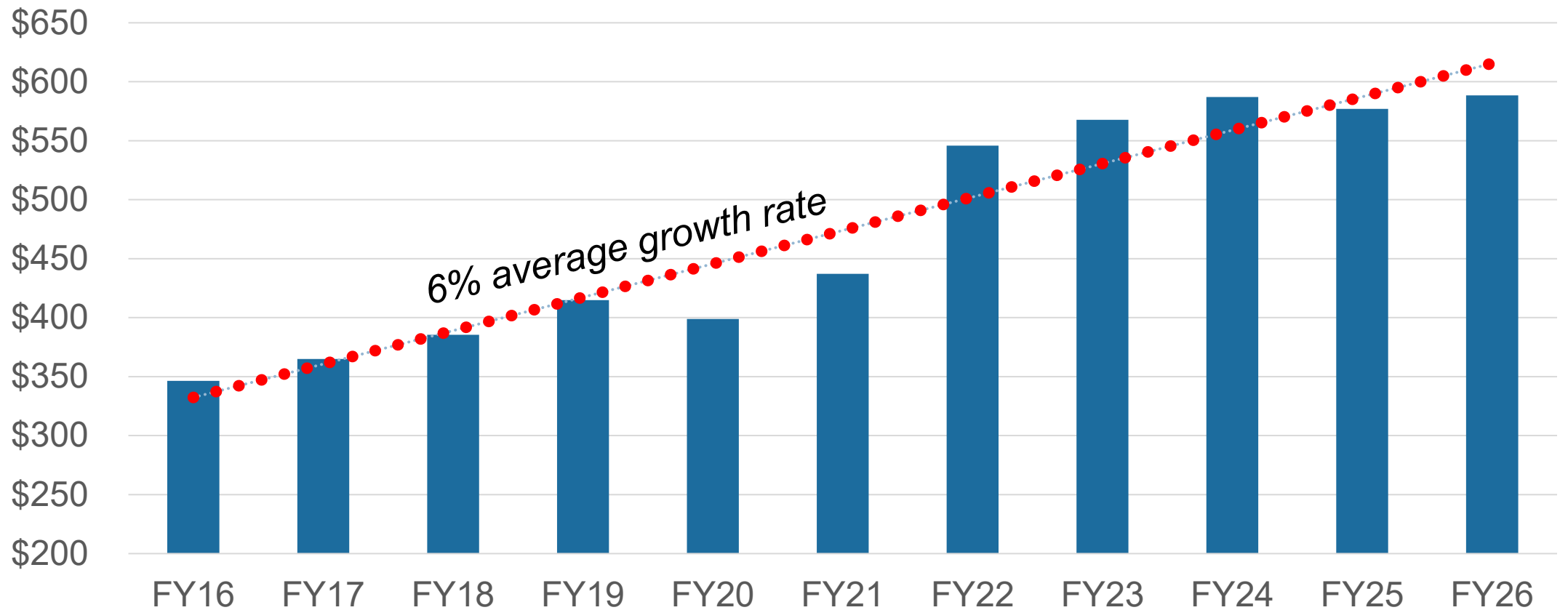
Year-Over-Year Change Collections



Recently, C-Tax growth, the General Fund's largest source of revenue, has not kept up with the rate of inflation.

C-Tax Collections

(In Millions)





FY 2026 General Fund



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FY 2026 General Fund Revenues

Operating Revenues (In Millions)

	FY 2025 Budget	FY 2026 Budget	Increase/ (Decrease)	% Change
Property Taxes	\$ 525.9	\$ 569.5	\$ 43.6	8.3%
Licenses & Permits	346.1	350.1	4.0	1.2%
Intergovernmental	604.3	595.1	(9.2)	(1.5%)
Charges for Services	86.7	103.7	17.0	19.6%
Fines & Forfeits	13.2	16.0	2.7	21.2%
Interest/Other	4.0	4.0	0.0	0.0%
Transfers In ⁽¹⁾	484.6	489.3	4.7	1.0%
TOTAL	\$ 2,064.8	\$ 2,127.7	\$ 62.8	3.0%

