



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

NATHAN FLETCHER
Fourth District

JIM DESMOND
Fifth District

DATE: March 14, 2023

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TO: Board of Supervisors

SUBJECT

**FISCAL YEAR 2022-23 SECOND QUARTER OPERATIONAL PLAN STATUS
REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

OVERVIEW

This report summarizes the status of the County's Fiscal Year 2022-23 Adopted Operational Plan, as measured by projected year-end fund balance from current year operations. The projected year-end balance for the General Fund is \$73.5 million (or 1.0% of the General Fund budget), and \$123.1 million (or 1.2% of the Overall budget) for all budgetary funds combined. The projected fund balance anticipates an overall positive expenditure variance and an overall negative revenue variance from the Fiscal Year 2022-23 Amended Budget. The projection assumes General Purpose Revenue will perform better than estimated, and all business groups will produce operating balances except for the Health and Human Services Agency due to the contribution to Innovative Housing Trust Fund which will be covered by overall variance in County General Fund and all business groups staying within the legal appropriation limit. The General Fund year-end fund balance projection includes the assumption that the County will continue to incur COVID-19 costs and anticipates receipt of additional federal and State emergency response funding including Federal Emergency Management Agency (FEMA) revenue to continue response efforts. The projected balance for all other funds combined is \$49.6 million (1.8% of the other funds combined budget).

Transfers and revisions to the amended budget can be made by formal action of the Board of Supervisors in accordance with the California County Budget Act, Government Code (GC) Section 29125. Increases to the overall budget require 4 votes. Transfers of appropriations between departments within the same budgetary fund that do not increase the overall budget, or the cancellation of appropriations require a majority vote. Transfers of appropriations to facilitate transfers between budgetary funds require 4 votes even if the overall budget is not increased.

In the Public Safety Group (PSG), the recommendation includes appropriation adjustment to provide funding for the San Diego County Animal Shelter capital project; for the transfer of funds to Other Agencies related to the reorganization of County Service Area (CSA) 69; for East Otay Mesa Fire Station #38 project and for unanticipated ambulance transportation service contract cost of CSA 17.

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In the Health and Human Services Agency (HHS), recommendations include contributions to the Innovative Housing Trust Fund, appropriation adjustments to support the increase in California Work Opportunity and Responsibility to Kids (CalWORKs) assistance payment program, to provide funding for the East Region Crisis Stabilization Unit (CSU) and Recovery Bridge Center project, funding for the No Cost Senior Transportation program, and swap funding sources to leverage an American Rescue Plan Act (ARPA) lost revenue strategy.

In the Land Use and Environment Group (LUEG), recommendations include appropriation adjustments for distribution of Fish and Game State Fines and Forfeitures monies to the public through a grant program, for an Electric Vehicle Charging Unit for the Estrella Park Water Quality Project, for the Ramona Airport 09-27 Runway Rehabilitation Project and for technical assistance for the Broadband for All project.

In the Finance and General Government Group (FGG), recommendations include appropriation adjustments to fund several major unanticipated settlements in Public Liability Internal Service Fund, for the Hall of Justice Major Systems Renovation Project, for electric vehicle (EV) infrastructure and portable EV charging units, and for funding to pay for one-time expenses in the Board of Supervisors' offices.

In the Finance Other (FO), the recommendation includes an appropriation adjustment for a one-time contribution to the San Diego County Employees Retirement Association to reduce the pension fund's Unfunded Actuarial Accrued Liability.

**RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2022-23 second quarter report on projected year-end results.
2. Direct the Chief Administrative Officer to contribute \$25,000,000 to the Innovative Housing Trust Fund based on existing general fund supported appropriations in the Health and Human Agency.

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds
(Recommendations 3 through 16):**

3. Transfer appropriations of \$11,573,133 from Probation, Salaries & Benefits (\$8,700,000); Public Safety Group, Salaries & Benefits (\$384,386) and Services & Supplies (\$293,706); and Finance Other, Services & Supplies (\$2,195,041), to the Contributions to Capital Outlay Fund, Operating Transfers Out, to provide funding for Capital Project 1020254, San Diego County Animal Shelter; *and* establish appropriations of \$11,573,133 in the Capital Outlay Fund, Fixed Assets (\$9,830,733) and Operating Transfers Out (\$1,742,400), for Capital Project 1020254, San Diego County Animal Shelter, based on an Operating Transfer In from the General Fund; *and* cancel and reestablish appropriations of \$2,195,401 in Contributions to Trial Court, based on change in funding source from the Expenditure Transfer & Reimbursements (to Finance Other) to unanticipated AB 177 backfill revenues. **(4 VOTES)**

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4. Establish appropriations of \$11,000,000 in the County Service Area 69, Contributions to Other Agencies, for the transfer of funds to the City of Santee and Lakeside Fire Protection District based on the available prior year County Service Area 69 fund balance. **(4 VOTES)**
5. Establish appropriations of \$1,000,000 in the County Service Area 17, Services & Supplies, for unanticipated ambulance transportation costs, based on available fund balance from County Service Area 17. **(4 VOTES)**
6. Establish appropriations of \$40,000,000 in the Health and Human Services Agency, Other Charges, to support the increase in California Work Opportunity and Responsibility to Kids (CalWORKs) assistance payment based on State mandated grant increase. **(4 VOTES)**
7. Establish appropriations of \$3,000,000 in the County Health Complex Fund for Capital Project 1024603, Fixed Assets, East Region CSU and Recovery Bridge Center, based on Behavioral Health Realignment. **(4 VOTES)**
8. Establish appropriations of \$15,000 in the Fish and Game Propagation Fund, Other Charges, for distributing Fish and Game State Fines and Forfeitures monies to the public, based on available prior year Fish and Game Propagation Fund fund balance. **(4 VOTES)**
9. Establish appropriations of \$88,000 in the Fleet Parts & Fuel ISF, Capital Assets Equipment, for the purchase, installation, and maintenance contract for an Electric Vehicle Charging Unit for the Estrella Park Water Quality Project, based on an Operating Transfer In from the Flood Control District. **(4 VOTES)**
10. Establish appropriations of \$150,000 in DPW Airport Enterprise Fund (AEF), Fixed Assets, to provide funds for the Ramona Airport 09-27 Runway Rehabilitation Project, based on available prior year Airport Enterprise Fund fund balance. **(4 VOTES)**
11. Establish appropriations of \$610,890 in the Park Land Dedication Ordinance (PLDO) Fallbrook Improvement Impact Fund, Operating Transfers Out, based on available prior year PLDO Fallbrook Improvement Impact Fund fund balance; *and* cancel appropriations of \$610,890 in the Park Land Dedication Ordinance (PLDO) Area 35 Fallbrook Fund, Operating Transfers Out, to utilize available fund balance in PLDO Fallbrook Improvement Impact Fund instead of PLDO Area 35 Fallbrook Fund, to support Capital Project 1022921 Fallbrook Local Park. **(4 VOTES)**
12. Cancel and reestablish appropriations of \$4,100,000 in the Health and Human Services Agency, Services & Supplies, for the Hotel/Motel Voucher Program based on change in funding source from General Purpose Revenue to Intergovernmental Revenues ARPA.

Establish appropriations of \$3,000,000 in the Contributions to General Services Internal Service Fund (ISF), Operating Transfers Out, based on General Purpose Revenue; *and* establish appropriations of \$3,000,000 in the Facilities Management ISF (\$2,065,000),

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Operating Transfers Out, and in the Fleet Parts & Fuel ISF (\$935,000), Capital Assets Equipment, to fund electric vehicle (EV) infrastructure and portable EV charging units, based on an Operating Transfers In from the General Fund.

Establish appropriations of \$1,100,000 in the Contributions to Capital Outlay Fund, Operating Transfers Out, for Capital Project 1023723, East Otoy Mesa Fire Station #38, based on General Purpose Revenue; *and* cancel and reestablish appropriations of \$1,100,000 in the Capital Outlay Fund, Capital Assets/Land Acquisition, based on a change in revenue from Intergovernmental Revenues (ARPA) to Operating Transfers In from the General Fund. **(4 VOTES)**

13. Establish appropriations of \$18,100,000, Services & Supplies, in the Public Liability Internal Service Fund, for the purpose of funding several major unanticipated settlements based on available internal service fund resources. **(4 VOTES)**
14. Establish appropriation of \$8,769,889 in Finance other, Services & Supplies and related revenue for a one-time contribution to the San Diego County Employees Retirement Association to reduce the pension fund's Unfunded Actuarial Accrued Liability, based on General Purpose Revenue generated from one-time unanticipated growth in assessed value. **(4 VOTES)**
15. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, as noted in Appendix C, in the net amount of \$8,578,557 for major maintenance projects listed in Appendix C that were subsequently reclassified, based on capitalization thresholds, for financial reporting purposes; *and* establish and cancel appropriations, as noted in Appendix C for a net increase of \$8,578,557 in the Major Maintenance Capital Outlay Fund and adjust related funding sources as noted to accurately classify major maintenance projects for financial reporting purposes. **(4 VOTES)**
16. Establish appropriations of \$690,046 in Board of Supervisors District 1 (\$148,353), District 2 (\$200,000), District 3 (\$58,840), District 4 (\$138,882), and District 5 (\$143,971), Services & Supplies, for one-time expenses based on over-realized General Purpose Revenue. **(4 VOTES)**

**Transfers Within Budgetary Funds and/or Cancellation of Appropriations
(Recommendations 17 through 18):**

17. Transfer appropriations of \$2,000,000 from the Finance Other, General Miscellaneous Expense, Other Charges, including \$1,500,000 appropriated for Senior & Youth Services component of the ARPA funds, to the Health and Human Services Agency, Services & Supplies for no cost transportation for seniors and \$500,000 to the Land Use and Environment Executive Office, Services & Supplies, for the Broadband for All project planning technical assistance, based on available ARPA funds.
18. Cancel appropriations of \$81,739 and related Operating Transfer In from the General Fund in the Multiple Species Conservation Program Acquisition Fund to properly record non-

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capital pre-acquisition expenses; *and* transfer appropriations of \$81,739 from the Contribution to Capital Outlay Fund, Operating Transfers Out to the Department of Parks and Recreation, Services & Supplies, to properly record related non-capital pre-acquisition expenses.

EQUITY IMPACT STATEMENT

After the Board of Supervisors adopts the Operational Plan, it is monitored by the departments, Groups, and the Board. Departments are expected to work within their respective budgets. Budgets may, however, be modified during the year as circumstances warrant. In conjunction with the fund balance projection process, the Chief Administrative Officer meets with each Group to review accomplishments, emergent issues, and budget status. Department heads are required to communicate any potential problems or errors to the appropriate authority. Groups complete fund balance projections quarterly providing explanations of significant variances of their budget. The recommended actions are intended to provide resources to address inequities in County services and to identify disparities, develop meaningful outcomes, and create a County government culture of equity, belonging, and racial justice.

SUSTAINABILITY IMPACT STATEMENT

Today's actions support the sustainability measures across the County considering the environment, economy, health/wellbeing, and/or social aspects of the community by aligning the County's available resources with services to maintain fiscal stability and ensure long-term solvency.

FISCAL IMPACT

Funds associated with today's recommendations are partially included in the Fiscal Year 2022-23 Operational Plan. If approved, in the General Fund these actions will result in an increase to the overall budget of \$53,559,935, transfers between budgetary funds of \$11,573,133, transfers within budgetary funds of \$10,610,296 and no cancellation of appropriations. The funding sources for the increases are State Grant (\$40,000,000) and General Purpose Revenue (\$13,559,935).

In all other funds combined, these actions will result in a net increase to the overall budget of \$56,422,951, transfers within budgetary funds of \$50,000, and cancellation of appropriations of \$2,705,155. The funding sources for the net increase are Operating Transfers In from the General Fund (\$24,219,951), available Internal Service Fund resources (\$18,100,000), Behavioral Health Realignment (\$3,000,000), available prior year County Service Area 69 fund balance (\$11,000,000), available prior year County Service Area 17 fund balance (\$1,000,000), available prior year Airport Enterprise fund balance (\$150,000), Operating Transfers In from San Diego County Flood Control District (\$88,000) and available prior year Fish and Propagation Fund (\$15,000). These are offset by decreases in ARPA (\$1,100,000) and Operating Transfers In from the Special District Fund (\$50,000).

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

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BACKGROUND

As shown in Schedule A, the General Fund year-end fund balance projection of \$73.5 million is based on the estimate that expenditures will be approximately \$67.5 million less than the Fiscal Year 2022-23 Amended Budget and revenues will be a net \$6.0 million more than the Fiscal Year 2022-23 Amended Budget. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus year-to-date changes that have been either approved by your Board or the Deputy Chief Administrative Officer/Chief Financial Officer, when permitted.

The General Fund year-end fund balance projection includes the assumption that the County will continue to incur COVID-19 costs and anticipates receipt of additional federal and State emergency response funding including Federal Emergency Management Agency (FEMA) revenue to continue response efforts. Total FEMA costs are currently estimated at \$422 million with the assumption that FEMA eligibility will end by March 31, 2023. The \$422 million includes \$404 million of costs incurred for Fiscal Year 2020-21 and Fiscal Year 2021-22 and the estimated remaining balance of \$18 million is for this Fiscal Year 2022-23. To date, a total of \$172 million in FEMA payments have been received and projections anticipate receiving an additional \$149 million by December 31, 2023, for prior year efforts. The remaining balance of \$101 million, which includes the 10% withhold, is anticipated to be received in future fiscal years. The projected balance for all other funds combined is a net of \$31.6 million.

