



# COUNTY OF SAN DIEGO

## AGENDA ITEM

### BOARD OF SUPERVISORS

NORA VARGAS  
First District

JOEL ANDERSON  
Second District

TERRA LAWSON-REMER  
Third District

MONICA MONTGOMERY STEPPE  
Fourth District

JIM DESMOND  
Fifth District

**DATE:** March 12, 2024

**XX**

**TO:** Board of Supervisors

### **SUBJECT**

**FISCAL YEAR 2023-24 SECOND QUARTER OPERATIONAL PLAN STATUS  
REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

### **OVERVIEW**

This report summarizes the status of the County's Fiscal Year 2023-24 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 \$86.0 million (or 1.1% of the General Fund budget), and \$140.8 million (or 1.3% of the Overall budget) for all budgetary funds combined. The projected fund balance anticipates an overall positive expenditure variance and an overall positive revenue variance from the Fiscal Year 2023-24 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 (HHSA) which is projecting negative operating balance due to projected slowing of sales tax receipts for related programs and increased costs for the General Relief Program. The projected balance for all other funds combined is \$54.8 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), recommendations include appropriation adjustment for Incompetent to Stand Trial penalty payment due to the Department of State Hospital, for unanticipated increases in operational costs primarily for psychological evaluations and lease spaced costs, and to support the ambulance services program in San Diego County Fire Protection District.

In the Health and Human Services Agency (HHSA), recommendations include appropriation adjustments for the East County Crisis Stabilization Unit and Recovery Bridge Center, and the Edgemoor Acute Psychiatric Unit.

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In the Land Use and Environment Group (LUEG), recommendations include appropriation adjustments to provide funding for the construction of a terrarium at the new ranger station and visitor center, to support the planned restoration efforts of Kumeyaay Valley park, for Butterfield Ranch Acquisition, for the installation of an additional water meter required by Otay Water District, for Hidden Meadows Park, for maintenance projects for Palomar Airport Landfill and unanticipated fees for the San Pasqual Burn Site, for ongoing fire protection and paramedic services, for landscape/road maintenance and planning services in various county Permanent Road Division zones, to fund operations and maintenance costs for the Sweetwater park, and to support the construction of the classroom and bridge for Los Penasquitos Canyon Preserve Amphitheater.

In the Finance and General Government Group (FGG), recommendations include appropriation adjustments for the Neighborhood Reinvestment Program, for the Community Enhancement Program, and to fund unanticipated costs to complete the implementation of the Integrated Property Tax System.

**RECOMMENDATION(S)  
CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2023-24 second quarter report on projected year-end results.

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds  
(Recommendations 2 through 20):**

2. Establish appropriations of \$3,000,000, in Public Safety Group Executive Office, Services & Supplies, for Incompetent to Stand Trial penalty payment due to the Department of State Hospital, based on over-realized General Purpose Revenue. **(4 VOTES)**
3. Establish appropriations of \$1,360,000 in Public Defender, Services & Supplies, for unanticipated increases in operational costs primarily for psychological evaluations, lease spaced costs and unanticipated payments of leave balances for retired employees, based on over-realized General Purpose Revenue. **(4 VOTES)**
4. Establish appropriations of \$6,000,000 in San Diego County Fire, Operating Transfers Out, to support the ambulance services program in San Diego County Fire Protection District, based on over-realized General Purpose Revenue. **(4 VOTES)**
5. Establish appropriations of \$1,450,000 in the County Health Complex Fund, for Capital Project 1024603, East County Crisis Stabilization Unit and Recovery Bridge Center, based on Institutional Care Hospital Revenue; *and* cancel appropriations of \$1,450,000 based on Other State and Health Grant Funding. **(4 VOTES)**
6. Establish appropriations of \$16,763,699 in the County Health Complex Fund, for Capital Project 1023737, Edgemoor Acute Psychiatric Unit, based on Behavioral Health Continuum Infrastructure Program (BHCIP) Crisis and Behavioral Health Continuum Grant funding; *and*

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cancel appropriations of \$13,000,000 based on Institutional Care Hospital Revenue. **(4 VOTES)**

7. Establish appropriations of \$141,000 in the Capital Outlay Fund for Capital Project 1021904 Stelzer Park Ranger Station and Visitor Center, to provide funding for the construction of a terrarium at the new ranger station and visitor center, based on available Louis A Stelzer Trust Fund fund balance. **(4 VOTES)**
8. Establish appropriations of \$500,000 in the Capital Outlay Fund for Capital Project 1024372 Kumeyaay Valley Park, to support the planned restoration efforts, based on Habitat Conservation Fund (HCF) grant. **(4 VOTES)**
9. Establish appropriations of \$15,961.91 in Park Land Dedication (PLD) Area 38 Valley Center, Operating Transfer Out, based on available prior year PLD Area 38 Valley Center Fund fund balance; *and* establish appropriations of \$15,961.91 in the Capital Outlay Fund for Capital Project 1026477 Butterfield Ranch Acquisition, based on Operating Transfer In from PLD Area 38 Valley Center Fund, to support acquisition of the property. **(4 VOTES)**
10. Establish appropriations of \$60,000 in PLD Area 45 Valle De Oro, Operating Transfer Out, based on available prior year PLD Area 45 Valle De Oro Fund fund balance; *and* establish appropriations of \$60,000 in the Capital Outlay Fund for Capital Project 1022916 Lonny Brewer Leash Free Area, based on Operating Transfer In from PLD Area 45 Valle De Oro Fund, for the installation of an additional water meter required by Otay Water District. **(4 VOTES)**
11. Establish appropriations of \$874,905 in PLD Area 29 Escondido, Operating Transfer Out, based on available prior year PLD Area 29 Escondido Fund fund balance; *and* establish appropriations of \$916,158 in PLD Area 30 San Marcos, Operating Transfers Out, based on available prior year PLD Area 30 San Marcos Fund fund balance; *and* establish appropriations of \$208,937 in PLD Area 37 Vista, Operating Transfer Out, based on available prior year PLD Area 37 Vista Fund fund balance, for Capital project 1026156 Hidden Meadows Park. **(4 VOTES)**
12. Establish appropriations of \$2,920,000 in Inactive Waste Site Management, Services & Supplies, for maintenance projects for Palomar Airport Landfill and unanticipated fees for the San Pasqual Burn Site, based on revenue from the Environmental Trust Fund. **(4 VOTES)**
13. Establish appropriations of \$18,295 in Harmony Grove CFD 08-01 Fire Protection Services Special Tax B Fund, Services & Supplies, to provide funds for ongoing fire protection and paramedic services, based on revenue from special assessments (\$14,335) and available prior year Harmony Grove CFD 08-01 Fire Protection Services Special Tax B Fund fund balance (\$3,960). **(4 VOTES)**

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14. Establish appropriations of \$50,000 in the County Service Area 26, Zone B – Monte Vista Zone B Fund, Services & Supplies, for landscape maintenance and planning services, based on available prior year County Service Area 26, Zone B Fund fund balance. **(4 VOTES)**
15. Establish appropriations of \$379,500 in the county Permanent Road Division (PRD) zones, Services & Supplies, for road maintenance and planning services, based on available prior year PRD zones fund balance (\$357,868) and special assessments (\$21,632) as noted in Appendix D. **(4 VOTES)**
16. Establish appropriations of \$246,908 in Community Facilities District (CFD) No. 19-02 Sweetwater Place Maintenance – Special Tax Fund, for the release of the security deposit provided by the developer, based on available prior year CFD No. 19-02 Sweetwater Place Maintenance – Special Tax Fund fund balance. **(4 VOTES)**
17. Establish appropriations of \$16,911 in the Neighborhood Reinvestment Program (NRP) budget (\$10,783 in Org 15650 for District 1 and \$6,128 in Org 15670 for District 5) based on the return of unused portions of prior year allocations so the funds can be allocated to other projects. **(4 VOTES)**
18. Establish appropriations of \$4,261 in the Community Enhancement (CE) Program budget (Org 12900 for District 4) based on the return of unused portions of prior year allocations so the funds can be allocated to other projects. **(4 VOTES)**
19. Establish appropriations of \$1,231,576 in Finance & General Government Group Executive Office (\$838,965), Auditor & Controller (\$261,083) and Treasurer-Tax Collector (\$131,528), Services & Supplies, based on over-realized General Purpose Revenue (\$838,965) and AB 2890 Supplemental Property Tax Revenue (\$392,611), and transfer appropriations of \$1,692,611 from Auditor & Controller (\$761,083) and Treasurer-Tax Collector (\$931,528), Services & Supplies, to the Finance & General Government Group Executive Office, Services & Supplies, to fund unanticipated costs to complete the implementation of the Integrated Property Tax System (IPTs). **(4 VOTES)**
20. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, as noted in Appendix C, in the net amount of \$162,463 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 \$162,463 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)**