⁽¹⁾ Excludes non-recurring transfers in

FY 2026 General Fund Expenditures

Operating Obligations (In Millions)

	FY 2025 Budget	FY 2026 Budget	Increase/ (Decrease)	% Change
General Government	\$ 220.5	\$ 237.8	\$ 17.3	7.8%
Judicial	157.0	164.4	7.4	4.7%
Public Safety	367.2	383.5	16.3	4.4%
Public Works	15.9	21.6	5.7	35.8%
Health & Welfare ⁽¹⁾	149.5	142.0	(7.5)	(5.0%)
Culture & Recreation	16.3	17.2	0.9	5.5%
Other General Expense ⁽²⁾	340.9	320.6	(20.3)	(6.0%)
Transfers Out ⁽³⁾	797.6	837.4	39.8	5.0%
TOTAL	\$ 2,064.9	\$ 2,124.5	\$ 59.6	2.9%

(1) \$25 million in FY25 health expenditures budgeted as transfers out in FY26 for opioid treatment program.

(2) FY25 budget includes supplemental positions and operating capital.

(3) Excludes non-recurring transfers out.

FY 2026

Available Expenditure Allocation (In Millions)

Available Funding for Allocation:

FY26 Operating revenues ⁽¹⁾	\$ 2,127.7
FY26 Operating expenditures ⁽¹⁾	<u>-2,124.5</u>
Total available for FY26 expenditure allocation	\$ 3.2

⁽¹⁾ Excludes non-recurring items.

Supplemental Requests To Date Exceed \$110 Million:

District Court	\$ 14.0
Detention	\$ 20.9
LVMPD	\$ 16.8
Clark County	\$ 63.2

Recommendation:

Allocate \$756,700 to LVMPD for the tentative budget submission and prioritize the remaining supplemental allocation for unfunded grant positions in June 2025.

Federal Awards

The County incurs approximately \$150 million in federal expenditures annually:

- 90% of expenditures are from three (3) federal agencies

Federal Agency	FY24 Expenditures (in millions)
Department of Health and Human Services	\$105.1
Department of Housing and Urban Development	\$18.3
Department of Justice	\$11.0

- 813 County positions are fully or partially funded from federal grants, equal to 483 full time equivalents

The FY26 budget does not include potential impacts from federal or state legislation.



On the Horizon



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Legislative Considerations

- ✓ LVMPD 20 cent ad valorem tax expiration
 - Currently generates \$155 million
 - Funds approximately 800 police officer positions
 - Due to sunset June 2027
- ✓ Rising workers' compensations costs
- ✓ Child welfare funding deficit
- ✓ Federal funding



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What is Workers' Compensation?

