FIVE-YEAR FINANCIAL OUTLOOK

The FY 2026–27 Proposed Budget continues the County's commitment to funding ongoing operations primarily through recurring revenue sources. The Five-Year Financial Outlook serves as a planning tool to evaluate future fiscal conditions and identify potential challenges that may require strategic attention. Through thoughtful resource planning and allocation, the County is able to assess long-term revenue and expenditure trends, helping to prioritize investments that support essential community services and needs.

In past years, Miami-Dade County has experienced strong growth in property tax revenues, driven by sustained demand in the local real estate market and the County's continued appeal as a premier place to live, work, and visit. For this year, property values and associated revenues have increased at a slower rate than past years, with economic conditions stabilizing and returning to more steady growth patterns.

This Five-Year Financial Outlook reflects current service levels and highlights fiscal challenges that will be addressed annually through the budget development process. The forecast includes projections for the County's four taxing jurisdictions and is intended as a framework for future financial planning and analysis rather than a five-year operating budget.

The forecast is balanced throughout the five-year period for both the Fire Rescue and Library Districts. At this time and for purposes of this summary, the Countywide General Fund and UMSA General Fund forecasts are not balanced, beginning in FY 2027-28, due to a conservative approach of projecting recurring revenues, in tandem with the market conditions, which are unable to cover recurring expenditures. As a result of the voter-approved Amendment 10 to the Florida Constitution, we have contemplated a base level of service activities for the ongoing operations of the constitutional elected offices, which began January 7, 2025. This five-year outlook does not capture any additional and/or future requests for these Offices other than regular growth based on historical expenditure trends; those additional requests are considered and determined separately. It is important to note that there are numerous factors that contribute to the shortfall. Most notably, in FY 2027-28 there are substantial anticipated impacts from enacted legislation at the State level, a continued uncertainty with federal funding, increases to healthcare costs, and a steady decline of other revenues to go along with a conservative approach to forecasting. Also taken into consideration for purposes of the forecast, are potential operating costs associated with the new Mental Health Facility, beginning in FY 2029-30.

<u>Not contemplated in the five-year forecast</u> is the potential impact of the statewide property-tax reform ballot measure being considered by voters in November 2026. If approved, the proposed amendment would negatively impact ad valorem revenues beginning in FY 2027-28, which, in turn, could impact essential services.