**Transfers Within Budgetary Funds and/or Cancellation of Appropriations  
(Recommendation 21):**

21. Transfer appropriations of \$1,200,000 within the Capital Outlay Fund and related Operating Transfer In from the General Fund to provide funding for Capital project 1024825 Los

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Penasquitos Canyon Preserve Amphitheater, to support the construction of the classroom and the bridge, based on a transfer from Capital Project 1022922 San Dieguito Local Park.

**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 2023-24 Operational Plan. If approved, in the General Fund these actions will result in an increase to the overall budget of \$11,612,748, transfers between budgetary funds of \$1,692,611, transfers within budgetary funds of \$247,828, and no cancellation of appropriations. The funding sources for the increase are based on over-realized General Purpose Revenue (\$11,198,965), AB 2890 Supplemental Property Tax Revenue (\$392,611), and prior year NRP & CE program allocations that were returned in the current fiscal year (\$21,172).

In all other funds combined, these actions will result in a net increase to the overall budget of \$10,333,789, transfers within budgetary funds of \$1,610,291, and no cancellation of appropriations. The funding sources for the net increase are Behavioral Health Continuum Infrastructure Program (BHCIP) and Crisis and Behavioral Health Continuum Grant funding (\$3,763,699), Environmental Trust Fund (\$2,920,000), available prior year PLD Fund fund balance (\$2,075,962), Habitat Conservation Fund (HCF) grant (\$500,000), Operating Transfers In from various non-General Fund (\$444,537), available prior year Permanent Road Division (PRD) Fund fund balance (\$357,868), available prior year Community Facility District (CFD) fund balance (\$250,868), Louis A Stelzer Trust Fund (\$141,000), Operating Transfers In from PLD (\$75,962), available prior year County Service Area (CSA) fund balance (\$50,000), Special assessment for CFD and PRD (\$35,967). These are offset by a decrease in Operating Transfers In from the General Fund (\$282,074).

**BUSINESS IMPACT STATEMENT**

N/A

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**ADVISORY BOARD STATEMENT**

N/A

**BACKGROUND**

As shown in Schedule A, the General Fund year-end fund balance projection of \$86.0 million is based on the estimate that expenditures will be approximately \$62.5 million less than the Fiscal Year 2023-24 Amended Budget and revenues will be a net \$23.5 million more than the Fiscal Year 2023-24 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 projected balance for all other funds combined is a net of \$54.8 million.

The General Fund year-end fund balance projection includes COVID-19 response costs primarily funded through American Rescue Plan Act (ARPA) funds and anticipates receipt of additional Federal Emergency Management Agency (FEMA) revenue to cover costs incurred. Total FEMA costs are currently estimated at \$437.2 million. This includes \$436.3 million of costs incurred from the beginning of the pandemic through May 11, 2023 when FEMA eligibility ended and \$0.9 million for Fiscal Year 2023-24 for allowable administrative costs to manage the grant beyond the FEMA eligibility date. To date, a total of \$255.9 million in FEMA reimbursement payments have been received and projections anticipate receiving an additional \$23.9 million by December 31, 2024, for prior year efforts. The remaining balance of \$157.4 million, which includes the 10% withhold amount as part of the FEMA close out process, is anticipated to be received in future fiscal years.

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 \$62.5 million in the General Fund are primarily attributable to the following:

- \$26.9 million in projected overall positive Salary & Benefits appropriation variance. As of December 31, 2023, the vacancy rate (including newly added positions) was 8.32% (1,699 of 20,420 positions).
  - In PSG, the projected overall expenditure positive variance of \$7.5 million is primarily due to vacancies, attrition, and modified positions. Other potential projected variances from budget will offset costs for healthcare for incarcerated persons and facility projects, for decedent transportation services and forensic pathologist services contract, for court-ordered psychiatric evaluations and for shared major maintenance/walk-in emergency projects.

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- In HHSA, the projected overall negative expenditure variance of \$4.0 million is due to additional overtime costs to support increasing caseloads and additional temporary staffing for various grants and overtime costs.
- In LUEG, the projected overall positive expenditure variance of \$7.3 million is primarily due to vacancies and under-filled positions. Other potential projected variances from budget will offset revenue shortage due to vacancies.
- In FGG, the projected overall positive expenditure variance of \$8.1 million is primarily due staff attrition and departmental vacancies.
- \$26.5 million in projected positive appropriation variance in Services & Supplies across the County.
  - In PSG, projected overall positive expenditure variance of \$2.3 million primarily in Department of Child Support Services due to lower than anticipated expenses in various accounts supporting operations, such as information technology services and in Sheriff's Department due to lower than anticipated costs in Public Liability associated with medical malpractice insurance coverage, expenditures in various accounts supporting operations such as food and household expense and one-time Regional Communication System (RCS) tower/generator equipment due to project timeline changes.
  - In HHSA, projected overall positive variance of \$13.4 million in various departments. This consists of positive variances in Behavioral Health Services (BHS) primarily due to contracted services associated with a range of mental health programs to align with anticipated spending which adjusts for contractor staffing vacancies and projected utilization in residential bed days; in Public Health Services (PHS) tied to lower than anticipated operating costs related to reduced contracting activities and limited Public Health Laboratory processing capacity; in Child and Family Well-Being (CFWB) primarily driven by a variance from budget in contracts mainly tied to transitional housing programs experiencing challenges in the rental market and in group home costs as the programs continue to transition into an eligible facility; in Aging & Independence Services (AIS) tied to contracted services for the California Department of Aging (CDA) Modernizing Older California Act (MOCA) rolling out over three versus two years and a variance from budget in various services and supplies tied to program operational needs.
  - In LUEG, projected overall positive variance of \$4.8 million primarily in the Department of Planning & Development Services (PDS) due to schedule changes to one-time only information technology (IT) projects, schedule changes in future acquisition of agricultural lands and reduced consultant contract spending.
  - In FGG, projected overall positive variance of \$4.0 million primarily in Department of Human Resources due to lower than anticipated costs for workers compensation and unemployment insurance services; in County Communications Office due to lower than anticipated one-time costs for Major Maintenance projects funded by Public, Educational and Governmental (PEG) funds; in Board of Supervisors Office due to lower than anticipated one-time expenses, including office expenses related to the staff vacancies; and in the Office of County Counsel due to delays in office construction projects.

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- In Finance Other (FO), projected overall positive variance of \$2.0 million as additional funding no longer needed to support the Immigrant Rights Legal Defense Program in Public Defender's office.
- A projected positive appropriation variance of \$6.7 million in Other Charges primarily in (PSG) in Probation Department due to lower than anticipated use of placement services for foster youth; and in HHSA in CFWB mainly to align with the revised projected caseloads in foster care and adoption assistance programs and in Self-Sufficiency Services tied to California Work Opportunity and Responsibility to Kids (CalWORKs) cash grants to align with caseloads.
- A projected positive appropriation variance of \$1.3 million in Capital Assets Equipment in PSG primarily in Sheriff's Department due to a one-time RCS transportable radio project, that will be rebudgeted in Fiscal Year 2024-25, and lower than anticipated expenditures for an IT project.
- A projected negative appropriation variance of \$2.2 million in Expenditure Transfer & Reimbursements in FGG primarily in the Office of County Counsel due to less than anticipated staff cost reimbursements in the health services area.
- A projected positive appropriation variance of \$3.3 million in Operating Transfers Out in PSG primarily in (HHSA) Aging & Independence Services tied to reduced funding needs for the In-Home Supportive Services (IHSS) Public Authority 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 and overall operational savings.