Attachments to this letter have been included to provide detail of these fund balance projections. Schedule A summarizes the fund balance projection by business group, department, and fund category. The Notes to Schedules A and B explain variances from budget by department, fund and for General Purpose Revenue. Schedule B shows the projected General Fund fund balance by business group split between operating and reserve balances.

GENERAL FUND EXPENDITURE VARIANCES

The projected lower than budgeted expenditures generating an overall positive expenditure variance of \$67.5 million in the General Fund are primarily attributable to the following:

- \$86.2 million in projected positive Salary & Benefits appropriation variance in all groups. As of December 31, 2022, the vacancy rate (including newly added positions) was 11.7% (2,339 of 19,907 positions).
 - In PSG, the projected overall expenditure variance of \$17.8 million primarily due to vacancies, attrition, under-filled and vacant positions. Other potential projected variances from budget will offset costs related to the transition of the new comprehensive healthcare contract for incarcerated persons and to close out final invoices from previous contracts, the absorption of costs related to premium pay and increases in ongoing compensation associated with recruitment and retention, which were included in the amendments to the compensation ordinance on August 16, 2022 (16) and August 30, 2022 (11) (\$11.7 million), and for the transfer to the San Diego County Animal Shelter capital project (\$8.7 million).
 - In HHSA, the projected overall expenditure variance of \$49.6 million primarily due to attrition, staff vacancies, and delays in hiring staff including newly added

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positions and hard to recruit classifications. These are offset by increased overtime costs to manage workload as well as temporary staffing.

- In LUEG, the projected overall expenditure variance of \$9.3 million primarily due to vacancies and under-filled positions. Other potential projected variances from budget were redirected to fund costs related to new park facilities, initial stewardship and Public Access Plan for Rancho Lilac Preserve, the advancement of sustainability initiatives in support of the Regional Decarbonization Framework and Climate Action Plan update and increases for ongoing compensation associated with approved labor agreements.
- In FGG, the projected overall expenditure variance of \$9.5 million primarily due to staff attrition, departmental vacancies as well as variances from budget associated with staffing vacancies for newly established department and offices. Other potential projected variances from budget were used to fund data and analytics infrastructure in the Office of Evaluation, Performance and Analytics.
- \$17.3 million in projected negative appropriation variance in Services & Supplies across the County.
 - In PSG, projected overall positive expenditure variance of \$9.6 million primarily in Probation Department due to lower than anticipated use of contracted services due to a slow return to pre-pandemic service levels; in Child Support Services due to lower than anticipated expenses in various accounts supporting operations, such as information technology (IT) services; in Public Defender due to lower than anticipated expenditures for the Office of Assigned Counsel panel attorneys and investigative services; in Sheriff's Department for one-time Regional Communication System (RCS) tower/generator equipment due to project timeline changes and expenditures in various accounts supporting detention operations such as food and household expense offset by higher than anticipated costs for fuel, temporary medical staffing, and advertising for recruitment; and in San Diego County Fire due to lower than anticipated base hospital consultant costs and COVID-19 ambulance transport costs.
 - In HHSA, projected overall negative variance of \$33.5 million in various departments. This consists negative variances in Housing & Community Development Services (HCDS) tied to the utilization of unanticipated CDBG program income for the acquisition of a site that will be a future affordable housing development and the use of Innovative Housing Trust Fund (IHTF) interest that allowed HCDS to fund additional affordable housing developments; in Self-Sufficiency Services primarily due to an increase in contracted services for Employment Services contracts due to revised funding allocations; in Child Welfare Services primarily driven by costs for San Pasqual Academy (SPA) to support building a continuum of placement options for youth and an increase in temporary staff to meet needs at Polinsky Children's Center for high acuity youth with medical needs; and in Medical Care Services for cost related temporary staffing to support the Public Health Workforce grant, for automated patient dispensing machines to help streamline the medication dispensing workflow, to align with anticipated grant revenue for justice involved capacity building planning, and tied to increase in IT project cost for the Academic Detail by Zip Code Database

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and in Homeless Solutions and Equitable Communities tied to contracted services associated with the Afghan Refugee Support Services aligning with new federal dollars. These are offset by positive variances in Behavioral Health Services primarily in contracted services for a range of mental health programs to align with anticipated spending, which adjusts for contractor staffing vacancies and projected utilization in outpatient services; in Public Health Services tied to lower than anticipated operating costs related to the Health Services Complex closure partially offset by projected spending associated with the Monkeypox emergency response costs; and in Aging & Independence Services mainly in contracted services due to delays in California Department of Aging (CDA) tied to program development and procurement timeframes.

- In LUEG, projected overall positive variance of \$3.1 million primarily in Planning & Development Services due to variances from budget in one time only IT projects and reduced consultant contract spending; in Department of Environmental Health and Quality related to reduced supply purchases, cancelled Vector Habitat Remediation Program project, and delayed Information Technology projects; and in Agriculture, Weights & Measures due to less than anticipated expenditures related to the Invasive Shot Hole Borer state contract.
- In FGG, projected overall positive variance of \$3.5 million primarily in Treasurer-Tax Collector mainly due to delays in IT projects and projected underspend on contracts; and in Chief Administration Office primarily due to variance from budget associated with the staffing vacancies and ramping up of activities associated with newly created departments.
- In FO, no significant variance is projected.
- A projected net positive appropriation variance of \$1.9 million in Other Charges in HHSA primarily in Child Welfare Services mainly to align with the revised projected caseloads in foster care and adoption assistance programs. This is offset by a negative variance in Self-Sufficiency Services based on General Relief program tied to both increased caseloads and grant amounts.
- A projected net positive appropriation variance of \$1.1 million in Capital Assets Equipment in PSG primarily in Child Support Services due to delayed vehicle purchases.
- A projected net negative appropriation variance of \$6.8 million in Expenditure Transfer & Reimbursements in PSG primarily in Child Support Services due to lower than anticipated expenditures in the Bureau of Public Assistance Investigations for services reimbursed by HHSA and in Public Defender due to lower than anticipated eligible reimbursable costs; and in HHSA primarily in Behavioral Health Services associated with the delay in implementation of the Youth Development Academy (YDA) memorandum of understanding (MOU) in Juvenile Forensic.
- A projected net positive appropriation variance of \$2.4 million in Operating Transfers Out in HHSA primarily in Aging & Independence Services tied to reduced funding needs for the In-Home Supportive Services (IHSS) Public Authority primarily related to a revised estimate in Individual Provider health benefit costs which are tied to the number of provider hours worked, with no impact to services.

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GENERAL FUND REVENUE VARIANCES

The projected under-realized revenue of \$6.0 million includes positive variances totaling \$77.1 million and negative variances of \$71.1 million. In many instances, the negative revenue variances are directly associated with the positive expenditure variances described above.

The projected positive revenue variance of \$77.1 million is primarily attributable to the following categories:

- Taxes Other Than Current Secured (\$30.8 million) mainly in Vehicle License Fees (VLF) due to higher than budget growth in assessed valuation, in Property Tax Prior Secured Supplemental due to the increase in supplemental billings, in Sales and Use Taxes due to the continued growth activities in the Unincorporated Area, in Documentary Transfer Taxes due to home prices remaining high so the transfer fee remains higher even with the number of sales going down and in Transient Occupancy Tax due to continued growth in the hotel industry and tourism.
- Revenue from Use of Money & Property (\$27.7 million) primarily due to a higher projected average daily cash balance than what was budgeted which was used to calculate the interest revenue, and due to a higher interest rate due to the recent rise in market rates.
- Taxes Current Property (\$16.0 million) primarily due to higher than anticipated assessed value growth, higher than budget in revenue on prior year receipts and due to the increase in supplemental billings.
- Fines, Forfeitures & Penalties (\$1.6 million) primarily due to higher than budgeted growth in assessed valuation reflected on penalty for late current secured and unsecured property tax payments offset by lower than anticipated costs for the Cal-ID program and lower reimbursement from the Warrant Automation Trust Fund.
- Miscellaneous Revenues (\$0.8 million) primarily tied to Innovative Housing Trust Fund (IHTF) interest to align with the anticipated loan disbursement, offset by lower than anticipated revenue for reimbursement of costs associated with the Unsheltered Feeding Program and Regional Communication System (RCS) projects.
- Licenses, Permits & Franchises (\$0.2 million) primarily due to higher than anticipated number of marriage licenses issued and higher than anticipated number of building permit applications, offset by lower-than-expected payments from Franchise Fees.

The projected negative revenue variance of \$71.1 million is primarily attributed to:

- Intergovernmental Revenues (\$54.6 million) primarily tied to aligning federal Short Doyle funding to anticipated billable service units and aligning block grant funding and realignment funding, due to lower than anticipated Realignment revenues associated with Salaries & Benefits variances from budget, lower revenue in social services administrative revenues to align with anticipated federal and State funding and projected expenditures and in federal and State assistance payment revenues associated with revised caseload projections for foster care and adoption assistance program, adjusting recognition of Realignment revenue to align with projected expenditures in Salaries & Benefits, decrease revenues to align with reduced expenditures in the IHSS Public Authority program and decrease in Older Americans Act (OAA) revenues tied to delays and reduced funding needs for the California Department of Aging (CDA) program, due to lower than anticipated State and federal reimbursement for child support program, lower than

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anticipated expenditures in Juvenile Justice Crime Prevention Act and Community Corrections Subaccount funded programs, less than anticipated ARPA revenue related to the staffing vacancies, and lower than anticipated grant reimbursements for ongoing projects. These are offset by positive variances due to higher than budget due to pass-through distributions, and residual balance estimates in Aid from Redevelopment Successor Agencies, COVID-19 related revenue through the augmentation of Emergency Solutions Grant funding and CDBG affordable housing development and programs addressing homelessness, COVID-19 response funding, supplemental allocation for Afghan Refugee Support services and additional federal grant funding to offset temporary community health worker costs, higher than anticipated revenue from the federal government for the State Criminal Alien Assistance Program (SCAAP) and for backfill for criminal administrative fees, and unanticipated State backfill for loss of revenue from *AB 177, Public Safety*, for fiscal years 2021-22 and 2022-23.

- Charges for Current Services (\$16.5 million) primarily due to a decline in billable activities for land development projects tied to vacancies, from over accrual in Trial Court Security Subaccount from prior year and lower than anticipated jail bed leasing, civil service process and lower reimbursement for law enforcement services due to vacancies, fewer than anticipated number of recorded documents as a result of higher interest rates, decrease in reimbursements associated with the staff vacancies tied to public liability staff costs, and a decrease in legal services provided within the air pollution and land development areas, continued decrease in collections of revenues that support the statutory payments in Contribution for Trial Courts and due to contracts cancelled by the state in the Food and Housing Division.

Adjustments to the Fiscal Year 2022-23 Amended Budget

Transfers and revisions to the amended budget can be made by formal action of the Board of Supervisors in accordance with the California County Budget Act, Government Code (GC) Section 29125. Increases to the overall budget require 4 votes while transfers of appropriations between departments within the same budgetary fund that do not increase the overall budget or the cancellation of appropriations require a majority vote. However, transfers of appropriations to facilitate transfers between budgetary funds, referred to as operating transfers, require 4 votes even if the overall budget is not increased.

The recommendations for budget adjustments are explained as follows:

Recommendation 2

On June 20, 2017 (21), the Board established the Innovative Housing Trust Fund (IHTF) to address shrinking affordable housing options across the region. Through multiple infusions of funds, the Board has provided a total of \$70 million for the IHTF to foster the creation of affordable housing (June 20, 2017 (21), June 25, 2019 (6), August 31, 2022 (6)). This recommendation will authorize the contribution of an additional \$25.0 million to the IHTF based on existing appropriations in the Health and Human Agency. The \$25.0 million expansion will be funded with projected variance in the County General Fund. This will allow for expansion of the IHTF to fund additional affordable housing developments. To date the IHTF has supported the creation of 1,888 affordable housing units within 25 developments region wide. The funding has leveraged over \$800 million

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in other public and private dollars. These units will provide housing for low-income families, seniors, veterans, youth, and homeless. It is anticipated that HCDS would be able to release the Notice of Funding Availability (NOFA) for the additional IHTF funds within 30 days after receiving Board approval absent significant changes to the NOFA criteria.

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds
(Recommendations 3 through 16):**

Recommendation 3

On August 2, 2016 (15), the Board established appropriations of \$15,900,000 to demolish and replace the existing Bonita Animal Shelter. An additional \$10,100,000 was appropriated on June 29, 2021 (7) in the Capital Outlay Fund for Capital Project 1020254, San Diego County Animal Shelter, for the design and construction of a new animal shelter in Santee. The project is currently in the process of Design-Build procurement. This recommendation will establish additional appropriations of \$11,573,133 to fully fund the project due to a 45% increase in the cost of construction related to current market conditions based on an Operating Transfer In from the General Fund. This facility will be constructed on four acres of the County-owned Edgemoor property, per Board policy. A portion of the cost (\$1,742,400) for Capital Project 1020254, San Diego County Animal Shelter, will be used to acquire the four acres on the Edgemoor property and proceeds will be transferred to the Edgemoor Development Fund. The total estimated cost of the project is \$37,573,133 based on General Fund Fund Balance (\$26,000,000) and transfer of appropriations from Probation (\$8,700,000), Public Safety Group (\$678,092), and Finance Other (\$2,195,041), with construction estimated to begin in June 2023 and complete in November 2024. Additionally in the current Operational Plan, an expenditure transfer of costs from Contributions to Trial Court to Finance Other was budgeted to support the statutorily required county facility payments. This was necessary due to insufficient revenues supporting those costs. The transfer of costs is no longer needed due to the unanticipated State backfill revenues related to AB 177 and the requested action is to cancel and reestablish appropriations due to this unanticipated revenue source.