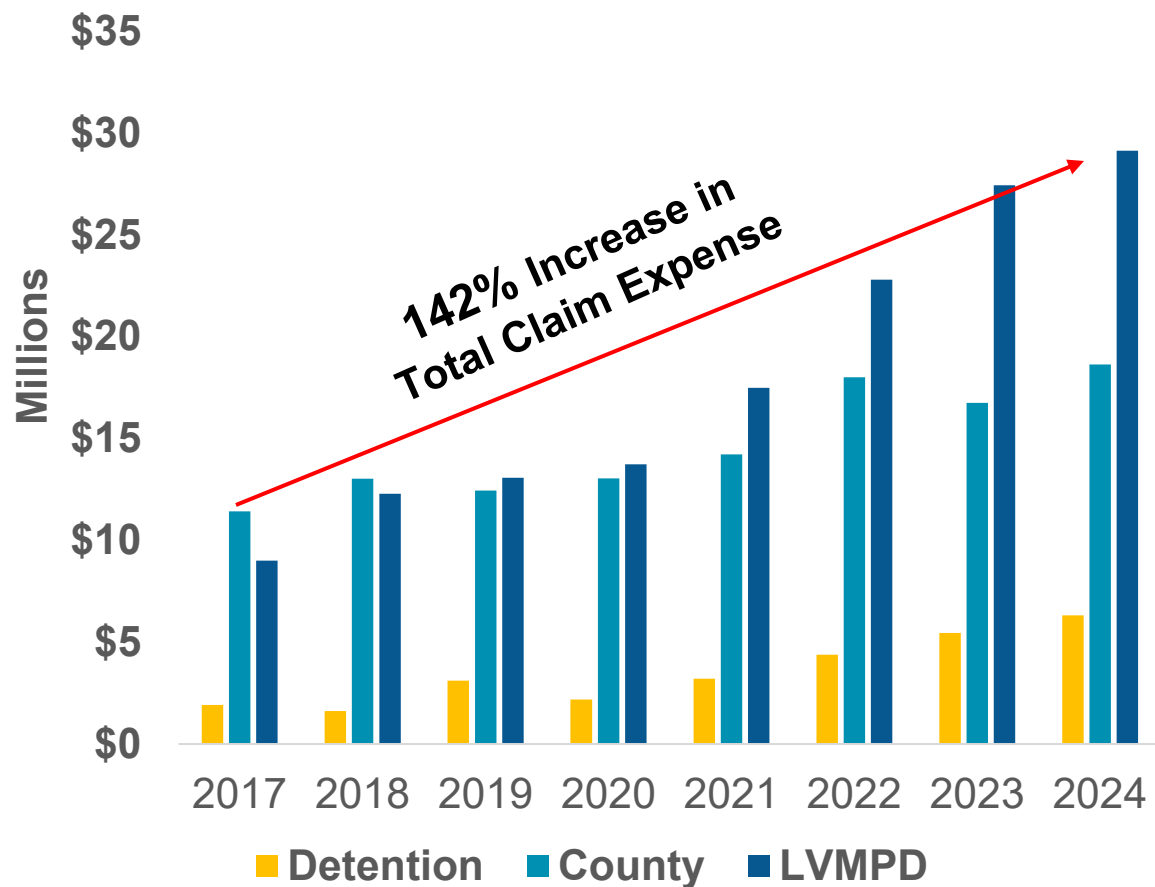
Workers' compensation is insurance that provides cash benefits and medical care for workers who are injured or become ill as a direct result of their job. Clark County self funds this benefit in addition to “excess” insurance coverage for high dollar claims.

- **Claim Expense** – The cost of cash and medical benefits for the current year.
- **Case Reserves** – The amount of reserves required to pay benefits for existing claims over the life of the benefit. This will also include an actuarial determination of claims incurred but not reported (IBNR).
- **Presumptive Claim** – Benefit for an injury or illness that is presumed to be work-related without demonstrating it arose out of and in the course of employment.