**GENERAL FUND REVENUE VARIANCES**

The projected over-realized revenue of \$23.5 million includes positive variances totaling \$60.5 million and negative variances of \$37.0 million. In many instances, the negative revenue variances are directly associated with the positive expenditure variances described above.

The projected positive revenue variance of \$60.5 million is primarily attributable to the following categories:

- Taxes Other Than Current Secured (\$20.1 million) mainly in Sales and Use Taxes due to the continued growth activities in the Unincorporated Area which increases the County's share of the Pool going forward and in Property Tax Prior Secured Supplemental due to the increase in supplemental billings compared to prior year.
- Revenue from Use of Money & Property (\$24.1 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 (\$10.9 million) primarily due to projected higher revenue based on prior year receipts. 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.
- Fines, Forfeitures & Penalties (\$5.4 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.



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The projected negative revenue variance of \$37.0 million is primarily attributed to:

- Intergovernmental Revenues (\$14.4 million) tied to aligning federal and State funding to anticipated billable service units and aligning grant funding with overall anticipated expenditures and in Realignment based on estimated receipts, federal and State assistance payment revenues associated with revised caseload projections for the foster care and adoption assistance programs, in the IHSS Public Authority program to align with reduced expenditures, tied to California Work Opportunity And Responsibility To Kids (CalWORKs) revenue associated with revised caseload projections, due to lower than anticipated State and federal reimbursements for the child support program, due to lower costs related to foster care and Community Corrections Subaccount, and due to lower reimbursements for eligible expenditures related to CARE Court, Public Defense Pilot Program and Parole Revocations. These are offset by positive variances due to pass-through distributions and residual balance estimates in Aid from Redevelopment Successor Agencies, in FEMA for prior year expenditures associated with local health emergency response costs, due to higher than anticipated revenue from State Criminal Alien Assistance Program, and ARPA for COVID-19 Supplemental Paid Sick Leave reimbursement of prior year expenditures, and revenue for State mandates.
- Charges for Current Services (\$13.5 million) primarily due to a decline in billable activities for land development project planning, due to fewer than anticipated fees for recorded documents related to higher interest rates and delay of replacement of Integrated Recorder and Vital Records System and Archives Case Management System, decrease in Intergovernmental Transfer (IGT) revenue in order to leverage ARPA funding for prior year Supplemental Paid Sick Leave (SPSL) costs and estimated use of vehicle fine revenue to support various alcohol and drug services programs, and due to reduced labor charges for land development projects due to staff vacancies.
- Other Financing Sources (\$6.9 million) due to decrease in transfers from Proposition 172 Special Revenue Fund resulting from lower than expected sales tax receipts.
- Licenses, Permits & Franchises (\$1.9 million) primarily due to lower than anticipated revenue from PEG funded project costs, and lower-than-expected payments from Franchise Fees.
- Miscellaneous Revenues (\$0.3 million) primarily due to due to RCS projects, less than anticipated administration costs charged to the Employee Benefit Internal Service Fund, and less than anticipated reimbursable expenditures related to tree trimming services and quarantine activities, offset by a positive variance due to the anticipated closure of Flex Forfeitures Trust Funds.

**Adjustments to the Fiscal Year 2023-24 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 between budgetary funds, referred to as operating transfers, require 4 votes even if the overall budget is not increased.

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The recommendations for budget adjustments are explained as follows:

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds  
(Recommendations 2 through 20):**

**Recommendation 2**

The State has implemented legislative changes with the goal of reducing individuals referred to the California Department of State Hospital (DSH) that are deemed Incompetent to Stand Trial (IST). The State has established a baseline number of people per county using FY 2021-22 population figures. Effective FY 2022-23 for every individual referred to DSH for treatment exceeding the baseline, the county is subject to a penalty payment as per Welfare & Institutions Code section 4336. The county's baseline was exceeded in FY 2022-23 and \$6,000,000 in penalties are to be paid to DSH based on the formula. This total penalty payment of \$6,000,000 will be paid by Public Safety Group Executive Office (\$3,000,000) and Health and Human Services (\$3,000,000).

This request will establish appropriations of \$3,000,000 in Public Safety Executive Office, Services & Supplies, for Incompetent to Stand Trial (IST) penalty payment per Welfare & Institutions Code section 4336, based on over-realized General Purpose Revenue.

**Recommendation 3**

This recommendation will establish appropriations of \$1,360,000 in Public Defender, Services & Supplies, for unanticipated increases in operational costs primarily for psychological evaluations associated with higher costs for a limited pool of clinicians who can provide services, driving up the cost from an average of \$1,800 to \$2,500 per evaluation for approximately 750 annual evaluations. In addition, leased space costs have also increased to accommodate the growth in Public Defender staffing and unanticipated payments of leave balances for retired employees. The funding source is based on over-realized General Purpose Revenue.

**Recommendation 4**

On May 23, 2023 (FP 01), the San Diego County Fire Protection District (SDCFPD) Board of Directors authorized the Executive Director, or designee, to enter into a written a contract with the County of San Diego for the SDCFPD to exclusively provide and/or manage emergency ambulance services in the areas where the County has, or will have, the responsibility in compliance with California Health and Safety Code Section 1797.230-231. Ambulance operating areas historically have relied upon insurance revenue from transports to hospitals to recover costs. However, rural communities, with large geographic areas and small population centers, are costly and generally are overrepresented by public insurance programs that reimburse at lower rates than private health plans. Public plans, such as Medicare and Medi-Cal, pay a fixed rate based upon regulation and statute.

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On September 12, 2023 (FP 01), County Fire staff, on behalf of the SDCFPD, updated the Board of Directors with revenue projections from two different consultants. The consultants developed revenue projections based upon multiple factors, which provided a wide range of estimates from \$8.0 million to \$14.0 million in annual revenue.

This recommendation will establish appropriations of \$6,000,000 in San Diego County Fire, Operating Transfers Out, to support ambulance services, based on over-realized General Purpose Revenue.

**Recommendation 5**

On June 29, 2021 (7), the Board established \$1,000,000 in Institutional Care Hospital Revenue to fund the design of the East Region Crisis Stabilization Unit (CSU) and Recovery Bridge Center. The Board approved additional funding of \$3,000,000 on March 14, 2023 (24) based on Behavioral Health Realignment Funds. The Fiscal Year 2023-24 Adopted Operational Plan established funding of \$24,000,000 for the project based on Other State and Health Grant funding. Estimated total project cost for the approximately 16,000 square foot crisis stabilization unit is \$28,000,000.

This recommendation will establish appropriations of \$1,450,000 based on Institutional Care Hospital Revenue and cancel appropriations of \$1,450,000 in Other State and Health Grant Funding based on grant award not received. If approved, the East County Crisis Stabilization project budget of \$28,000,000 would be based on Institutional Care Hospital Revenue (\$2,450,000), Behavioral Health Realignment funds (\$3,000,000), and Other State and Health Grant Funding (\$22,550,000). Other funds, including MHSA and Opioid Settlement Funds, are being pursued for the remaining \$22,550,000 in grant funds not awarded and will be brought back in future Board action to appropriate prior to construction of the project. Procurement of construction and design has been completed, project design and demolition are underway. Construction of the project is estimated to begin summer 2024 and will be completed fall of 2025. At this time, there is no increase in the total project cost.