Recommendation 4

On August 30, 2022, the Board of Supervisors authorized the adoption of a property tax exchange resolution relating to the reorganization of County Service Area 69 (CSA 69) with Lakeside Fire Protection District (FPD) and the City of Santee. On October 3, 2022, the Local Agency Formation Commission (LAFCO) proposed the reorganization of CSA 69 and the transfer of emergency medical services from CSA 69 to Lakeside FPD and the City of Santee. On December 20, 2022, the City of Santee, Lakeside FPD and County Fire signed an agreement for the transfer of property tax and other funds. On January 26, 2023, LAFCO recorded the Certificate of Completion for the CSA 69 reorganization. This request will establish appropriations of \$11,000,000 in County Service Area 69 to transfer fund balance to the City of Santee and Lakeside FPD.

Recommendation 5

On February 9, 2021, the Board of Supervisors authorized the Department of Purchasing and Contracting to issue a competitive solicitation for the procurement of Advanced Life Support ambulance services in CSA 17 and award a contract. Upon successful competitive solicitation and

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negotiations, a contract for ambulance services was executed on January 3, 2023, with an effective date of April 1, 2023. Funds for this request are partially included in the Fiscal Year 2022-23 Operational Plan for the County Service Area 17. This request will establish additional appropriations of \$1,000,000 in County Service Area 17 based on existing CSA 17 fund balance, to support the unanticipated increase in the ambulance transportation service contract cost.

Recommendation 6

The California Work Opportunity and Responsibility to Kids (CalWORKs) program is California's version of the federal Temporary Assistance for Needy Families (TANF) program, which provides temporary cash assistance to low-income families with children to meet basic needs as well as welfare-to-work services to help families become self-sufficient. The recommendation will increase appropriations to align with the State mandated grant increases and anticipated increase in caseload trend. The final mandated grant increases were not released until the enactment of the State budget in July 2022.

Recommendation 7

On June 29, 2021 (7), the Board established \$1,000,000 in Institutional Care Hospital Revenue to fund the design and contract of the East Region CSU and Recovery Bridge Center. Estimated total project costs for the 16,678 square foot crisis stabilization unit is \$27 million. Funding will be appropriated in future Operational Plans. Programming and preliminary design are currently underway with a plan to begin procurement of construction and design services. This recommendation will establish appropriations of \$3,000,000 based on Behavioral Health Realignment. If approved today's project budget will be \$4,000,000, based on Institutional Care Hospital Revenue (\$1,000,000) and Behavioral Health Realignment (\$3,000,000). Construction of the project is estimated to begin fall 2023 and will be completed fall of 2024.

Recommendation 8

This request will establish appropriations of \$15,000 in the Fish and Game Propagation Fund, Other Charges, based on available prior year Fish and Game Propagation Fund fund balance generated by fines for violations of the State Fish and Game Code. These funds will be awarded to qualifying applicants meeting the guidelines for distribution of Fish and Game State Fines and Forfeitures monies to the public through a grant program supporting habitat improvement in the region.

Recommendation 9

If approved, this request would transfer appropriations of \$88,000 from the Flood Control District (FCDD) to the Fleet Parts & Fuel ISF for the purchase, installation, and maintenance contract of an electric vehicle charging unit for the Estrella Park Water Quality Project (Project) to support the County's sustainability goals of reducing greenhouse gas emissions. The total cost for the Estrella Park Water Quality Project including design, environmental review, and construction, including contingency, is estimated at \$5,069,200 and project is anticipated to be completed by Fall of 2023. The funding sources are DPW Watershed Protection Program (WPP), General Purpose Revenue (\$3,233,700), and the prior year's WPP General Fund fund balance (\$1,835,500).

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ALL)**

Recommendation 10

This recommendation will establish appropriations of \$150,000 in Department of Public Works (DPW) Airport Enterprise Fund (AEF), for the Ramona Airport 09-27 Runway Rehabilitation Project, based on available fund balance from the prior year AEF. Today's request will provide funds for preparation of a geotechnical survey for the Ramona Airport 09-27 Runway Rehabilitation Project. Completing the geotechnical survey will position the project for a Federal Aviation Administration grant. Total project cost is estimated at \$9,400,000 and the project is anticipated to be complete Spring of 2026. There is no increase in overall project cost. DPW will return to the Board at a later date for advertisement and award of a construction contract and to appropriate funds for project construction.

Recommendation 11

This recommendation will establish appropriations of \$610,890 in the Park Land Dedication Ordinance (PLDO) Fallbrook Improvement Impact Fund, Operating Transfers Out, based on available prior year PLDO Fallbrook Improvement Impact Fund fund balance; and cancel appropriations of \$610,890 in the Park Land Dedication Ordinance (PLDO) Area 35 Fallbrook Fund, Operating Transfers Out to utilize available fund balance in PLDO Fallbrook Improvement Impact Fund instead of PLDO Area 35 Fallbrook Fund to support Capital Project 1022921 Fallbrook Local Park. This is a technical adjustment to correct a project funding source. The total cost for the Capital project will not change and is estimated at \$10,209,000 and the project is anticipated to be complete in January 2024.

Recommendation 12

On August 30, 2022 (20), the Board approved the ARPA Framework Update to reallocate anticipated remaining balances in ARPA funding. This recommendation implements a lost revenue strategy to fund \$4,100,000 of activities (\$3,000,000 for Investment in Electric Vehicle Replacement/Infrastructure and \$1,100,000 for the East Otay Mesa Fire Station #38) in the updated ARPA Framework that are not directly eligible for ARPA funding.

The Investment in Electric Vehicle Replacement/Infrastructure project in the ARPA Framework will provide \$3,000,000 for EV infrastructure and portable charging units. \$1,100,000 from the Prior and On-Going COVID-19 Response ARPA Framework component will be used for Capital Project 1023723, East Otay Mesa Fire Station 38, towards the construction of an approximately 14,000 square foot fire station in East Otay Mesa. Construction began in summer 2022 and will be completed by fall 2023.

Recommendation 13

The Public Liability Internal Service Fund was established in Fiscal Year 1994-95 for the purpose of financial tracking and reporting of public risk management activities. Each year, County Counsel works with an independent actuarial firm to determine the financial risks of potential legal actions and proposes a budget to address those risks. A significant portion of the budget is determined by potential settlement and judgment costs. Several major unanticipated issues have reached settlement during Fiscal Year 2022-23, creating a projected overage in this fund. Today's recommendation will establish appropriations of \$18,100,000 in Services & Supplies for the

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purpose of paying these unanticipated settlements based on available resources in the fund. Staff will continue to monitor this fund and will return to your Board if additional action is required.

Recommendation 14

On March 13, 2018 (21), the Board adopted an Ordinance to codify Board Policy B-65 into the San Diego County Administrative Code. Specifically, Section 113.5(b) was added to the Administrative Code, which directs that, “The County shall invest one-time over-realized general purpose revenue generated by greater-than-anticipated assessed value growth to accelerate payment of pension unfunded actuarial accrued liability.”

On May 11, 2020, the Chief Administrative Officer suspended Administrative Code sections 113.2, 113.5(a) and 113.5(b) of the County’s Administrative Code specific to the General Fund Balance and Reserves and Management Practices pursuant to her authority as Director of Emergency Services under San Diego County Code of Regulatory Ordinances section 31.103. The Board ratified this action on May 19, 2020 (18), to provide the County with financial flexibility to navigate through the financial crisis.

Due to the end of the emergency declaration on February 28, 2023, this recommendation will establish appropriation of \$8,769,889 to allocate over-realized General Purpose Revenue (GPR) due to greater-than-anticipated assessed value growth for a one-time contribution to the San Diego Employees Retirement Association to reduce the pension fund’s Unfunded Actuarial Accrued Liability.

Recommendation 15

Board Policy B-37, *Use of Capital Program Funds*, notes that on occasion, due to the nature of major maintenance projects, these projects may be reclassified as an operating or capital expense based on financial reporting requirements. Pursuant to Board Policy B-37, to ensure accuracy in financial reporting, the Deputy Chief Administrative Officer/Chief Financial Officer shall make required adjustments to departmental operating budgets and within the Major Maintenance Capital Outlay Fund (MMCOF) or the Major Maintenance Internal Service Fund (MMISF). Due to the emergent nature of some major maintenance projects, some of these adjustments may require ratification by the Board. These recommendations will allow for the accurate financial reporting of major maintenance projects, which are listed in Appendix C along with the related required adjustments.

This recommendation will result in a net increase of appropriations in the MMCOF of \$8,578,557 and reclassification of major maintenance projects which are supported by existing department budgets.

Recommendation 16

This recommendation will establish appropriations of \$690,046 based on over-realized General Purpose Revenue to provide funding for one-time needs in the Board of Supervisors’ offices for various Services & Supplies costs.

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**Transfers Within Budgetary Funds and/or Cancellation of Appropriations
(Recommendations 17 through 18):**

Recommendation 17

On June 8, 2021 (3), the San Diego County Board of Supervisors (Board) took critical action in advancing support to San Diego residents by approving the framework for the use of ARPA funding. The Board approved the recommended ARPA funding framework and its components totaling \$653.5 million and established appropriations for the framework items. The recommendation will transfer \$1,500,000 already established appropriations from the Finance Other, General Miscellaneous Expense, Other Charges to HHSA, Services & Supplies, to align with anticipated spending tied to the Senior & Youth component of the approved framework. Funding will support The No Cost Senior Transportation program which provides on-demand transportation for older adults aged 60 and over who were disproportionately impacted by COVID-19 pandemic and cannot afford the increased cost of transportation with services being halted, alternative resources being limited, and living on fixed incomes. This recommendation will also transfer appropriations of \$500,000 from Finance Other, General Miscellaneous Expense, Other Charges to the Land Use and Environment Executive Office, Services & Supplies, to fund the contract for technical assistance in implementing a comprehensive Broadband plan.

Recommendation 18

This recommendation will cancel appropriations of \$81,739 and the related Operating Transfer in the General Fund in the Multiple Species Conservation Program (MSCP) Acquisition Fund and transfer these appropriations to the Department of Parks and Recreation to properly incur non-capital expenditures for pre-acquisition costs of due diligence activities related to property that was not acquired in Capital Projects 1025380 Eucalyptus Park Martin Trust, 1024631 Hidden Meadows Mystery Mountain, 1025262 Ramona Moss, 1025399 Boy Scouts Mataguay, 1025478 Santa Ysabel Baldwin Acquisition. These expenditures do not meet the criteria for capitalization pursuant to County of San Diego Administrative Manual policy 0050-02-01, Control of Capital Assets and Minor Equipment.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the Strategic Initiatives of Sustainability, Equity, Empower, Community and Justice in the County of San Diego's 2023-2028 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

**SUBJECT: FISCAL YEAR 2022-23 SECOND QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS:
ALL)**

Schedule A

Schedule B

Notes to Schedules A and B

Appendix C

**FY 2022-2023 2nd Quarter
Projected Year-End Results**
(in thousands)

COUNTY SUMMARY

	Expenditure Variance	Revenue Variance	2nd Quarter FY22-23 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)			
General Fund				
Public Safety	\$ 24,853	\$ (18,780)	\$ 6,073	0.3%
Health & Human Services Agency	18,089	(41,852)	(23,763)	-0.7%
Land Use & Environment	12,128	(9,630)	2,498	0.7%
Finance & General Government	12,354	(7,410)	4,945	1.2%
Total Agency/Group	67,424	(77,671)	(10,247)	-0.2%
General Purpose Revenue	0	83,678	83,678	5.0%
Finance Other	41	0	41	0.0%
Total General Fund	\$ 67,465	\$ 6,006	\$ 73,471	1.0%
Non-General Funds:				
Special Revenue Funds				
Public Safety	\$ 1,765	\$ 13,752	\$ 15,518	3.2%
Health & Human Services Agency	0	0	0	0.0%
Land Use & Environment	26,077	(18,093)	7,984	1.8%
Total Special Revenue Funds	\$ 27,843	\$ (4,341)	\$ 23,502	2.5%
Capital Program				
Finance Other	\$ 92	\$ 323	\$ 415	0.1%
Internal Service Funds Departments				
Land Use & Environment	\$ 340	\$ 5,132	\$ 5,472	22.2%
Finance & General Government	8,126	(3,990)	4,137	0.7%
Finance Other	0	0	0	0.0%
Total Internal Service Funds	\$ 8,466	\$ 1,142	\$ 9,609	1.3%
Enterprise Fund Departments				
Public Safety Group	\$ 0	\$ 0	\$ 0	0.0%
Land Use & Environment	7,298	(5,029)	2,269	3.8%
Total Enterprise Funds	\$ 7,298	\$ (5,029)	\$ 2,269	3.5%
Special District Funds Departments				
Public Safety Group	\$ 4,789	\$ 326	\$ 5,114	14.9%
Land Use & Environment	8,151	556	8,707	6.2%
Total Special District Funds	\$ 12,940	\$ 882	\$ 13,821	7.9%
Other County Funds Departments				
HHSA - Red./Redev. Successor Agency	\$ 0	\$ 0	\$ 0	0.0%
HHSA - Housing & Community Development	0	0	0	0.0%
Total Other County Funds	\$ 0	\$ 0	\$ 0	0.0%
Debt Service - Pension Obligation Bonds	\$ 0	\$ 0	\$ 0	0.0%
Total Non-General Fund	\$ 56,639	\$ (7,023)	\$ 49,615	1.8%
Total County Year-End Operating Balance	\$ 124,104	\$ (1,017)	\$ 123,087	1.2%