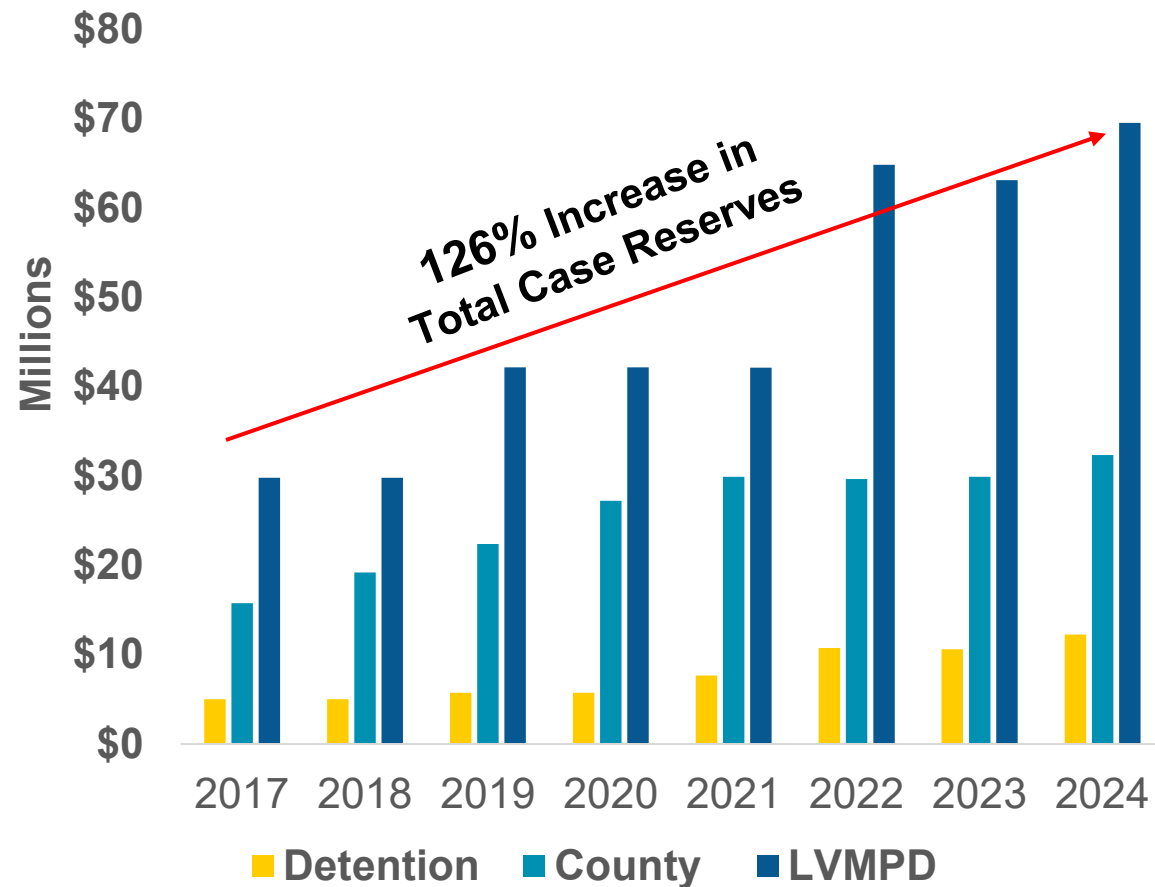
Since FY2019 the state legislature has passed twelve (12) bills that impact worker's compensation benefits, most of which have increased costs. Eight (8) worker's compensation bills have already been identified during the FY2025 legislative session that expand benefits and/or eligibility.