**Recommendation 6**

Capital Project 1023737, Edgemoor Acute Psychiatric Unit, will construct an approximately 14,200 square foot, 12-bed acute psychiatric unit within the existing Edgemoor Distinct Part Skilled Nursing Facility campus. The current total budget for the project is \$24,300,000 based on Institutional Care Hospital Revenue established by the Board on August 24, 2020 (2) (\$2,000,000) and Adopted Operational Plans for Fiscal Year 2022-23 (\$11,000,000) and Fiscal Year 2023-24 (\$11,300,000).

If approved, today's action would revise the funding sources for this project by canceling \$13,000,000 of appropriations based on Institutional Care Hospital Revenue and establish \$16,763,699 of appropriations based on Behavioral Health Continuum Infrastructure Program (BHICP) Crisis and Behavioral Health Continuum Grant funding, thus increasing the total project budget by \$3,763,699 to \$28,063,699. The Board authorized the acceptance of the BHCIP Round 3: Launch Ready Grant funding from the California Department of Health Care Services (DHCS)

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on October 11, 2022 (14). On December 1, 2023, DHCS notified the County that the BHCIP Round 3: Launch Ready grant funds totaling \$16,763,699 would shift to BHCIP Round 5: Crisis and Behavioral Health Continuum grant funding to provide the flexibility necessary to sustain the project.

The increase in the project budget will fund additional project scope, including the patient lobby, two patient drop-off areas, photovoltaic panels, and construction cost increases due to redesign. Design and procurement of construction services are currently underway. Construction of the Edgemoor Acute Psychiatric Unit is estimated to begin early 2025 and will be completed in the spring of 2026. The total project cost is increasing by 15.5% due to a State grant which will allow a greater project scope.

**Recommendation 7**

This recommendation will establish appropriations of \$141,000 in the Capital Outlay Fund for Capital Project 1021904 Stelzer Park Ranger Station and Visitor Center based on available Louis A Stelzer Trust Fund fund balance to provide funding for the construction of a terrarium at the new ranger station and visitor center. The additional appropriations are a result of overall cost increases to the multiyear project that could not have been accounted for when the project budget was developed. Total cost is estimated at \$1,715,000 (increase of 9% to total project cost) and the project is anticipated to be completed in July 2024.

**Recommendation 8**

This recommendation will establish appropriations of \$500,000 in the Capital Outlay Fund for Capital Project 1024372 Kumeyaay Valley Park based on Habitat Conservation Fund (HCF) grant to support the planned restoration efforts. The resolution to apply and accept the HCF grant funds was adopted on June 29, 2020 (4) and the grant agreement was awarded in June 2023. The additional appropriations are a result of cost increases from when the capital project was developed. Total cost is estimated at \$10,060,400 (increase of 5% to total project cost) and the project is anticipated to be completed in January 2027.

**Recommendation 9**

This recommendation will establish appropriations of \$15,961.91 in PLD Area 38 Valley Center, Operating Transfer Out, based on available prior year PLD Area 38 Valley Center Fund fund balance and establish appropriations of \$15,961.91 in the Capital Outlay Fund for Capital Project 1026477 Butterfield Ranch Acquisition based on Operating Transfer In from PLD Area 38 Valley Center Fund to support acquisition costs of the property. Total project cost is \$3,015,961.91 (increase of 0.5% to total project cost) and the project is anticipated to be completed in May 2024.

**Recommendation 10**

This recommendation will establish appropriations of \$60,000 in PLD Area 45 Valle De Oro, Operating Transfer Out, based on available prior year PLD Area 45 Valle De Oro Fund fund

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balance *and* establish appropriations of \$60,000 in the Capital Outlay Fund for Capital Project 1022916 Lonny Brewer Leash Free Area for the installation of an additional water meter required by Otay Water District. Total cost is estimated at \$810,000 (increase of 7.4% to total project cost) and the project is anticipated to be completed in April 2024.

**Recommendation 11**

This recommendation will establish appropriations of \$874,905 in Park Land Dedication Ordinance PLD Area 29 Escondido, Operating Transfer Out, based on available prior year PLD Area 29 Escondido Fund fund balance, and establish appropriations of \$916,158 in PLD Area 30 San Marcos, Operating Transfer Out, based on available prior year PLD Area 30 San Marcos Fund fund balance, and establish appropriations of \$208,937 in PLD Area 37 Vista, Operating Transfer Out, based on available prior year PLD Area 37 Vista Fund fund balance. Funding for Capital project 1026156 Hidden Meadows Park is included in the Fiscal Year 2023-24 Operational Plan. This recommendation will add appropriations to the PLDO accounts as the funding source for the project.

**Recommendation 12**

This recommendation will establish appropriations of \$2,920,000 in Inactive Waste Site Management based on revenue from the Environmental Trust Fund. Additional appropriations of \$2,920,000 is needed to complete infrastructure maintenance projects at Palomar Airport Landfill due to unanticipated increases in material and construction costs and an unanticipated hazardous material fee/tax from the State of California, Department of Toxic Substances Control, to the San Pasqual Burn Site. The funding source is revenue from the Environmental Trust Fund fund balance.

**Recommendation 13**

This recommendation will establish appropriations of \$18,295 to provide funds for ongoing fire protection and paramedic services based on unanticipated revenue from property owner paid assessments and property tax revenues (\$14,335) and available prior year Harmony Grove CFD 08-01 Fire Protection Services Special Tax B Fund fund balance (\$3,960). The Harmony Grove Village Community Facility District, CFD No. 2008-01 (HGV CFD), Fire Protection Services Special Tax B Fund, provides fire protection and paramedic services in the Harmony Grove community provided by the Rancho Santa Fe Fire Protection District.

**Recommendation 14**

This recommendation will establish appropriations of \$50,000 in County Service Area 26, Zone B – Monte Vista Zone B Fund for tree inspection, maintenance, and planning services. This is due to unanticipated work to reduce risk from diseased or damaged trees after receiving requests from the community. The funding source is available prior year fund balance within County Service Area 26, Zone B – Monte Vista Zone B Fund. County Service Area 26, Zone B – Monte Vista Zone B provides landscaping services in the Rancho San Diego community.

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**Recommendation 15**

This recommendation will establish appropriations of \$379,500 in the county Permanent Road Division (PRD) zones for road maintenance and planning services. This is due to expanded road work as the result of community feedback. The expanded road work will increase road length treatment area. The funding source is available prior year PRD zones fund balance (\$357,868) and special assessments (\$21,632) as noted in Appendix D.

**Recommendation 16**

On May 1, 2019 (2), the Board approved the formation of Community Facilities District (CFD) 19-02 Sweetwater Place Maintenance to provide maintenance for a 2-acre public park. The developer provided a security deposit to fund operations and maintenance costs for the park until the special levy was sufficient to support these costs. This recommendation will establish appropriations of \$246,908 in CFD No. 19-02 Sweetwater Place Maintenance - Special Tax fund, based on available prior year CFD fund balance for the release of the Cash Security deposit provided by the developer.

**Recommendation 17**

This recommendation will establish appropriations totaling \$16,911 in the Neighborhood Reinvestment program budget (\$10,783 in Org 15650 for District 1 and \$6,128 in Org 15670 for District 5) based on the return of unused portions of prior year allocations that were returned in the current fiscal year. This will allow the recently returned funds to be allocated to other projects.

**Recommendation 18**

This recommendation establishes appropriations of \$4,261 in the Community Enhancement Program budget (Org 12900 for District 4) based on unused portions of prior year allocations that were returned in the current fiscal year. This will allow the recently returned funds to be allocated to other projects.

**Recommendation 19**

The Integrated Property Tax System (IPTS) project will replace the IT systems that the Treasurer-Tax Collector and Auditor & Controller currently use to collect and distribute property tax revenues. The IPTS will enable these two departments to retire their current systems, thereby reducing operational risks, increasing capabilities, and providing a robust and modern infrastructure to sustain operations for years to come. The IPTS implementation project is expected to be completed in 2025. In addition to IPTS, the Assessor/Recorder/County Clerk will also be working to upgrade their portion of the property tax systems that handle valuation, assessment, and appeals. When both efforts are complete, the County will be able to retire the legacy hardware and software platforms that support property tax administration today.