**FY 2022-2023 2nd Quarter
Projected Year-End Results**

(in thousands)

PUBLIC SAFETY GROUP

	Expenditure Variance	Revenue Variance	2nd Quarter FY22-23 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)			
General Fund Departments				
Animal Services	\$ 65	\$ (24)	\$ 40	0.4%
Child Support	7,193	(6,145)	1,048	1.9%
District Attorney	3,180	0	3,180	1.2%
Emergency Services	10	0	10	0.1%
Medical Examiner	54	(13)	41	0.3%
Probation	6,508	(5,629)	879	0.3%
Public Defender	2,290	(2,237)	52	0.0%
Public Safety Executive Office	23	675	698	0.8%
San Diego County Fire	1,265	(1,193)	73	0.1%
Sheriff	4,266	(4,213)	52	0.0%
Total General Fund	\$ 24,853	\$ (18,780)	\$ 6,073	0.3%
Special Revenue Funds Departments				
District Attorney (Asset Forfeiture - State & Federal)	\$ 0	\$ 0	\$ 0	0.0%
Probation - Asset Forfeiture	0	0	0	0.0%
Probation - Incarcerated Peoples' Welfare Program	0	0	0	0.0%
Sheriff - Asset Forfeiture	0	1,093	1,093	54.5%
Sheriff - Incarcerated Peoples' Welfare Program	1,765	(18)	1,748	33.6%
Criminal Justice Facility	0	0	0	0.0%
Courthouse	0	0	0	0.0%
Penalty Assessment	0	0	0	0.0%
Public Safety - Proposition 172	0	12,677	12,677	2.9%
Total Special Revenue Funds	\$ 1,765	\$ 13,752	\$ 15,518	3.2%
Enterprise Funds				
Jail Commissary Enterprise Fund	\$ 0	\$ 0	\$ 0	0.0%
Total Enterprise Funds	\$ 0	\$ 0	\$ 0	0.0%
Special District Funds				
Sheriff (Regional 800 MHz)	\$ 0	\$ 1	\$ 1	0.3%
County Service Areas	20	276	296	1.9%
Community Facilities Districts	92	25	117	3.8%
County Service Areas 17 & 69	4,676	24	4,700	30.9%
Total Special District Funds	\$ 4,789	\$ 326	\$ 5,114	14.9%
Total Public Safety Group	\$ 31,407	\$ (4,702)	\$ 26,705	1.0%

**FY 2022-2023 2nd Quarter
Projected Year-End Results**
(in thousands)

HEALTH & HUMAN SERVICES AGENCY

	Expenditure Variance	Revenue	Variance	2nd Quarter FY22-23 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)				
General Fund Programs					
Administrative Support	\$ 349	\$	(61)	\$ 288	0.2%
Aging & Independence Services	5,865		(3,517)	2,348	1.0%
Behavioral Health Services	16,308		(16,308)	0	0.0%
Child Welfare Services	20,131		(20,131)	0	0.0%
Public Health Services	12,067		(12,067)	0	0.0%
Self-Sufficiency Services	(2,220)		154	(2,066)	-0.3%
Medical Care Services	(2,288)		2,293	5	0.0%
Housing & Community Development Services	(30,889)		5,889	(25,000)	-10.7%
Homeless Solutions and Equitable Communities	(1,233)		1,897	663	0.5%
Total General Fund	\$ 18,089	\$	(41,852)	\$ (23,763)	-0.7%
Special Revenue Funds					
Tobacco Securitization Fund	\$ 0	\$	0	\$ 0	0.0%
Total Special Revenue Funds	\$ 0	\$	0	\$ 0	0.0%
Other County Funds Departments					
Housing & Community Development	\$ 0	\$	0	\$ 0	0.0%
Red. Agency/Redevelopment Successor Agency	0		0	0	0.0%
Total Other County Funds Departments	\$ 0	\$	0	\$ 0	0.0%
Total Health & Human Services Agency	\$ 18,089	\$	(41,852)	\$ (23,763)	-0.7%

**FY 2022-2023 2nd Quarter
Projected Year-End Results**
(in thousands)

LAND USE & ENVIRONMENT GROUP

	Expenditure Variance	Revenue Variance	2nd Quarter FY22-23 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)			
General Fund Departments				
Agriculture, Weights & Measures	\$ 703	\$ (567)	\$ 135	0.4%
Department of Environmental Health and Quality	3,336	(1,238)	2,098	3.4%
Land Use & Environment Group Exec Office	168	0	168	1.0%
Parks & Recreation	0	0	0	0.0%
Planning & Development Services	7,464	(7,418)	47	0.1%
Public Works	456	(407)	50	0.1%
Total General Fund	\$ 12,128	\$ (9,630)	\$ 2,498	0.7%
Special Revenue Funds/Departments				
A,W & M (Grazing and Fish & Game Commission)	\$ 0	\$ 0	\$ 0	0.0%
Parks & Recreation - PLDO	0	1,594	1,594	12.0%
DPW - Aviation Funds	0	0	0	0.0%
DPW - Road Fund	23,422	(21,469)	1,953	0.6%
DPW - Survey Monument Preservation	0	0	0	0.0%
DPW - Inactive Waste	74	(74)	0	0.0%
DPW - Waste Planning and Recycling	606	854	1,460	33.5%
Library Services	1,976	1,002	2,977	4.5%
Total Special Revenue Funds	\$ 26,077	\$ (18,093)	\$ 7,984	1.8%
Internal Service Funds				
Public Works - DPW Equip. ISF Prg. (35525-35700)	\$ 340	\$ 5,132	\$ 5,472	22.2%
Total Internal Service Funds	\$ 340	\$ 5,132	\$ 5,472	22.2%
Enterprise Funds				
Airport Enterprise Fund	\$ 5,247	\$ (3,029)	\$ 2,218	4.8%
Wastewater Management Enterprise Fund	2,051	(2,000)	51	0.4%
Total Enterprise Funds:	\$ 7,298	\$ (5,029)	\$ 2,269	3.8%
Special District Funds/Departments				
Parks and Recreation	\$ 0	\$ 0	\$ 0	0.0%
Parks - Community Facilities Districts	0	0	0	0.0%
DPW - SD County Sanitation District	2,167	252	2,419	3.2%
DPW - Campo WSMD-Zone A (Rancho Del Campo Water)	7	4	11	0.6%
DPW - CWSMD-Zone B (Campo Hills Water)	0	0	0	0.0%
DPW - Live Oak Springs Water	0	8	8	0.2%
DPW - CSAs	35	6	41	8.6%
DPW - PRDs	5,827	154	5,981	62.8%
DPW - Community Facilities Districts	60	0	60	0.5%
DPW - Flood Control	2	0	2	0.0%
DPW - Street Lighting District	52	133	185	7.3%
Total Special Districts Funds:	\$ 8,151	\$ 556	\$ 8,707	6.2%
Total Land Use & Environment Group	\$ 53,994	\$ (27,064)	\$ 26,930	2.7%

**FY 2022-2023 2nd Quarter
Projected Year-End Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT
GROUP**

Expenditure Variance	Revenue Variance	2nd Quarter FY22-23 Projected Fund Balance	% of Proj FB to Budget
Favorable/(Unfavorable)			

General Fund Departments

Law Enforcement Review Board	\$ 98	\$ 0	\$ 98	5.5%
Assessor/Recorder/County Clerk	3,161	(3,161)	0	0.0%
Auditor & Controller	736	(129)	607	1.3%
Board of Supervisors	18	0	18	0.1%
Chief Administrative Office	1,240	75	1,315	10.7%
Civil Service Commission	15	0	15	2.4%
Clerk of the Board of Supervisors	85	45	129	2.6%
County Communications Office	42	0	42	0.7%
County Counsel	2,425	(1,554)	871	2.2%
County Technology Office	199	0	199	1.4%
Finance & GG Exec Office	0	83	83	0.1%
Evaluation, Performance and Analytics	1,440	(1,440)	(0)	0.0%
General Services	0	0	0	0.0%
Grand Jury	41	0	41	5.2%
Human Resources	0	0	0	0.0%
Purchasing & Contracting			0	0.0%
Registrar of Voters	0	0	0	0.0%
Treasurer-Tax Collector	2,855	(1,328)	1,527	6.0%
Total General Fund	\$ 12,354	\$ (7,410)	\$ 4,945	1.2%

Internal Service Funds Departments

CTO - Information Technology	\$ 0	\$ 0	\$ 0	0.0%
Facilities Management	3,933	(2,552)	1,381	0.8%
Major Maintenance ISF	0	0	0	0.0%
Fleet Management	2,661	(1,742)	919	1.1%
Purchasing & Contracting	1,532	304	1,836	9.8%
Total Internal Service Funds	\$ 8,126	\$ (3,990)	\$ 4,137	0.7%

**Total Finance & General
Government Group**

Total Finance & General Government Group	\$ 20,481	\$ (11,400)	\$ 9,081	0.9%
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**FY 2022-2023 2nd Quarter
Projected Year-End Results**
(in thousands)

**GENERAL PURPOSE REVENUE &
FINANCE OTHER**

Expenditure Variance	Revenue Variance	2nd Quarter FY22- 23 Projected Fund Balance	% of Proj FB to Budget
Favorable/(Unfavorable)			

General Fund

General Purpose Revenue:

All Current Property Taxes	\$ 0	\$ 16,046	\$ 16,046	1.9%
All Other Taxes-Local	0	30,527	30,527	5.1%
Licenses, Permits & Franchises	0	(732)	(732)	-15.4%
Fines, Forfeitures & Penalties	0	3,967	3,967	22.0%
Revenue for Use of Money & Property	0	27,704	27,704	342.7%
Intergovernmental Revenue	0	6,070	6,070	3.7%
Charges for Current Services	0	96	96	4.6%
Miscellaneous Revenue	0	0	0	0.0%

Total General Purpose Revenue	\$ 0	\$ 83,678	\$ 83,678	5.0%
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General County Expenses:

Cash Borrowing Program	\$ 0	\$ 0	\$ 0	0.0%
Community Enhancement	0	0	0	0.0%
Contribution to County Library	0	0	0	0.0%
Contributions to the Capital Outlay Fund	0	0	0	0.0%
Lease Payments - Bonds	41	0	41	0.2%
Local Agency Formation Comm Admin	0	0	0	0.0%
Neighborhood Reinvestment Program	0	0	0	0.0%
Countywide Expenses	0	0	0	0.0%
Total Finance Other Expenses	41	0	41	0.0%

Total General Fund	\$ 41	\$ 83,678	\$ 83,718	9.8%
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Capital Program Funds

Capital Program	\$ 92	\$ 323	\$ 415	0.1%
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Total Capital Program Funds	\$ 92	\$ 323	\$ 415	0.1%
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Internal Service Funds Departments

Workers Compensation	\$ 0	\$ 0	\$ 0	0.0%
Unemployment Insurance	0	0	0	0.0%
Public Liability	0	0	0	0.0%

Total ISF Funds	\$ 0	\$ 0	\$ 0	0.0%
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Debt Service Funds Departments

Pension Obligation Bonds	\$ 0	\$ 0	\$ 0	0.0%
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Total Debt Service Funds	\$ 0	\$ 0	\$ 0	0.0%
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Total General Purpose Revenue & Finance Other	\$ 133	\$ 84,000	\$ 84,133	4.6%
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**FY 2022-2023 2nd Quarter
Projected Year-End Results**
(in thousands)

Schedule B

Category	Projected Management Reserves	Projected Operating Balances	2nd Quarter FY22-23 Projected Fund Balance
	Favorable/(Unfavorable)		
General Fund			
Public Safety	\$ 0	\$ 6,073	\$ 6,073
Health and Human Services Agency	0	(23,763)	(23,763)
Land Use and Environment	0	2,498	2,498
Finance & General Government	0	4,945	4,945
Agency/Group Totals	\$ 0	\$ (10,247)	\$ (10,247)
General Purpose Revenue	\$ 0	\$ 83,678	\$ 83,678
General County Expenses	0	41	41
Total General Purpose Revenue & General County Expense	\$ 0	\$ 83,718	\$ 83,718
Total General Fund	\$ 0	\$ 73,471	\$ 73,471

**COUNTY OF SAN DIEGO
NOTES TO SCHEDULES A and B
Fiscal Year 2022-23 2nd Quarter**

GENERAL NOTES

Projected Fund Balance

Projected fund balance as presented in this report is defined as the projected excess of revenues over expenditures as a result of current fiscal year operations. Schedule A presents projections by business group and department by fund or fund type.

Management Reserves

Besides the General Fund Reserve, which is comprised of unassigned General Fund fund balance, County business groups may establish Management Reserves. Management Reserves are appropriations that are established at the group or department level for unanticipated needs or planned future one-time expenses. Schedule B shows a summary of the General Fund's projected fund balance by group/agency that distinguishes between projected management reserve balances and operating balances. No Management Reserves were budgeted in Fiscal Year 2022-23.

Variance Reporting

Departments project variances from the Operational Plan based either on revised expectations or on actual revenues/expenditures to date. The significant variances from plan (greater than \$500,000) in total expenditures, total revenue, net variance, or object variance are discussed below and categorized by fund.

PUBLIC SAFETY GROUP

General Fund

Child Support Services

A positive variance of \$1.0 million is projected for the Department of Child Support Services.