Claim Expense and Case Reserves

**FY24 Actual Claim Expense
Total \$54 Million**



**FY24 Required Case Reserves
Total \$114 Million**

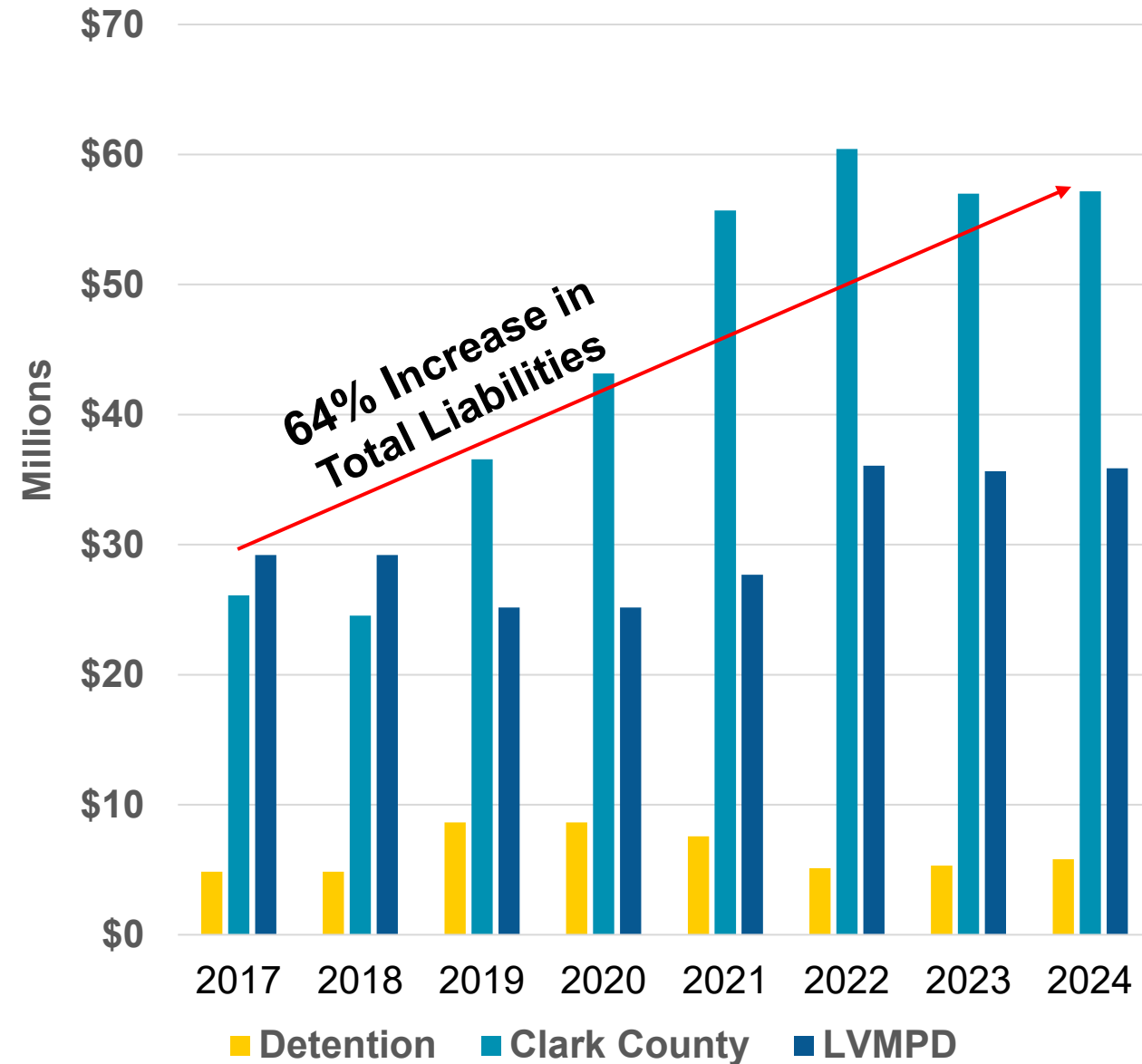


Presumptive Benefit Liabilities

A variety of law enforcement and fire suppression positions are eligible for workers' compensation benefits for multiple illnesses that are presumed to be work-related. This benefit is extended if the illness occurs post employment.

The liability related to these benefits is actuarially determined and reflects the estimated cost of presumptive claims over the life of the benefit.

FY24 Presumptive Benefit Liability Total \$99 Million



Child Welfare Funding Challenges

Revenue Challenges

- The block grant has not kept up with caseload growth or inflation since FY 2012 → 102 FTEs currently remain unfunded
- Title IVE waiver has expired
- Delay in the implementation of the Families First Prevention Services Act
- TANF funding has declined
- Potential reduction to incentive grant funds, previous reductions have been delayed due to ARPA funding

Expenditure Challenges

- Operating expenditures have increased with annual contractual increases
- Increasing need for behavioral health services
- Federal mandate requiring foster care payments to relatives
- Legislative unfunded mandates:
 - Program expansion for Commercial Sexual Exploitation of Children (CSEC)