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This recommendation will establish appropriations of \$1,231,576 in Finance & General Government Group Executive Office, Auditor & Controller and Treasurer-Tax Collector based on over-realized General Purpose Revenue (\$838,965) and AB 2890 Supplemental Property Tax Revenue (\$392,611), and transfer appropriations of \$1,692,611 to the Finance & General Government Group Executive Office from Auditor & Controller (\$761,083) and Treasurer-Tax Collector (\$931,528) to fund unanticipated costs to complete the implementation of IPTS to be paid out of the Finance & General Government Group Executive Office. The project budget is currently \$48,879,625. Additional scope was recently identified as necessary to implement and go live with the new system. This work is estimated to result in new costs of approximately \$1,231,576, a 2.5% increase, in Fiscal Year 2023-24, increasing the total project cost to \$50,111,201. It is anticipated that the newly identified scope will also increase project costs in Fiscal Year 2024-25, but the amount is not yet known. These costs will be included in the FY2024-26 CAO Recommended Operational Plan.

**Recommendation 20**

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 \$162,463 and reclassification of major maintenance projects which are supported by existing department budgets.

**Transfers Within Budgetary Funds and/or Cancellation of Appropriations  
(Recommendation 21):**

**Recommendation 21**

This recommendation will transfer appropriations of \$1,200,000 within the Capital Outlay Fund and related Operating Transfer In from the General Fund to provide funding for Capital Project 1024825 Los Penasquitos Canyon Preserve Amphitheater to support increased costs for the construction of the classroom and the bridge. Total cost is estimated at \$1,915,000 (increase of 62.7% to total project cost) and the project is anticipated to be completed in December 2024. The additional funding will create an accessible outdoor classroom. The funding source is a General Fund Commitment for Park Expansion and Improvement established by the Board on June 20, 2017.

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**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 2024-2029 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,

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SIGNATURE

SARAH E. AGHASSI  
Interim Chief Administrative Officer

**ATTACHMENT(S)**

Schedule A

Schedule B

Notes to Schedules A and B

Appendix C

Appendix D



**COUNTY OF SAN DIEGO  
NOTES TO SCHEDULES A and B  
Fiscal Year 2023-24 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 2023-24.

*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*

A positive variance of \$1.2 million is projected for the Department of Child Support Services.

A positive expenditure variance of \$5.9 million is projected. A positive variance of \$4.7 million in Salaries & Benefits is due to vacant and modified positions, \$1.2 million in Services & Supplies primarily due to lower than anticipated expenses in various accounts supporting operations, such as information technology services.

A negative revenue variance of \$4.7 million is projected in Intergovernmental Revenues due to lower than anticipated State and federal reimbursements for the child support program.

#### *District Attorney*

A positive variance of \$1.2 million is projected for the District Attorney's Office.

A positive expenditure variance of \$1.9 million is projected in Salaries & Benefits due to attrition, vacant and modified positions.

A negative revenue variance of \$0.7 million is projected. A positive revenue variance of \$0.7 million in Intergovernmental Revenues due to unanticipated revenue from ARPA for COVID-19 Supplemental Paid Sick Leave. A negative revenue variance of \$1.4 million in Other Financing Sources is due to decrease in projected transfers from Proposition 172 resulting from lower receipts.

#### *Probation*

A positive variance of \$0.8 million is projected for the Probation Department.

A positive expenditure variance of \$5.2 million is projected. A positive variance of \$0.3 million in Services & Supplies due to lower contract services and \$4.9 million in Other Charges due to lower placement services for foster youth.

A negative revenue variance of \$4.4 million is projected. A negative variance of \$4.1 million in Intergovernmental Revenues primarily due to lower costs stated above related to foster care, and Community Corrections Subaccount, partially offset by unanticipated revenue from ARPA for COVID-19 Supplemental Paid Sick Leave and Caltrans, and over-realized Juvenile Justice Realignment Block Grant revenue. A positive variance of \$0.4 million in charges For Current Services due to the Work Furlough program. A negative variance of \$0.7 million in Other Financing Sources due to decrease in transfers from Proposition 172 resulting from lower than expected receipts.

#### *Public Defender*

A negative variance of \$1.9 million is projected in the Public Defender.

No significant expenditure variance is projected.

A negative revenue variance of \$1.9 million is projected. A negative variance of \$2.0 million in Intergovernmental Revenues due to lower reimbursements for eligible expenditures related to CARE Court, Public Defense Pilot Program and Parole Revocations offset by unanticipated state mandated reimbursements and ARPA for COVID-19 Supplemental Paid Sick Leave. A positive variance of \$0.1 million in Miscellaneous Revenues is due to reimbursements from Indigent Defense Trust Fund.

## *Sheriff*

A positive variance of \$3.4 million is projected for the Sheriff's Department.

A positive expenditure variance of \$2.2 million is projected. A positive variance of \$0.5 million in Salaries & Benefits is projected due to attrition, vacant and modified positions. The Salaries & Benefits projection takes into account the transfer of funds related to healthcare for incarcerated persons and capital and major facility projects. A positive variance of \$0.6 million is projected in Services & Supplies due to lower than anticipated costs in Public Liability associated with medical malpractice insurance coverage, in various accounts supporting operations such as food and household expense, and one-time Regional Communication System (RCS) tower/generator equipment due to project timeline changes; offset by higher than anticipated costs for temporary medical staffing, utilities and facility maintenance service contracts. A positive variance of \$1.3 million in Capital Assets Equipment is projected due to a one-time RCS transportable radio project, that will be rebudgeted in Fiscal Year 2024-25, and lower than anticipated expenditures for an IT project. 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 positive revenue variance of \$1.2 million is projected. A positive variance of \$8.1 million is projected in Intergovernmental Revenues due to higher than anticipated revenue from State Criminal Alien Assistance Program, ARPA for COVID-19 Supplemental Paid Sick Leave reimbursement of prior year expenditures, and revenue for State mandates, and of \$0.2 million in Licenses, Permits & Franchises due to higher collections from licenses fees. These positive variances are partially offset by negative variances of \$4.8 million projected in Other Financing Sources due to decrease in transfers from Proposition 172 resulting from lower than expected receipts, \$1.7 million projected in Miscellaneous Revenues due to RCS projects, \$0.3 million projected in Fines, Forfeitures & Penalties due to lower than anticipated costs for the Cal-ID program, and \$0.3 million projected in Charges For Current Services due to lower than anticipated revenue from civil service process and reimbursement for law enforcement services due to vacancies offset by the prior year under accrual in the Trial Court Security Subaccount.

## **Special Revenue Funds**

### *Sheriff's Asset Forfeiture Program*

A positive variance of \$2.4 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 \$2.4 million is projected. A \$1.5 million positive variance in Intergovernmental Revenues is due to increased asset forfeiture from US Department of Justice and US Treasury Department seizures, \$0.8 million in Fines, Forfeitures & Penalties based on increased asset forfeiture from State seizures and \$0.1 million in Revenue From Use of Money & Property related to interest on deposits.

*Sheriff's Incarcerated Peoples' Welfare Funds*

A positive variance of \$3.0 million is projected for the Incarcerated Peoples' Welfare Funds.

A positive expenditure variance of \$3.0 million is projected in Services & Supplies due to lower operational costs. The expenditure projection accounts for the transfer of anticipated receipts and available prior year fund balance from the Jail Commissary Enterprise to be used for the benefit, education, and welfare of incarcerated persons confined within detention facilities as mandated by California Penal Code Section 4025.

No revenue variance is projected.

*Proposition 172*

There is no overall variance projected for Proposition 172 (Prop 172) Special Revenue Fund.

A positive expenditure variance of \$6.9 million is projected in Operating Transfers Out due to lower amounts to be transferred to General Fund departments resulting from lower projected receipts.