A positive expenditure variance of \$7.2 million is projected. A positive variance of \$7.1 million in Salaries & Benefits is due to vacant and modified positions, \$1.8 million in Services & Supplies due to lower than anticipated expenses in various accounts supporting operations, primarily information technology services, \$0.4 million in Other Charges due to reclassification of lease interest, \$1.1 million in Capital Assets Equipment due to delayed vehicle purchases, offset by a negative variance of \$3.2

million in Expenditure Transfer & Reimbursements due to lower than anticipated expenditures in the Bureau of Public Assistance Investigations for cost of staffing and services reimbursed by Health and Human Services Agency.

A negative revenue variance of \$6.2 million is projected. A negative variance \$6.7 million in Intergovernmental Revenues is due to lower than anticipated State and federal reimbursement for the child support program, partially offset by a positive variance of \$0.5 million in Charges For Current Services due to higher incentive payments from the California Department of Child Support Services.

District Attorney

A positive variance of \$3.2 million is projected for the District Attorney's Office.

A positive expenditure variance of \$3.2 million is projected in Salaries & Benefits due to attrition, vacant and modified positions.

No revenue variance is projected.

Probation

A positive variance of \$0.9 million is projected for the Probation Department.

A positive expenditure variance of \$6.5 million is projected. A positive variance of \$1.4 million is projected in Salaries & Benefits primarily due to attrition, vacant, and modified positions. The Salaries & Benefits projection includes the transfer of \$8.7 million for Capital Project 1020254, San Diego County Animal Shelter. A positive variance of \$5.1 million is projected in Services & Supplies for lower than anticipated use of contracted services due to a slow return to pre-pandemic service levels.

A negative revenue variance of \$5.6 million is projected in Intergovernmental Revenues primarily due to lower than anticipated expenditures stated above related to Juvenile Justice Crime Prevention Act and Community Corrections Subaccount funded programs.

Public Defender

There is no overall variance projected for the Public Defender.

A positive expenditure variance of \$2.3 million is projected. A positive variance of \$2.1 million in Salaries & Benefits is due to modified positions and \$1.1 million in Services & Supplies is mainly due to lower than anticipated expenditures for the Office of Assigned Counsel panel attorneys and investigative services, partially offset by a negative variance of \$0.9 million in Expenditure Transfer & Reimbursements due to lower than anticipated eligible reimbursable costs.

A negative revenue variance of \$2.3 million is projected. A negative variance of \$1.5 million in Intergovernmental Revenues due to lower than anticipated reimbursements for grant-related activities and \$0.8 million in Miscellaneous Revenues due to lower than anticipated funds from the Indigent Defense Trust Fund.

Public Safety Group Executive Office (including Contribution for Trial Courts)

A positive variance of \$0.7 million is projected for the Public Safety Group Executive Office including Contributions to Trial Court.

Public Safety Group Executive Office

There is no overall variance projected for the Public Safety Group Executive Office. The Salaries & Benefits and Services & Supplies projections include the transfer of \$0.7 million for Capital Project 1020254, San Diego County Animal Shelter.

Contribution for Trial Courts

A positive variance of \$0.7 million is projected for Contribution for Trial Courts.

No expenditure variance is projected.

A positive revenue variance of \$0.7 million is projected. A positive variance of \$1.8 million in Intergovernmental Revenues is due to unanticipated State backfill for loss of revenue from *AB 177, Public Safety*, for fiscal years 2021-22 and 2022-23, partially offset by a negative variance of \$1.1 million in Charges for Current Services due to continued decreasing collections. These revenues support the statutory payments in Contribution for Trial Courts.

San Diego County Fire

A positive variance of \$0.1 million is projected for the San Diego County Fire.

A positive expenditure variance of \$1.3 million is projected. A positive variance of \$0.6 million in Salaries & Benefits is due to vacant positions and \$0.7 million in Services & Supplies is due to lower than anticipated base hospital consultant costs and COVID-19 ambulance transport costs.

A negative revenue variance of \$1.2 million is projected. A negative variance of \$0.8 million in Fines, Forfeitures & Penalties is due to lower than anticipated Maddy Trust Fund revenues related to traffic violations and \$0.4 million in Intergovernmental Revenues is due to lower American Rescue Plan Act revenue reimbursement for COVID-19 ambulance transport.

Sheriff

A positive variance of \$0.1 million is projected for the Sheriff's Department.

A positive expenditure variance of \$4.3 million is projected.

A positive variance of \$3.4 million in Salaries & Benefits is projected due to vacancies, attrition, and under-filled positions. The Salaries & Benefits projection takes into account the transfer of funds related to the transition of the new comprehensive healthcare contract for incarcerated persons and to close out final invoices from previous contracts, additional costs for public liability payments, Major Maintenance Improvement Plan projects, and the absorption of costs related to premium pay and increases in ongoing compensation associated with recruitment and retention, which were included in the amendments to the compensation ordinance on August 16, 2022 (16) and August 30, 2022 (11). A positive variance of \$1.1 million is projected in Services & Supplies primarily for one-time Regional Communication System (RCS) tower/generator equipment and site relocations due to project timeline changes, lower than anticipated expenditures associated with the Cal-ID program due to vacancies in partner agencies, and expenditures in various accounts supporting detention operations such as food and household expense offset by higher than anticipated costs for fuel, temporary medical staffing, and advertising for recruitment. A negative variance of \$0.2 million is projected in Expenditure Transfer & Reimbursements due to lower than anticipated reimbursements for law enforcement services due to vacancies.

A negative revenue variance of \$4.2 million is projected.

A negative variance of \$4.7 million is projected in Charges For Current Services primarily from the over accrual in Trial Court Security Subaccount from prior year and lower than anticipated jail bed leasing, civil service process and lower reimbursement for law enforcement services due to vacancies. A negative variance of \$1.3 million is projected in Miscellaneous Revenues due to RCS projects and lower than anticipated revenue for reimbursement of costs associated with the Unsheltered Feeding Program. A negative variance of \$1.0 million is projected in Fines, Forfeitures & Penalties due to lower than anticipated costs for the Cal-ID program and lower reimbursement from the Warrant Automation Trust Fund. These negative variances are partially offset by positive variances of \$2.7 million in Intergovernmental Revenues due to higher than anticipated revenue from the federal government for the State Criminal Alien Assistance Program (SCAAP) and for backfill for criminal administrative fees, and \$0.1 million in Licenses Permits & Franchises due to higher collections from license fees.

Special Revenue Funds

Proposition 172

A positive variance of \$12.7 million is projected for Proposition 172 (Prop 172) Special Revenue Fund.

No expenditure variance is projected.

A positive revenue variance of \$12.7 million is projected in Intergovernmental Revenues

due to higher expected sales tax receipts in the current fiscal year (\$9.2 million) and under-accrual in the prior year (\$3.5 million).

Sheriff's Asset Forfeiture Program

A positive variance of \$1.1 million is projected in the Sheriff's Asset Forfeiture Program (US Department of Justice, US Treasury Department and State).

No expenditure variance is projected.

A positive revenue variance of \$1.1 million is projected. A \$0.9 million positive variance in Intergovernmental Revenues is due to increased asset forfeiture from US Department of Justice seizures, and a \$0.2 million in Fines, Forfeitures & Penalties based on increased asset forfeiture from State seizures.

Sheriff's Incarcerated Peoples' Welfare Funds

A positive variance of \$1.7 million is projected for the Incarcerated Peoples' Welfare Funds.

A positive expenditure variance of \$1.7 million is projected in Services & Supplies, primarily for professional and specialized services associated with contracts for educational and psychosocial services resulting from lower than anticipated expenditure needs due to reduced programming capacity along with ongoing staffing challenges.

No revenue variance is projected.

Special District Funds

County Service Areas (CSA) 17 & 69

A positive variance of \$4.7 million is projected for CSA 17 San Dieguito Ambulance & CSA 69 Heartland Paramedics.

A positive expenditure variance of \$4.7 million is projected due to the dissolution of CSA 69 effective January 2023.

No revenue variance is projected.

HEALTH AND HUMAN SERVICES AGENCY (HHSA)

General Fund

Administrative Support

Administrative Support consists of the following: Agency Executive Office, Agency Contract Support, Financial & Support Services Division, Human Resources, Management Information Support, First Five Commission, and Office of Strategy and Innovation.

An overall positive variance of \$0.3 million is projected for Administrative Support.

A positive expenditure variance of \$0.4 million is projected in Salaries & Benefits tied to vacant positions.

A negative revenue variance of \$0.1 million is projected in Charges for Current Services tied to lower indirect costs charged to First 5 San Diego.

Aging & Independence Services

An overall positive variance of \$2.3 million is projected for Aging & Independence Services (AIS).

A positive expenditure variance of \$5.8 million is projected and includes a positive variance of \$2.7 million in Salaries & Benefits tied to a higher vacancy rate than budgeted due to a longer hiring timeline to fill vacancies for normal attrition and new positions added. A positive variance of \$0.7 million in Services & Supplies mainly in Contracted Services is due to delays in the California Department of Aging (CDA) tied to program development and procurement timeframes, and a positive variance of \$2.4 million in Operating Transfers Out due to reduced funding needs for the In-Home Supportive Services (IHSS) Public Authority primarily related to a revised estimate in individual provider health benefit costs which are tied to the number of provider hours worked, with no impact to services.

A negative revenue variance of \$3.5 million is projected mainly in Intergovernmental Revenues which consist of \$3.2 million in realignment revenues to align with overall anticipated expenditures, \$2.1 million to align with reduced expenditures in the IHSS Public Authority program, and \$0.6 million in Older Americans Act (OAA) revenues tied to delays and reduced funding needs for the CDA programs noted above, partially offset by \$2.4 million primarily in federal social services administrative revenues to align with anticipated claiming.

Behavioral Health Services

Behavioral Health Services (BHS) consists of the following: Mental Health Services, Alcohol and Drug Services, and Inpatient Health Services comprised of the San Diego County Psychiatric Hospital (SDCPH) and Edgemoor Distinct Part Skilled Nursing Facility.

There is no overall variance projected for BHS.

A positive expenditure variance of \$16.3 million is projected and includes a positive variance of \$7.0 million in Salaries & Benefits attributed to longer timeframes to hire staff including newly added positions, hard to recruit classifications in the SDCPH, and vacancies due to attrition. A positive variance of \$11.0 million in Services & Supplies includes a positive variance of \$16.3 million primarily in contracted services for a range of mental health programs to align with anticipated spending, which adjusts for contractor staffing vacancies and projected utilization in outpatient services, offset by a negative variance of \$3.3 million in temporary staffing costs at the SDCPH, a negative variance of \$1.6 million in facility/structure maintenance costs, and a negative variance of \$0.4 million in medical supplies for inpatient services. A negative variance of \$1.7 million in Expenditure Transfer & Reimbursements is associated with the delay in implementation of the Youth Development Academy (YDA) memorandum of understanding (MOU) in Juvenile Forensic.

A negative revenue variance of \$16.3 million is projected and includes negative variances of \$16.8 million in Intergovernmental Revenues and \$0.5 million in Miscellaneous Revenues due to the recoupment of payments in contracted services from prior year adjustments, offset by a positive variance of \$1.0 million in Charges for Current Services. The \$16.8 million negative variance in Intergovernmental Revenues is tied to aligning federal Short Doyle funding to anticipated billable service units and aligning block grant funding and realignment funding with overall anticipated expenditures. The \$1.0 million positive variance in Charges for Current Services is tied to an increase in invoice trend for the Forensic Evaluation Unit, in response to quick turnaround of evaluation, and the Care Coordination program, offset by a decrease in trend of collection of fees for substance use disorder.

Child Welfare Services

There is no overall variance projected for Child Welfare Services (CWS).

A positive expenditure variance of \$20.1 million is projected and includes a positive variance of \$19.9 million in Salaries & Benefits due to staff vacancies offset by increased overtime costs to manage the workload as positions are filled. A negative variance of \$5.1 million in Services & Supplies is primarily driven by costs for San Pasqual Academy (SPA) to support building a continuum of placement options for youth and an increase in temporary staff to meet needs at Polinsky Children's Center for high acuity youth with medical needs. This is partially offset by a variance from budget in contracted services mainly tied to transitional housing programs due to challenges in the rental market after ending of the temporary moratorium on youth aging out of foster care during the

pandemic. A positive variance of \$5.3 million in Other Charges is mainly to align with the revised projected caseloads in foster care and adoption assistance programs.

A negative revenue variance of \$20.1 million is projected and includes negative variances of \$19.6 million in Intergovernmental Revenues, \$0.2 million in Revenue from Use of Money and Property to align revenue collection trends for the use of the SPA property, \$0.2 million in Charges for Current Services due to a lower collection of adoption fees, and \$0.1 million in Miscellaneous Revenues primarily to align with collections of prior year adjustments from contractors. The negative variance of \$19.6 million in Intergovernmental Revenues consists of \$11.0 million in Realignment revenues associated with Salaries & Benefits variance from budget, \$6.8 million primarily in social services administrative revenues to align with anticipated federal and State funding and projected expenditures mentioned above, and \$1.8 million in federal and State assistance payment revenues associated with revised caseload projections for the assistance program.

Homeless Solutions and Equitable Communities

Homeless Solutions and Equitable Communities (HSEC) consists of the following: Office of Homeless Solutions and Equitable Communities Administration (HSEC Admin), Office of Homelessness Solutions (OHS), Office of Equitable Communities (OEqC) and Office of Immigrant and Refugee Affairs (OIRA).

An overall positive variance of \$0.7 million is projected for HSEC.

A negative expenditure variance of \$1.2 million is projected and includes a negative variance of \$1.2 million in Services & Supplies primarily tied to \$1.0 million in contracted services associated with the Afghan Refugee Support Services aligning with new federal dollars and \$0.2 million in Alternative Dispute Resolution services.