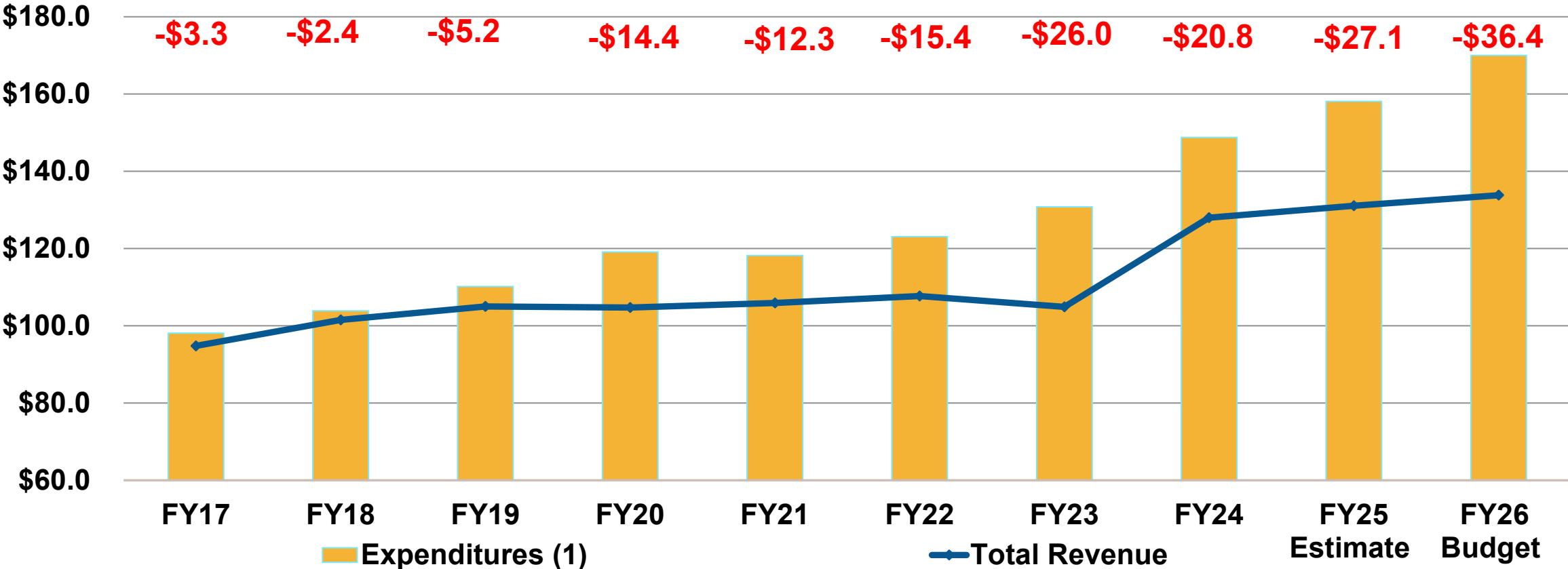
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Child Welfare Permanency Operations

In Millions

6,769 cases in FY24

Annual Subsidy



Note: Foster care rates were recently increased in FY24.
 (1) Excludes annual debt service payment beginning in FY20.

Cost Containment Tools

**Measured
Approach**

Reduce Fund Balance

Defer Future Capital Projects

Defer Current Capital Projects

Long-Term Liability Reserves

Reduce Discretionary Services

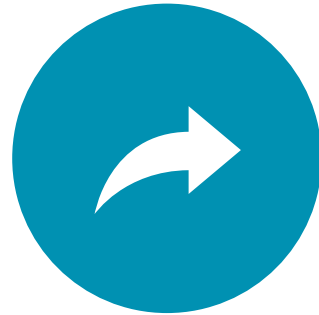
Reduce Mandated Services

One-Time Money

Next Steps



Adjust tentative budget for final property tax revenue projections



APRIL 15

File tentative budget



MAY 19

Present changes to the Board for final budget approval



JUNE 1

File final budget



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