A negative revenue variance of \$6.9 million is projected in Intergovernmental Revenues due to lower expected receipts in the current fiscal year (\$5.4 million) and over-accrual in the prior year (\$1.5 million).

## **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, and Office of Strategy and Innovation.

An overall positive variance of \$2.9 million is projected for Administrative Support.

There is no expenditure variance projected.

A positive revenue variance of \$2.9 million is projected in Intergovernmental Revenues primarily tied to positive variances of \$3.4 million in Federal Emergency Management Agency (FEMA) revenue for prior year costs, \$1.0 million in COVID-19 Health Disparities Funding for the Free4ME pilot program, \$0.3 million for over-realized American Rescue Plan Act (ARPA) funding to align with prior year Supplemental Paid Sick Leave (SPSL) costs, partially offset by negative variances of \$1.3 million in Realignment based on estimated receipts, \$0.3 million in Realignment to leverage use of ARPA, and \$0.2 million in under-realized Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC).

#### *Aging & Independence Services*

An overall positive variance of \$2.0 million is projected for Aging & Independence Services.

A positive expenditure variance of \$5.0 million is projected and includes positive variances of \$1.8 million in Services & Supplies and \$3.2 million in Operating Transfers Out. The \$1.8 million positive variance in Services & Supplies is primarily tied to contracted services for the California Department of Aging (CDA) Modernizing Older California Act (MOCA) rolling out over three versus two years and a variance from budget in various services and supplies tied to program operational need, partially offset by increases in contracts for CDA nutrition and family caregiver programs associated with allocation increases, and the SD-VISA program due to increase in utilization. The \$3.2 million positive variance in Operating Transfers Out is tied to reduced funding needs for the In-Home Supportive Services (IHSS) Public Authority 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 and overall operational savings.

A negative revenue variance of \$3.0 million is projected and includes a \$3.9 million negative variance in Intergovernmental Revenues, offset by positive variances of \$0.7 million in Miscellaneous Revenues due to SD-VISA program increases mentioned above, \$0.1 million in Charges for Current Services to align with increases in Estate Fees due to

higher cases in the Public Administrator/Guardian programs, and \$0.1 million in Fines, Forfeitures & Penalties based on current receipt trend. The \$3.9 million negative variance in Intergovernmental Revenues includes \$3.0 million in the IHSS Public Authority program to align with reduced expenditures, \$3.2 million in Realignment revenue based on estimated receipts, \$1.5 million in Realignment revenue due to reallocation to CFWB, \$1.0 million primarily in MOCA revenues to align with the spending rollout noted above, \$0.3 million in Realignment to leverage use of ARPA to align with prior year SPSL costs partially offset by \$4.8 million in Social Service Administrative revenues and \$0.3 million in over-realized ARPA funding as noted above.

### *Behavioral Health Services*

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

An overall negative variance of \$11.5 million is projected for BHS.

A positive expenditure variance of \$8.9 million is projected and includes a positive variance of \$3.6 million in Salaries & Benefits attributed to longer timeframes to hire staff, including newly added positions, hard to recruit classifications, and vacancies due to attrition, and a positive variance of \$5.3 million in Services & Supplies. The positive variance of \$5.3 million in Services & Supplies is driven by a net positive variance of \$17.7 million in operating costs for contracted services associated with a range of mental health programs to align with anticipated spending which adjusts for contractor staffing vacancies and projected utilization in residential bed days, offset by negative variances in one-time IT resource needs and temporary staffing costs at the SDCPH. Additionally, the positive operating variance of \$17.7 million is being offset by \$9.4 million for projected expenditures tied to Self Sufficiency Services (SSS) and Housing and Community Development Services (HCDS) to mitigate appropriation impacts, and \$3.0 million for a penalty tied to Incompetent to Stand Trial (IST) determinations. The Welfare & Institutions Code section 4336 establishes a growth cap for each county for felony Incompetent to Stand Trial determinations and includes a county penalty if a county exceeds a growth cap based on Fiscal Year 2021-22 data. The County's growth cap was exceeded in Fiscal Year 2022-23 and \$6.0 million for penalties related to the IST is to be paid to the California Department of State Hospitals (DSH) based on a formula. This penalty is for any county that exceeds its baseline IST determination count regardless of whether the county contracts with DSH for IST community-based restoration or IST diversion. Of the total \$6.0 million estimated penalty, \$3.0 million is projected in the HHSA and \$3.0 million is projected within the Public Safety Group.

A negative revenue variance of \$20.4 million is projected and includes negative variances of \$18.4 million in Intergovernmental Revenues, \$1.3 million in Charges for Current Services tied to a decrease in Intergovernmental Transfer (IGT) revenue in order to leverage ARPA funding for prior year Supplemental Paid Sick Leave (SPSL) costs and estimated use of vehicle fine revenue to support various alcohol and drug services

programs, and \$0.7 million in Miscellaneous Revenues due to the recoupment of payments in contracted services from prior year adjustments. The \$18.4 million negative variance in Intergovernmental Revenues includes \$21.0 million tied to aligning federal and State funding to anticipated billable service units and aligning grant funding with overall anticipated expenditures and \$6.8 million in Realignment based on estimated receipts offset by \$9.4 million associated with pending appropriation adjustments for SSS and HCDS noted above.

### *Child and Family Well-Being*

An overall negative variance of \$6.8 million is projected for Child and Family Well-Being (CFWB).

A positive expenditure variance of \$3.2 million is projected and includes a positive variance of \$1.9 million in Services & Supplies and a positive variance of \$1.3 million in Other Charges mainly to align with the revised projected caseloads in foster care and adoption assistance programs. The positive variance of \$1.9 million in Services & Supplies is primarily driven by a variance from budget in contracts mainly tied to transitional housing programs experiencing challenges in the rental market and in group home costs as the programs continue to transition into an eligible facility, partially offset by temporary staff costs to meet increased needs at Polinsky Children's Center which continues to face staffing challenges for caring for high acuity youth with medical needs and to meet Community Care Licensing (CCL) requirements.

A negative revenue variance of \$10.0 million is projected and includes negative variances of \$9.7 million in Intergovernmental Revenues, \$0.3 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, partially offset by a positive variance of \$0.1 million in Revenue from Use of Money and Property to align revenue collection trends for the use of the San Pasqual Academy (SPA) property. The negative variance of \$9.7 million in Intergovernmental Revenues consists of negative variances of \$7.2 million in Realignment based on estimated receipts, \$3.5 million in federal and State assistance payment revenues associated with revised caseload projections for the foster care and adoption assistance programs, \$0.5 million in social services administrative revenues to align with anticipated federal and State funding and projected expenditures mentioned above, and \$0.9 million in Realignment to leverage use of ARPA to align with prior year SPSL costs, offset by positive variances of \$1.5 million in Realignment due to reallocation from AIS and \$0.9 million tied to over-realized ARPA funding to align with prior year SPSL costs noted above.

### *Department of Homeless Solutions and Equitable Communities*

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

An overall negative variance of \$0.1 million is projected for HSEC.

A zero expenditure variance is projected and includes a negative variance of \$0.3 million in Salaries & Benefits due to additional temporary staffing for various grants and overtime costs, and a positive variance of \$0.3 million in Services & Supplies mainly due to savings in various contracts, offset by a negative variance mainly tied to the implementation of the Promotores program.

A positive revenue variance of \$0.1 million is projected in Intergovernmental Revenues, which consists of positive variances of \$0.4 million tied to the Community Health Workers Resilient grant funding additional temporary staffing and the implementation of the Promotores program, \$0.2 million for the Local Immigrant Integration Inclusion Grant, \$0.1 million in over-realized ARPA funding to align with prior year SPSL costs, offset by negative variances of \$0.5 million mainly due to lower than anticipated Medi-Cal Administrative Activities (MAA) revenues, \$0.1 million in Realignment based on estimated receipts, and \$0.1 million in Realignment to leverage use of ARPA to align with prior year SPSL 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 \$0.3 million is projected for HCDS.