A positive revenue variance of \$1.9 million is projected and includes \$1.4 million in Intergovernmental Revenue, \$0.3 million in Taxes Other Than Current Secured tied to State Prop 10 tobacco tax in support of First 5 Refugee Family Support (RFS) services program, and \$0.2 million in Charges for Current Services due to revised estimate for dispute resolution fees to align with projected spending on contracted mediation services. The positive variance of \$1.4 million in Intergovernmental Revenue is primarily tied to the supplemental allocation for Afghan Refugee Support services and additional federal grant funding to offset temporary community health worker costs.

Housing & Community Development Services

Housing & Community Development Services (HCDS) consists of the following: HCDS Operations, Administration, and HCDS Multi-Year Projects.

An overall negative variance of \$25.0 million is projected for HCDS tied to the expansion of the Innovative Housing Trust Fund (IHTF) proposed in recommendation 2 funded with projected variance in the County General Fund.

A negative expenditure variance of \$30.9 million is projected and includes a positive variance of \$0.4 million in Salaries & Benefits due to attrition and vacant positions, a negative variance of \$31.8 million in Services & Supplies, and a positive variance of \$0.5 million in Other Charges tied to lower referrals for HOME Tenant Based Rental Assistance (TBRA) program mainly due to utilization of alternative CWS housing programs. The negative variance of \$31.8 million in Services & Supplies consists of \$25.0 million tied to the expansion of the IHTF to fund additional affordable housing developments funded with overall savings in the Countywide general fund, \$5.4 million primarily tied to the utilization of unanticipated CDBG program income for the acquisition of a site that will be a future affordable housing development, and \$2.7 million tied to the use of the IHTF interest that allowed HCDS to fund additional affordable housing developments, partially offset by a positive variance of \$1.3 million mainly tied to programs addressing homelessness in the unincorporated area due to the challenges in the rental market.

A positive revenue variance of \$5.9 million includes a positive variance of \$3.2 million in Intergovernmental Revenues tied to COVID-19 related revenue through the augmentation of Emergency Solutions Grant funding and CDBG affordable housing development and programs addressing homelessness noted above, and a positive variance of \$2.7 million in Miscellaneous Revenues primarily tied to IHTF interest to align with the anticipated loan disbursement.

Medical Care Services

There is no overall variance projected for Medical Care Services.

A negative expenditure variance of \$2.3 million is projected and includes a negative variance of \$0.6 million in Salaries & Benefits tied to additional temporary staffing and overtime for emergency response costs. A negative variance of \$1.7 million in Services & Supplies consists of \$0.8 million in temporary staffing to support the Public Health Workforce grant, \$0.3 million for automated patient dispensing machines to help streamline the medication dispensing workflow, \$0.3 million to align with anticipated grant revenue for justice involved capacity building planning, \$0.2 million tied to increase in information technology project cost for the Academic Detail by Zip Code Database, and \$0.1 million for an office relocation to accommodate staff and operations.

A positive revenue variance of \$2.3 million is projected and includes a positive variance of \$2.2 million in Intergovernmental Revenues and \$0.1 million in Charges for Current Services tied to medication dispensing fee revenue. The positive variance of \$2.2 million in Intergovernmental Revenues is primarily associated with \$1.1 million to align COVID-19 response funding with projected costs, \$0.8 million associated with the additional Public Health Workforce grant funding to offset the additional temporary staffing costs,

and \$0.3 million in Providing Access and Transforming Health Supports (PATH) funding for justice involved capacity building planning.

Public Health Services

There is no overall variance projected for Public Health Services (PHS).

A positive expenditure variance of \$12.1 million is projected and includes a positive variance of \$11.0 million in Salaries & Benefits due to attrition and delays in hiring new staff offset by increased overtime costs, and a positive variance of \$1.1 million in Services & Supplies mainly tied to lower than anticipated operating costs related to the Health Services Complex closure, partially offset by projected spending associated with the Monkeypox emergency response costs.

A negative revenue variance of \$12.1 million is projected and includes a negative variance of \$14.5 million in Intergovernmental Revenues, offset by a positive variance of \$1.9 million in Charges for Current Services mainly tied to reimbursement from third party health plans for COVID-19 testing and vaccination and \$0.5 million in Miscellaneous Revenues based on an anticipated grant allocation to support COVID-19 surveillance. The negative variance of \$14.5 million in Intergovernmental Revenues is primarily tied to adjusting recognition of Realignment revenue to align with projected expenditures in Salaries & Benefits and anticipated funding for COVID-19 emergency response efforts projected in Charges for Current Services.

Self-Sufficiency Services

An overall negative variance of \$2.1 million is projected for Self-Sufficiency Services (SSS).

A negative expenditure variance of \$2.2 million is projected and consists of a positive variance of \$8.8 million in Salaries & Benefits primarily due to staff vacancies and attrition, a negative variance of \$6.5 million in Services & Supplies, and a negative variance of \$4.5 million in Other Charges. The negative variance of \$6.5 million in Services & Supplies is primarily due to an increase in contracted services for Employment Services contracts due to revised funding allocations. The negative variance of \$4.5 million in Other Charges is based on General Relief program tied to both increased caseloads and grant amounts.

A positive revenue variance of \$0.1 million is projected and includes positive variances of \$0.4 million in Miscellaneous Revenues due to the recoupment of payments in contracted services from prior year adjustments and \$0.3 million in Intergovernmental Revenue partially offset by a negative variance of \$0.6 million in Fines, Forfeitures and Penalties primarily to align to the Emergency Medical Services Physicians Service revenue collection trends. The positive revenue variance of \$0.3 million in Intergovernmental Revenues is primarily in social services administrative revenues tied to revised allocations.

LAND USE AND ENVIRONMENT GROUP

GENERAL FUND

Agriculture, Weights & Measures

A positive net variance of \$0.1 million is projected for the Department of Agriculture, Weights & Measures.

A positive expenditure variance of \$0.7 million is projected. A positive variance of \$0.3 million in Salaries & Benefits is due to vacancies and under-filled positions. A positive variance of \$0.4 million in Services & Supplies Contracted Services is due to less than anticipated expenditures related to the Invasive Shot Hole Borer state contract.

A negative revenue variance of \$0.6 million is projected. Negative variance of \$0.6 million in Intergovernmental Revenue is due to less than anticipated state contract reimbursements (\$0.1 related to the Bee Safe contract; \$0.1 related to the Structural Fumigation Enforcement Program; \$0.4 million related to reimbursements for Invasive Shot Hole Borer contract expenditures mentioned above).

Environmental Health and Quality

A positive net variance of \$2.1 million is projected for the Department of Environmental Health and Quality.

A positive expenditure variance of \$3.3 million is projected. A positive variance of \$2.3 million in Salaries & Benefits is due to vacancies and under-filled positions. A positive variance of \$1.0 million in Services & Supplies is related to reduced supply purchases, cancelled Vector Habitat Remediation Program project, and delayed Information Technology projects.

A negative revenue variance of \$1.2 million is projected. A \$0.1 million negative variance is projected in Licenses, Permits & Franchises due to fewer projects in the Land and Water Quality Division. A \$0.2 million negative variance is projected in Intergovernmental Revenues due to less than anticipated American Rescue Plan Act (ARPA) reimbursements. A \$0.9 million negative variance is projected in Charges for Current Services due to contracts cancelled by the state in the Food and Housing Division.

Planning & Development Services

No significant variance is projected for the Department of Planning & Development Services.

A positive expenditure variance of \$7.4 million is projected. A positive variance of \$6.3 million in Salaries & Benefits is due to vacancies and under-filled positions. A positive variance of \$1.3 million in Services & Supplies is primarily due to positive variance from

budget in one time only information technology projects and reduced consultant contract spending. A negative variance of \$0.2 million in Expenditure Transfer & Reimbursements is anticipated due to a decrease in services rendered to other General Fund departments.

A negative revenue variance of \$7.4 million is projected. A negative variance of \$6.5 million is projected in Charges for Current Services due to a decline in billable activities for land development projects due to staff vacancies and a \$1.2 million negative variance is projected in Intergovernmental Revenue due to lower than anticipated grant reimbursements for ongoing projects which is partially offset by a projected positive variance of \$0.2 million in Licenses, Permits and Franchises due to higher than anticipated building permit applications and \$0.1 million in Fines & Forfeitures due to higher than anticipated payment of Code Compliance fines.

SPECIAL REVENUE FUNDS

Public Works - Road Fund

A positive net variance of \$1.9 million is projected for the Department of Public Works (DPW) Road Fund.

A positive expenditure variance of \$23.4 million is projected. A positive variance of \$8.3 million in Salaries & Benefits is due to staff vacancies and under-filled positions. A positive variance of \$13.4 million in Services & Supplies is due to changes in project timelines for multi-year capital projects. A positive variance of \$1.6 million in Other Charges is due to delays in right-of-way acquisition and a positive variance of \$0.1 million in Operating Transfers Out due to cancellation of vehicle acquisition.

A negative revenue variance of \$21.5 million is projected. A negative variance of \$6.8 million in Taxes Other than Current Secured is due to TransNet project schedule revisions. A negative variance of \$11.7 million in Intergovernmental Revenues is projected due to anticipated allocation of State's Highway User Tax Account (\$4.3 million), state and federally funded project schedule revisions (\$7.3 million) and project schedule changed in Aid from Other Cities (\$0.1 million). A negative variance of \$2.6 million in Charges for Current Services is due to project schedule revisions for Airports projects (\$0.9 million), Watershed Protection Program projects (\$0.7 million), Sanitation District projects (\$0.1 million), City/County projects (\$0.8 million), Survey Remonument projects (\$0.2 million) and Permanent Road District projects (\$0.1 million); offset by anticipated over-realized revenue of \$0.2 million primarily due to projects for Closed Landfills and DPW's Special Districts. A negative variance of \$0.4 million in Miscellaneous Revenue due to project schedule changes for Tribal funded projects.

Public Works – County Waste Management and Recycling

A positive variance of \$1.5 million is projected for the Department of Public Works County Waste Management and Recycling.

A positive expenditure variance of \$0.6 million is projected. A positive variance of \$0.1 million in Salary & Benefits is due to vacancies. A positive variance of \$0.5 million in Services & Supplies is due to less than anticipated consultant contract expense.

A positive revenue variance of \$0.9 million is projected. A positive variance of \$0.8 million in Intergovernmental Revenue is due to unanticipated grant funding for Senate Bill 1383 implementation of organics (\$0.7 million) and ARPA edible food grant (\$0.1 million). A positive variance of \$0.1 million in Charges for Current Services is due to over-realized franchise hauler fee revenue.

Public Works – Inactive Waste Site Management

No significant variance is projected for Inactive Waste Site Management.

A positive expenditure variance of \$0.1 million is projected. A positive variance from budget of \$0.1 million in Salary & Benefits is due to vacancies.

A negative revenue variance of \$0.1 million is projected. A positive variance of \$4.6 million is due to posting of Environmental Trust Fund disbursements in Miscellaneous Revenue Other under Miscellaneous Revenue that is budgeted in Other Charges Current Services in Charges for Current Services (\$4.7 million).

Park Land Dedication Ordinance

A positive variance of \$1.6 million is projected for the Park Land Dedication Ordinance.

No significant expenditure variance is projected.

A positive revenue variance of \$1.6 million is projected. A positive variance from budget of \$1.5 million in Licenses, Permits, & Franchises is due to unanticipated increased levels of land development activity resulting in additional revenue from Park Land Dedication fees. A positive variance from budget of \$0.1 million in Revenue from Use of Money is due to higher than anticipated interest on deposits.

San Diego County Library

A positive variance of \$2.9 million is projected for the San Diego County Library.

A positive expenditure variance of \$1.9 million is projected. A positive variance of \$0.7 million in Salaries & Benefits is due to staff vacancies. A positive variance of \$1.2 million in Services & Supplies is due to a variance from budget for Special Department Expense related costs (\$0.3 million) and IT-related cost (\$0.9 million).

A positive revenue variance of \$1.0 million is projected. A positive revenue variance of \$1.1 million in Taxes Current Property is due to assessed value growth from property

taxes. A negative variance of \$0.1 million in Taxes Other Than Secured is due to under realized revenue in Library Services and Donations.

SPECIAL DISTRICT FUNDS

Public Works – Permanent Roads Divisions

A positive variance of \$6.0 million is projected for the Department of Public Works Permanent Road Divisions.

A positive expenditure variance of \$5.8 million is projected in Services & Supplies primarily due to variance from budget in one-time only road maintenance projects.

A positive revenue variance of \$0.2 million is projected. A positive variance of \$0.1 million in Revenue from Use of Money is due to anticipated interest earned on deposits and a positive variance of \$0.1 million in Charges for Current Services due to an increase in Service to Property Owners due to property tax rate increases.

San Diego County Sanitation District

A positive variance of \$2.4 million is projected in San Diego County Sanitation District.

A positive expenditure variance of \$2.2 million is projected. A positive variance of \$2.1 million is projected in Services & Supplies due to reduction in labor cost from the Wastewater Management Enterprise Fund staff vacancies and a positive variance of \$0.1 million in Capital Assets/and Acquisitions due to the completion of the Spring Valley Meter Diversion Abandonment project.

A positive revenue variance of \$0.2 million is projected. A positive variance of \$0.1 million in Revenue from Use of Money is due to anticipated interest earned on deposits and a positive variance of \$0.1 million in Charges for Current Services due an increase in sanitation service to property owners.

INTERNAL SERVICE FUNDS (ISF)

DPW Equipment ISF

A positive variance of \$5.4 million is projected in the Department of Public Works Equipment Internal Service Funds.

A positive expenditure variance of \$0.3 million is projected in Services & Supplies due to less than anticipated cost for fleet operations and maintenance.

A positive revenue variance of \$5.1 is projected. A positive variance of \$5.0 million is projected in Revenue from Use of Money due to over-realized ISF revenue generated from DPW Funds for fleet usage in prior fiscal years. A positive variance of \$0.1 million is projected in Other Financing Sources due to unanticipated gain on sale of fixed assets.

ENTERPRISE FUNDS

Public Works - Airport Enterprise Fund

A positive net variance of \$2.2 million is projected in the Airport Enterprise Fund.

A positive expenditure variance of \$5.2 million is projected. A positive variance of \$0.3 million is projected in Salaries & Benefits due to partial year vacancies. A positive variance of \$1.6 million is projected in Services & Supplies due to changes in the project timeline for Palomar Airport Air Services Marketing Development Plan. A positive variance of \$3.3 million on Capital Assets/Land Acquisition is due to state cancellation of CalFire Median project (\$3.2 million) and from the completion of the CAC Apron project (\$0.1 million).

A negative revenue variance of \$3.0 million is projected. A negative variance of \$3.2 million is projected in Intergovernmental Revenue from State Aid for Aviation due to state cancellation of CalFire Median project. A positive variance of \$0.1 million in Revenue from Use of Money due to increase in Airport lease revenue. A positive variance of \$0.1 million in Miscellaneous Revenues due to increase in fuel sales revenue.

Public Works – Wastewater Management Enterprise Fund

A positive variance of \$0.1 million is projected for Waste Management Enterprise Fund.

A positive expenditure variance of \$2.1 million is projected in Salaries & Benefits due to staff vacancies and under-filled positions.

A negative revenue variance of \$2.0 million is projected in Charges for Current Services due to reduced work for maintenance in the San Diego County Sanitation District related to staff vacancies.

FINANCE AND GENERAL GOVERNMENT GROUP

General Fund

Assessor/Recorder/County Clerk

No overall variance is projected for the Assessor/Recorder/County Clerk (ARCC).

A positive expenditure variance of \$3.2 million is projected due to positive variances of \$3.1 million in Salaries & Benefits due to vacancies and retirements and \$0.1 million due to the cancellation of a major maintenance project at the East County Office and Archives.

A negative revenue variance of \$3.2 million is projected due to the following:

- Negative variance of \$3.8 million in Charges for Current Services which includes:
 - Negative variance of \$5.6 million in Recording Document due to less than anticipated number of recorded documents because of high interest rates,
 - Negative variance of \$0.3 million Duplicating & Filing Documents due to fewer than anticipated filings,
 - Negative variance of \$0.1 million in Micrographics Fee related to a cancelled major maintenance project,
 - Positive variance of \$1.3 million in AB2890 Recovered Costs due to higher than anticipated supplemental revenues,
 - Positive variance of \$0.2 million in Recording Fees due to higher than anticipated vital certificates issued,
 - Positive variance of \$0.4 million in Marriage Ceremonies due to higher than anticipated marriage ceremonies performed, and
 - Positive variance of \$0.3 million in Recorder Trust Funds for ARCC staff time dedicated to archive collection management and microfilm production and processing.
- Positive variance of \$0.6 million in Licenses, Permits & Franchises due to higher than anticipated number of marriage licenses issued.

Auditor & Controller

A positive variance of \$0.6 million is projected for the Auditor & Controller.

A positive expenditure variance of \$0.7 million is projected. This variance is anticipated primarily in Salaries & Benefits as a result of vacant and modified positions.

A negative revenue variance of \$0.1 million is projected. This variance is primarily due to a negative variance of \$0.3 million in Intergovernmental Revenues due to a delay in American Rescue Plan Act (ARPA) related costs not being incurred, which has resulted in revenue not being realized to offset the cost. This is offset by a positive variance of \$0.2 million in Charges for Current Services primarily due to higher than anticipated AB2890 revenue associated with property tax administration.

Chief Administrative Office

A positive variance of \$1.3 million is projected for the Chief Administrative Office.

A positive expenditure variance of \$1.2 million is projected. A positive variance of \$0.4 million is projected in Salaries & Benefits and \$0.9 million in Services & Supplies accounts, which are primarily due to variance from budget associated with the staffing vacancies and ramping up of activities associated with newly created departments.

A positive revenue variance of \$0.1 million is projected. This variance is due to unanticipated revenue in Intergovernmental Revenues associated with Cannabis Equity Grant from the State of California.

County Counsel

A positive variance of \$0.9 million is projected for the Office of County Counsel.

A positive expenditure variance of \$2.4 million is projected and includes \$2.6 million in Salaries & Benefits due to staff attrition and departmental vacancies and \$0.2 million in Expenditure Transfer & Reimbursements due to less than anticipated staff cost reimbursements in the health services area.

A negative revenue variance of \$1.5 million is projected primarily in Charges for Current Services due to an anticipated decrease in reimbursements tied to public liability staff costs, and a decrease in legal services provided within the air pollution and land development areas.

Office of Evaluation, Performance and Analytics

No overall variance is projected for the Office of Evaluation, Performance and Analytics.

A positive expenditure variance of \$1.4 million is projected in Salaries & Benefits, primarily due to variance from budget associated with staffing vacancies for the newly established department.

A negative revenue variance of \$1.4 million is projected in Intergovernmental Revenues due to less than anticipated ARPA revenue related to the staffing vacancies noted above.

Treasurer-Tax Collector

An overall positive variance of \$1.5 million is projected for the Treasurer-Tax Collector.

A positive expenditure variance of \$2.8 million is projected and includes \$0.8 million in Salaries & Benefits due to normal attrition of staff, vacant positions, and departmental variances and \$2.0 million in Services & Supplies mainly due to delays in IT projects and projected underspend on contracts.

A negative revenue variance of \$1.3 million is projected in Charges for Current Services and includes a negative variance of \$2.0 million due to underrealized revenue from Tax Collection fees and Banking Pool revenue, which is offset by a positive variance of \$0.7 million due to projected over realization of AB 2890 revenue related to supplemental real estate assessments.

Internal Service Funds (ISF)

Facilities Management ISF

An overall positive variance of \$1.4 million is projected for the Facilities Management ISF.

A positive expenditure variance of \$3.9 million is projected. Anticipated positive variances include \$3.4 million in Salaries & Benefits due to normal attrition of staff and departmental vacancies, \$0.1 million in Services & Supplies primarily due to lower than anticipated pass-through expenses related to maintenance and mail services, and \$0.4 million in Other Charges due to lower than anticipated depreciation charges.

A negative revenue variance of \$2.5 million is projected. Anticipated negative variances include \$1.7 million in Charges for Current Services due to lower than anticipated reimbursement related to the expenditure variance from budget mentioned above, \$0.4 million in Intergovernmental Revenues for payments related to facilities occupied by State courts, \$0.2 million in Miscellaneous Revenues due to less than anticipated revenue from the Energy Trust Fund, and \$0.2 million in Other Financing Sources due to a decrease in Operating Transfers In from the Major Maintenance ISF related to lower than anticipated maintenance services.

Fleet Management ISF

An overall positive variance of \$0.9 million is projected for the Fleet Management ISF.

A positive expenditure variance of \$2.6 million is projected. Anticipated positive variances include \$0.5 million in Salaries & Benefits due to normal attrition of staff and departmental vacancies, \$0.5 million in Services & Supplies primarily in garage operations and support and \$1.6 million in Other Charges due to lower than anticipated depreciation charges based on actual timing and value of vehicle and equipment replacement.

A negative revenue variance of \$1.7 million is projected. Anticipated negative variances include \$1.7 million in Charges for Current Services due to lower than anticipated reimbursement related to the expenditure variance from budget mentioned above and \$0.3 million in Other Financing Sources due to less than anticipated auction proceeds, partially offset by positive variances of \$0.2 million in Miscellaneous Revenues due to higher than projected Third Party recoveries related to accident repairs and \$0.1 million in Revenue from Use of Money & Property due to higher than expected interest earnings.

Purchasing and Contracting ISF

A positive variance of \$1.8 million is projected for the Purchasing and Contracting ISF.

A positive expenditure variance of \$1.5 million is projected and includes \$0.8 million variance from budget in Salaries & Benefits attributed to managed vacancies, \$0.6 million variance from budget in Services & Supplies primarily attributed to anticipated savings in legal advice from County Counsel, and various accounts, and \$0.1 million variance from budget in Other Charges for depreciation associated with delayed implementation of Sourcing IT project.

A net positive revenue variance of \$0.3 million is projected and attributed to \$0.5 million in Charges for Current Services due to over-realized ISF revenue, which is offset by a negative variance of \$0.2 million in Miscellaneous Revenues for proceeds from rebates.

GENERAL PURPOSE REVENUE & COUNTYWIDE EXPENSES

A positive variance of \$83.7 million is projected in General Purpose Revenue (GPR) primarily due to higher than anticipated assessed value (AV) growth (\$17.6 million), interest revenue (\$27.7 million), Property Tax current year and prior year supplemental revenue (\$14.0 million), higher pass-through distributions and residual balance estimates from Redevelopment Successor Agencies (\$6.1 million) and other various GPR revenues (\$18.3 million). There is no significant variance in General County Expenses.

General Purpose Revenue

The County's General Purpose Revenue is directly influenced by the state of the economy. Employment showed gains in all industries except Mining and Logging, Manufacturing, Trade, Transportation & Utilities and Financial Activities; overall employment showed a positive gain from December 2021 to December 2022. The region has continued to fare better than other California metros in terms of unemployment rate. Median home prices in San Diego for Single Family Homes were higher by 2.6% and for Existing Attached Homes by 3.1% comparing 2nd Quarter of 2021 to 2nd Quarter of 2022. Per Beacon Economics (Winter 2023), unemployment rate is projected to drop to around 2.8% in first quarter of 2023 then slightly go up to 3.1% by the end of 2023 as Federal Reserve interest rate hikes cool down economic growth and due to greater number of residents joining the labor market. Limited housing supply and some degree of worker outmigration to areas with more homes will continue to limit employment growth in the San Diego region. Although a recession is not currently expected, the economy is fragile, and additional negative shocks and excessive rate hikes could tip into recession territory. The housing market is showing signs of weakness, driven by a slowdown in sales activity, which in turn is being led by higher long-term mortgage rates and rapidly rising short-term interest rates as the Federal Reserve tries to cool inflation. Beacon Economics is forecasting a modest housing price correction in its forecast as higher interest rates cool housing purchases. High price level in San Diego is spurring many would-be buyers to search in more affordable markets in the inland parts of the state. Beacon Economics expects median year-over-year home price growth in the San Diego region of 2.7% in the fourth quarter of 2022, but then declining through 2023. Higher frequency data from Redfin also shows an emerging correction in San Diego's housing market, like single-family homes down -43.8% in November. Condo and townhouse sales are slightly better rising 2% and declining -2.3% respectively. Inventories of homes on the market have increased relative to last year but remain low from a historical standpoint, which has kept housing prices afloat. Steep sales declines and elevated inventory carrying costs reflect higher interest rates cooling demand. Beacon Economics' current forecast calls for the local median home price to scale back to about \$792,000 by the third quarter of 2023, which is around the same price level as the second quarter of 2021. Nonetheless, given San Diego's limited housing supply and still-strong demand to live in the area, this correction represents a blip on the otherwise long-term upward trend in San Diego home prices.

The County's GPR related to property tax revenues improved, supported by the increase in assessed values. For Fiscal Year 2022-23, the economic indicators discussed previously, and the trends summarized below, are followed by a discussion on significant revenue account variances from budget:

- San Diego's monthly unemployment rate fell to 2.9% in December 2022, down from 4.1% in December 2021. In comparison, this is below the state's rate of 3.7% in December 2022 and 4.8% in December 2021.
- Consumer spending, as measured by taxable sales, will increase mainly due to increase in consumer online spending. During the 2nd Quarter of 2022-23, unadjusted local point of sale tax revenue increased by 7.93% in the Southern California Region, in the statewide level by 7.81%, in the San Diego regional level by 6.88%, and in the unincorporated area by 14.62% compared to the same time period last year.
- There are positive and negative indicators in the housing market in the County.
 - Increase in median housing prices for Single Family Homes (up 2.6%) and for Existing Attached Homes (up 3.1%) for October to December average compared to the same time period last year.
 - Notices of Default increased 82% in January-December 2022 compared to the same period in 2021.
 - Foreclosure activity increased 43% in January-December 2022 compared to the same period in 2021.

Current Property Taxes All Categories

The four categories of Current Property Taxes (i.e., Property Taxes Current Secured, Property Taxes Current Supplemental, Property Taxes Unsecured, and Property Taxes Current Unsecured Supplemental) combined are estimated to show a net positive variance to budget of \$16.0 million.

- *Property Taxes Current Secured*
Current Secured Property Taxes are projected to be \$7.2 million higher than budget due primarily to higher than anticipated assessed value (AV) growth. Per Administrative Code Section 113.5(b), a portion of projected one-time over realized revenue generated by greater than anticipated assessed value growth will be used to reduce the pension fund's Unfunded Actuarial Accrued Liability.

The budgeted current secured property taxes assumed a local secured assessed value increase of 6.00%, but the actual assessed value (AV) increased by 7.96% (gross less regular exemptions). (Note: The 7.96% increase represents the change in the assessed value for only the secured roll. This is higher than the countywide overall increase published by the Assessor/Recorder/County Clerk on July 14, 2022 of 8.27%, which includes all assessed value components, secured and unsecured).