A positive expenditure variance of \$0.1 million is projected and includes a positive variance of \$0.7 million in Salaries & Benefits due to attrition and vacant positions partially offset by a negative variance of \$0.6 million in Services & Supplies. The negative variance of \$0.6 million in Services & Supplies includes negative variances of \$0.3 million to reflect implementation of the Shared Housing for Older Adults pilot program to create shared living arrangements, \$0.2 million in the landlord incentive program to increase access to housing for our homeless clients in support of the County's effort to end homelessness for veterans, and \$0.1 million tied to the use of Innovative Housing Trust Fund (IHTF) projected interest earned. A negative expenditure variance of \$2.8 million would have been projected in Other Charges but is projected in Behavioral Health Services (BHS) where available appropriation capacity will be used pending a transfer of appropriation to HCDS. The \$2.8 million included negative variances of \$2.4 million in the Local Rental Subsidy Program (LRSP) due to longer than anticipated transition of clients to a more permanent housing setting and \$1.4 million in the Emergency Rental Assistance Program (ERAP) based on revised estimates of available funding and prior year adjustment for rental assistance, partially offset by a positive variance of \$1.0 million primarily tied to lower referrals for HOME Tenant Based Rental Assistance (TBRA) program mainly due to utilization of alternative Child and Family Well-Being housing programs.



A negative revenue variance of \$0.4 million is projected and includes a negative variance of \$0.5 million in Intergovernmental Revenues partially offset by a positive variance of \$0.1 million in Miscellaneous Revenues tied to IHTF projected interest earned. The negative variance of \$0.5 million in Intergovernmental Revenues includes \$0.8 million associated with federal and State revenue primarily to align with projected costs as noted above partially offset by \$0.3 million for over-realized ARPA funding to align with prior year SPSL costs.

### *Medical Care Services*

Medical Care Services has an overall positive variance of \$2.8 million.

There is no overall expenditure variance projected.

A positive revenue variance of \$2.8 million is projected and includes \$2.7 million in Intergovernmental Revenues and \$0.1 million in Miscellaneous Revenues primarily tied to revenue from the Grossmont Healthcare District for the rural health post discharge pilot. The positive variance of \$2.7 million in Intergovernmental Revenues includes positive variances of \$3.1 million for Federal Emergency Management Agency (FEMA) revenue for prior year costs, \$0.3 million in SDAIM PATH Justice Involved health initiatives, \$0.3 million in Health Disparities grant, \$0.1 million in Hansen's Disease grant, \$0.1 million for over-realized American Rescue Plan Act (ARPA) funding to align with prior year Supplemental Paid Sick Leave (SPSL) costs, offset by \$0.7 million in Realignment based on estimated receipts, \$0.3 million in MAA revenues, and \$0.1 million in Realignment to leverage use of ARPA noted above.

### *Public Health Services*

An overall positive variance of \$16.6 million is projected for Public Health Services (PHS).

A positive expenditure variance of \$4.7 million is projected and includes a positive variance in Services & Supplies primarily tied to lower than anticipated operating costs related to reduced contracting activities and limited Public Health Laboratory processing capacity, partially offset by projected spending on temporary help in response to emergent disease responses.

A positive revenue variance of \$11.9 million is projected and includes positive variances of \$11.8 million in Intergovernmental Revenues and \$0.3 million in Miscellaneous Revenues primarily based on unanticipated grant allocation to support COVID-19 surveillance, offset by a \$0.2 million negative variance in Charges for Current Services primarily due to align projected reimbursements and fees for Vital Records and STD Control Clinic. The \$11.8 million positive variance in Intergovernmental Revenues is primarily tied to positive variances of \$12.8 million mainly in FEMA for prior year expenditures associated with local health emergency response costs offset by ARPA reallocated to other various HHS departments to fund prior year SPSL costs, and \$0.7 million in over-realized ARPA funding to align with prior year SPSL costs, partially offset

by, \$1.0 million in Realignment based on estimated receipts and \$0.7 million in Realignment to leverage use of ARPA as noted above.

### *Self-Sufficiency Services*

An overall negative expenditure variance of \$6.7 million is projected for Self-Sufficiency Services (SSS).

A positive expenditure variance of \$0.4 million is projected in Other Charges tied to a positive variance of \$6.9 million in the California Work Opportunity and Responsibility to Kids (CalWORKs) cash grants to align with caseloads, partially offset by a negative variance of \$6.5 million in General Relief program based on revised estimates of caseload levels and growth trends. A negative expenditure variance of \$6.5 million would have been projected in Salaries & Benefits due to additional overtime costs to support increasing caseloads, but is projected in Behavioral Health Services (BHS) where available appropriation capacity will be used pending a transfer of appropriation to SSS.

A negative revenue variance of \$7.1 million is projected and consists of a negative variance of \$7.5 million in Intergovernmental Revenues, partially offset by a positive variance of \$0.3 million in Miscellaneous Revenue tied to prior year contractor overpayments, and a positive variance of \$0.1 million in Fines, Forfeitures & Penalties primarily to align to the Emergency Medical Services Physicians Service revenue collection trends. The negative variance of \$7.5 million in Intergovernmental Revenue consists of negative variances of \$8.5 million in CalWORKs revenue associated with revised caseload projections, \$2.1 million in Realignment to align prior year SPSL costs, and \$0.8 million in Realignment based on estimated receipts, partially offset by positive variances of \$2.1 million tied to over-realized ARPA funding primarily to align with prior year SPSL costs and \$1.8 million primarily in social services administrative revenues to align with revised allocations.

## **LAND USE AND ENVIRONMENT GROUP**

### **General Fund**

#### *Agriculture, Weights & Measures (AWM)*

No significant variance is projected for the Department of Agriculture, Weights & Measures.

A positive expenditure variance of \$1.1 million is projected. A positive variance of \$1.1 million in Salaries & Benefits due to vacancies and under-filled positions.

A negative revenue variance of \$1.1 million is projected. A negative variance of \$1.1 million in Miscellaneous Revenues mainly due to less than anticipated reimbursable expenditures related to tree trimming services and quarantine activities.

#### *Planning and Development Services (PDS)*

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

A positive expenditure variance of \$7.5 million is projected. A positive variance of \$3.6 million in Salaries & Benefits due to vacancies and under-filled positions. A positive variance of \$4.2 million in Services & Supplies primarily due to schedule changes to one-time only information technology (IT) projects, schedule changes in future acquisition of agricultural lands, and reduced consultant contract spending. There is a negative variance of \$0.3 million in Expenditure Transfer & Reimbursements due to a decrease in services rendered to other General Fund departments.

A negative revenue variance of \$7.5 million is projected. A negative variance of \$6.3 million in Charges for Current Services due to a decline in billable activities for land development project planning. A negative variance of \$1.2 million in Intergovernmental Revenues primarily due to schedule changes in future acquisition of agricultural lands.

#### *Environmental Health and Quality*

A positive variance of \$1.1 million is projected for the Department of Environmental Health and Quality.

A positive expenditure variance of \$1.9 million is projected. A positive variance of \$1.7 million in Salaries & Benefits due to vacancies and under-filled positions. A positive variance of \$0.2 million in Services & Supplies due to lower than anticipated costs in temporary contracts, IT, travel and other accounts.

A negative revenue variance of \$0.8 million is projected. A negative variance of \$0.4 million in Licenses, Permits & Franchises due to less than anticipated permit payments

received. A negative variance of \$0.4 million in Charges for Current Services due to less services requested by property owners and less solid waste fees received.

#### *Department of Public Works – General Fund*

No significant variance is projected for the Department of Public Works – General Fund.

A positive expenditure variance of \$1.3 million is projected. A positive variance of \$0.9 million in Salaries & Benefits due to vacancies. A positive variance of \$0.4 million in Services & Supplies due to reduced inter-department support from other County departments and completed one-time IT projects.

A negative revenue variance of \$1.3 million is projected. A negative variance of \$1.3 million in Charges for Current Services due to reduced labor charges for land development projects due to staff vacancies.