- *Property Taxes - Current Unsecured*
Current Unsecured Property Taxes are projected to be \$2.4 million higher than budget based on year-to-date current year actuals going higher than expected. At

the time the budget was prepared, current unsecured property tax revenues were based on the assumption that there would be no growth in the current unsecured roll. Unlike the secured roll, the unsecured roll does not build on a prior year base.

- *Property Taxes Current Supplemental*
Property Taxes Current Supplemental are projected to be \$6.4 million higher than budget due to the increase in supplemental billings in Fiscal Year 2022-23 compared to prior year.

Taxes Other Than Current Secured

Taxes Other Than Current Secured are anticipated to be \$30.5 million above budget.

- *Property Tax Prior Secured Supplemental*
Property Tax Prior Secured Supplemental are projected to be \$7.6 million higher than budget due to the increase in supplemental billings in Fiscal Year 2022-23 compared to prior year.
- *Property Tax Prior Secured*
Property Tax Prior Secured are projected to be \$0.1 million higher than budget based on year-to-date current year actuals going higher than expected.
- *Property Tax Prior Year Unsecured Supplemental*
Property Tax Prior Year Unsecured Supplemental are projected to be \$0.2 million higher than budget based on year-to-date current year actuals going higher than expected.
- *Documentary Transfer Taxes*
Documentary Transfer Taxes are projected to be \$2.5 million higher than budget due to home prices remaining high so even with the number of sales going down, the transfer fee is still high.
- *Teeter Tax Reserve Excess*
Teeter Tax Reserve Excess is projected to be \$0.6 million higher than budget. This is based on returned excess Teeter Tax Reserve requirement, current penalty and interest collections and available data on the outstanding receivables and projections through the end of the fiscal year.
- *Sales & Use Taxes*
Sales & Use Taxes are projected to be \$5.1 million higher than budget. This is mostly due to the continued growth activities in the Unincorporated Area which increases the County's share of the Pool going forward.
- *Transient Occupancy Tax*
Transient Occupancy Tax is projected to be \$1.8 million higher than budget. This is based on prior year receipts and continued growth in the hotel industry and tourism as a whole.

- *Other Tax Aircraft*
Other Tax Aircraft is projected to be \$0.9 million higher than budget based on year-to-date current year actuals going higher than expected.
- *Property Tax in Lieu of Vehicle License Fees*
Property Tax in Lieu of Vehicle License Fees (VLF) is projected to be \$10.3 million higher than budget due to higher than budgeted growth in assessed valuation. Per Administrative Code Section 113.5(b), a portion of projected one-time over realized revenue generated by greater than anticipated assessed value growth will be used to reduce the pension fund's Unfunded Actuarial Accrued Liability.
- *Teeter Property Tax Prior Year and Cumulative Prior Years*
Teeter Property Tax Prior Year and Cumulative Prior Years are projected to be \$1.5 million higher than budget. The increase is based on a higher collection of receivables from prior fiscal year.

Licenses, Permits, and Franchises

Licenses, Permits and Franchises are projected to be \$0.7 million lower than budget due to lower-than-expected payments from Franchise Fees.

Revenue from Use of Money & Property

Revenue from Use of Money & Property are projected to be \$27.7 million higher than budget. The increase is due to a higher projected average daily cash balance than what was budgeted which was used to calculate the interest revenue, and due to a higher interest rate based on the recent rise in market rates.

Fines, Forfeitures and Penalties

Fines, Forfeitures and Penalties are projected to be \$4.0 million higher than budget due to higher than budgeted growth in assessed valuation. Revenues in this account reflect the 10% penalty that is assessed on late current secured and unsecured property tax payments.

Intergovernmental Revenues

Intergovernmental Revenues are projected to be \$6.1 million higher than budget due to pass-through distributions (\$1.4 million), and residual balance estimates (\$4.7 million) in Aid from Redevelopment Successor Agencies. The pass-through distributions continue to increase due to continued growth in the project areas. In addition, residual balance estimates tied to Redevelopment Successor Agencies continue to increase.

Charges for Current Services

Charges for Current Services are projected to be \$0.1 million higher than budget due to higher-than-expected revenues received in A-87 Cost Allocation Plan.

Miscellaneous Revenue

No projected variance in Miscellaneous Revenue. **General County Expenses**

Countywide General Expense

There is zero variance projected for Countywide General Expense.

Lease Payments – Bonds

There is no significant variance projected for Lease Payments – Bonds.

Contributions to Capital

There is zero variance projected for Contributions to Capital.

Capital Program Funds

Edgemoor Development Fund

A positive variance of \$0.4 million is projected for the Edgemoor Development Fund.

A positive expenditure variance of \$0.1 million is projected and includes a positive variance of \$0.1 million in Services & Supplies due to lower than anticipated Internal Service Fund expenditures.

There is a positive revenue variance of \$0.3 million projected. A positive variance of \$0.5 million in Other Financing Sources is related to the Santee Residential Property 2 sale that was deposited on 1/3/2023 offset by a negative variance of \$0.2 million in Revenue From Use Money & Property due to lower than anticipated interest income earnings on daily average cash fund balance.

(Note: The planned use of EDF fund balance is to pay for debt service related to the issuance of the 2014 Edgemoor Certificates of Participation. The draw from the EDF fund balance is projected to accelerate due to lower Senate Bill 1128 revenue and lower projected land sale revenues. Staff are monitoring the fund to identify funding solutions for debt service payments required through Fiscal Year 2029-30.)

Appendix C: Major Maintenance Capital Outlay Fund (MMCOF) Adjustments for Fiscal Year 2022-2023 (2ND QUARTER)

GROUP	DEPT.	PROJECT NUMBER	PROJECT NAME	FUNDING SOURCE			NOTES	DEPARTMENTS	DEPARTMENTS	MMCOF	RATIFICATION	Description
				(Acct - 56321 Opt Transfer Out)	(Acct - 52XXX Services & Supplies)	(Acct - 54202 Fixed Asset)		1 thru 11	Inc (Dec)	Inc (Dec)		
Increase (Decrease) of Appropriation												
FGG	DGS	1026034	MMCOF7924 DPW Road Maintenance Spring Valley Phase 1	37600	87875	48106	2	305,000	(305,000)	305,000	No	New Walk-In Project
PSG	SHF	1026061	MMCOF7925 Vista Detention Facility Cell Intercom System	10100	39884	52737	2	2,722,366	(2,722,366)	2,722,366	No	New Walk-In Project
HHS	HHS	1026063	MMCOF7926 Magnolia Safe Parking	10100	46501	52396	2	3,175,057	(3,175,057)	3,175,057	No	New Walk-In Project
HHS	HHS	1026064	MMCOF7927 Bancroft Safe Parking	10100	46501	52396	2	3,175,057	(3,175,057)	3,175,057	No	New Walk-In Project
PSG	SHF	1025543	MMCOF7907 IB Sheriff Trailer Roof and HVAC Replacement	10100	39884	52737	3	53,230	(53,230)	53,230	No	Spending plan amendment
HHS	HHS	1025431	MMCOF7859 East County Mental Health Interior Reconfiguration	26005	7807D	54202	3	N/A	N/A	89,906	No	Spending plan amendment; Transferred from CP 1024522
HHS	HHS	1025437	MMCOF7865 North Central MHC Workspace Reconfiguration	26005	7807D	54202	3	N/A	N/A	231,358	No	Spending plan amendment; Transferred from CP 1024522
HHS	HHS	1025897	MMCOF7917 Edgemoor Dishwasher	10100	45280	52220	3	250,000	(250,000)	250,000	No	Spending plan amendment
HHS	HHS	1025898	MMCOF7918 HHS Warehouse Tenant Improvement	26005	7807D	54202	3	N/A	N/A	100,000	No	Spending plan amendment; Transferred from CP 1024522
Subtotal General Fund								9,680,710	(9,680,710)	10,101,973		
FGG	DGS	1026065	MMCOF7928 Ramona Road Station EV Project	26005	7759D/7857D	54202	2	N/A	N/A	400,000	No	New Walk-In Project; Transferred from CP 1023687 (\$300k) and 1025429 (\$100k)
FGG	DGS	1026066	MMCOF7929 San Marcos Road Station EV Project	26005	7759D	54202	2	N/A	N/A	400,000	No	New Walk-In Project; Transferred from CP 1023687
FGG	FGG	1023687	MMCOF7759 COC EV Charging Stations and Infrastructure Installation	26005	7759D	54202	4	N/A	N/A	(700,000)	No	Spending plan amendment; Transferred to CP 1026065 (\$300k) and CP 1026066 (\$400k)
FGG	FGG	1025429	MMCOF7857 COC EV Charging Stations Phase 2	26005	7857D	54202	4	N/A	N/A	(100,000)	No	Spending plan amendment; Transferred to CP 1026065
Subtotal Other Funds								-	-	-		
LUG	PKS	1023696	MMCOF7768 Potrero Park Well and Water Controls Upgrade	10100	52811	52737	5	(4,982)	4,982	(4,982)	No	Project is complete and can be closed
PSG	PSG	1023566	MMCOF7749 PSG Security Improvements at 2 Sites	10100	14000	52737	5	(39,308)	39,308	(39,308)	No	Project is complete and can be closed
HHS	HHS	1024522	MMCOF7807 Mills Building 1st Floor FRC Renovation	10100	45005	52737	5,6	(372,863)	372,863	(794,126)	No	Project is complete and can be closed; Transferred to CP 1025431 (\$89,905.80), 1025437 (\$231,357.60), and 1025898 (\$100k)
LUG	PKS	1023701	MMCOF7773 Jess Martin Storage Shed Installation	14119	95156	52737	8	(50,000)	50,000	(50,000)	No	Project has been cancelled
LUG	PKS	1025450	MMCOF7879 Dos Picos Park Fire Hydrant Test and Water Sewer Dump Station Replacement	10100	52811	52737	8	(635,000)	635,000	(635,000)	No	Project has been cancelled
Subtotal Completed/Cancelled Projects								(1,102,153)	1,102,153	(1,523,416)		
Total Increase (Decrease) of Appropriation								8,578,557	(8,578,557)	8,578,557		
Board Letter Recommendation								REC #15	REC #15	REC #15		

NOTES:

- | | |
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| <ul style="list-style-type: none"> 1 MMCOF Project identified as MMISF (maintenance/not capital) 2 MMISF Project identified as MMCOF 3 MMCOF Spending plan increased 4 MMCOF Spending plan decreased 5 MMCOF Project complete and remaining funds are transferred to Dept. Services & Supplies 6 MMCOF Project complete and remaining funds are transferred to an existing MMCOF/COF project | <ul style="list-style-type: none"> 7 MMCOF Project complete and remaining funds are transferred to a new MMCOF walk-in project 8 MMCOF Project cancelled and funding source returned to Services & Supplies for department's operation 9 MMCOF Project cancelled and funding transferred to an existing MMCOF project 10 MMCOF Project cancelled and funding transferred to a new MMCOF walk-in project 11 Change in revenue source |
|--|--|



San Diego County Flood Control District

GOVERNING BODY

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

NATHAN FLETCHER
Fourth District

JIM DESMOND
Fifth District

AGENDA ITEM

DATE: March 14, 2023

FL01

TO: Flood Control Board of Directors

SUBJECT

**FISCAL YEAR 2022-23 SECOND QUARTER OPERATIONAL PLAN STATUS
REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

OVERVIEW

This item recommends budget adjustment in the San Diego Flood Control District as part of the Fiscal Year 2022-23 Second Quarter Operational Plan budget adjustments.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

Transfer appropriations of \$88,000 within Flood Control District (FCDT), Services & Supplies to Operating Transfer Out, for the purchase, installation, and maintenance contract for an Electric Vehicle Charging Unit for the Estrella Park Water Quality Project based on funding source that was transferred from Watershed Protection Program General Fund to FCDT fund balance. **(4 VOTES)**

EQUITY IMPACT STATEMENT

The recommended actions are intended to provide resources to address inequities in County services and to identify disparities, develop meaningful outcomes, and create a County government culture of equity, belonging, and racial justice.

SUSTAINABILITY IMPACT STATEMENT

Today's actions support the sustainability measures across the County considering the environment, economy, health/wellbeing, and/or social aspects of the community by aligning the County's available resources with services to maintain fiscal stability and ensure long-term solvency.

FISCAL IMPACT

Funds associated with today's recommendations are included in the Fiscal Year 2022-23 Operational Plan in the San Diego County Flood Control District (FCDT). If approved, this action will result in cost of \$88,000 for Electric Vehicle Charging Unit for the Estrella Park Water Quality Project. The funding source is FCDT fund balance transferred from Watershed Protection Program General Fund. There will be no change in net General Fund cost and no additional staff years.

**SUBJECT: FISCAL YEAR 2022-23 SECOND QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS:
ALL)**

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

If approved, this request would transfer appropriation of \$88,000 from the Flood Control District to the Fleet Parts & Fuel ISF for the purchase, installation, and maintenance contract of an electric vehicle charging unit for the Estrella Park Water Quality Project (Project) to support the County's sustainability goals of reducing greenhouse gas emissions. The total cost for the Estrella Park Water Quality Project including design, environmental review, and construction, including contingency, is estimated at \$5,069,200 and project is anticipated to be completed by Fall of 2023. The funding sources are DPW Watershed Protection Program (WPP), General Purpose Revenue (\$3,233,700), and the prior year's WPP General Fund fund balance (\$1,835,500).

ENVIRONMENTAL STATEMENT

N/A

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the Strategic Initiatives of Sustainability, Equity, Empower, Community and Justice in the County of San Diego's 2023-2028 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

N/A