#### **Special Revenue Funds**

##### *San Diego County Library*

A positive variance of \$3.5 million is projected for the San Diego County Library.

A positive expenditure variance of \$1.1 million is projected. A positive variance of \$1.0 million in Salaries & Benefits due to vacancies. A positive variance of \$0.1 million in Services & Supplies due to reduced costs in utilities.

A positive revenue variance of \$2.4 million is projected. A positive revenue variance of \$1.4 million in Taxes Current Property due to assessed value growth from property taxes. A positive revenue variance of \$1.0 million in Intergovernmental Revenues due to over-realized revenues in aid from redevelopment from assessed value growth in redevelopment areas.

##### *Department of Public Works – Road Fund*

A positive variance of \$27.0 million is projected for the Department of Public Works Road Fund.

A positive expenditure variance of \$33.2 million is projected. A positive variance of \$3.3 million in Salaries & Benefits due to staff vacancies and under-filled positions. A positive variance of \$29.9 million in Services & Supplies primarily due to scheduled project changes in Capital Improvement Program (CIP) Detailed Work Plan for one-time capital projects.

A negative revenue variance of \$6.2 million is projected. A negative variance of \$8.9 million in Taxes Other Than Current Secured due to TransNet project schedule changes. A negative variance of \$0.8 million in Charges for Current Services due to reduced

support to other County departments. A positive variance of \$3.0 million in Revenue from Use of Money & Property due to increase in interest earnings. A positive variance of \$0.5 million in Intergovernmental Revenues due to unanticipated allocation of State's Gas Tax.

*Department of Public Works – Inactive Waste Site Management Fund*

No variance is projected for the Inactive Waste Site Management Fund.

No expenditure variance is projected.

No revenue variance is projected. A negative variance of \$2.1 million in Charges for Current Services primarily due to a correction to account where revenue will be incurred. A positive variance of \$2.0 million in Miscellaneous Revenues due to Environmental Trust Fund revenue correction identified above. A positive variance of \$0.1 million in Revenue from Use of Money & Property due to increase in interest earnings.

*Public Works – County Waste Management and Recycling*

A positive variance of \$1.0 million is projected for the County Waste Management and Recycling.

A positive expenditure variance of \$0.8 million is projected. A positive variance of \$0.2 million in Salaries & Benefits due to vacancies. A positive variance of \$0.6 million in Services & Supplies due to less than anticipated consultant contract costs.

A positive revenue variance of \$0.2 million is projected. A positive variance of \$0.1 million in Revenue from Use of Money & Property due to increase in interest earnings. A positive variance of \$0.2 million in Charges for Current Services due to unanticipated revenue for the ARPA edible food grant. A negative variance of \$0.1 million in Intergovernmental Revenues due to account correction for ARPA revenue.

**Special District Funds**

*Department of Public Works – Permanent Roads Divisions*

A positive variance of \$7.4 million is projected for the Permanent Road Division. A positive expenditure variance of \$7.1 million is projected in Services & Supplies due to lower than anticipated road maintenance work cost.

A positive revenue variance of \$0.3 million is projected. A positive variance of \$0.2 million in Revenue from Use of Money & Property due to anticipated increase in interest earnings. A positive variance of \$0.1 million in Taxes Current Property due to assessed value growth from special assessments.

*Department of Public Works – Flood Control District*

A positive variance of \$1.3 million is projected for the Flood Control District.

A positive expenditure variance of \$0.9 million is projected in Services & Supplies due to one-time capital and maintenance project schedule changes and less than anticipated contractor support cost.

A positive revenue variance of \$0.4 million is projected. A positive variance of \$0.2 million in Intergovernmental Revenues due to increase in flood control projects funded with Community Development Block Grant (CDBG) revenue and City of Chula Vista and National City funded projects. A positive variance of \$0.1 million in Taxes Current Property due to assessed value from property taxes. A positive variance of \$0.1 million in Revenue from Use of Money & Property due to anticipated interest earnings.

#### *San Diego County Sanitation District*

A positive variance of \$0.6 million is projected for the San Diego County Sanitation District.

A positive expenditure variance of \$0.8 million is projected in Services & Supplies due to reduction in labor costs from Wastewater Management Enterprise Fund staff vacancies. A negative revenue variance of \$0.2 million is projected in Charges for Current Services due to reduction in sewer connection revenue.

### **Internal Services Funds**

#### *Department of Public Works - Equipment Internal Service Funds (ISF)*

A positive variance of \$0.8 million is projected for the Department of Public Works Equipment Internal Service Funds.

A positive expenditure variance of \$0.4 million is projected. A positive variance of \$0.4 million in Capital Assets Equipment due to delays in vehicle purchases.

A positive revenue variance of \$0.4 million is projected. A positive revenue variance of \$0.5 million in Revenue from Use of Money & Property due to anticipated interest earnings which is offset by negative variance of \$0.1 million in Other Financing Sources due to delays in purchasing vehicles for other DPW funds.

### **Enterprise Funds**

#### *Department of Public Works – Airport Enterprise Fund*

A positive variance of \$0.5 million is projected for the Airport Enterprise Fund.

A positive expenditure variance of \$2.7 million is projected. A positive variance of \$0.2 million in Services & Supplies due to project schedule changes for one-time major

maintenance projects. A positive variance of \$2.5 million in Capital Assets/Land Acquisition due to project schedule changes for the Palomar Airport Engineered Material Arresting System (EMAS) project.

A negative revenue variance of \$2.2 million is projected. A negative variance of \$2.2 million in Intergovernmental Revenues due to project schedule change for the Palomar Airport EMAS project identified above.

*Department of Public Works – Wastewater Management Enterprise Fund*

No variance is projected for Wastewater Management Enterprise Fund.

A positive expenditure variance of \$0.6 million is projected. A positive variance of \$0.5 million in Salaries & Benefits due to staff vacancies. A positive variance of \$0.1 million in Services & Supplies due to reduced contracted services costs.

A negative revenue variance of \$0.6 million is projected. A negative variance of \$0.6 million in Charges for Current Services due to reduced billable activities for San Diego County Sanitation District support due to staff vacancies.

## **FINANCE AND GENERAL GOVERNMENT GROUP**

### **General Fund**

#### *Assessor/Recorder/County Clerk*

Assessor/Recorder/County Clerk (ARCC) is projecting no significant overall variance.

A positive expenditure variance of \$3.5 million is anticipated in Salaries & Benefits related to attrition and managed vacancies.

A negative revenue variance of \$3.5 million is projected due to:

- A net negative variance of \$4.2 million in Charges for Current Services which includes:
  - A negative variance of \$3.5 million in Recording Document and Filing Documents due to less than anticipated number of recorded documents because of higher interest rates,
  - A negative variance of \$2.5 million Micrographics and Modernization Recorder Trust Funds revenues due to delay of replacement of Integrated Recorder and Vital Records System and Archives Case Management System,
  - A negative variance of \$0.5 million Recording Fees due to fewer than anticipated vital certificates issued,
  - A positive variance of \$2.1 million AB 2890 Recovered Costs due to higher supplemental tax payments, and
  - A positive variance of \$0.2 million Marriage Ceremonies due to higher than anticipated marriage ceremonies performed.
- A positive variance of \$0.7 million in Intergovernmental Revenues from American Rescue Plan Act (ARPA) funding associated with reimbursement for the Supplemental Paid Sick Leave program.

#### *Board of Supervisors*

An overall positive variance of \$1.9 million is projected for the Board of Supervisors offices.

A positive expenditure variance of \$1.9 million includes \$1.2 million in Salaries & Benefits due to unanticipated staff vacancies and turnover and \$0.7 million in Services & Supplies due to lower than anticipated one-time expenses, including office expenses related to the staff vacancies mentioned above.

No significant revenue variance is projected.

#### *Chief Administrative Office*

An overall positive variance of \$0.7 million is projected for the Chief Administrative Office.



A positive expenditure variance of \$0.7 million is projected in Salaries & Benefits, primarily due to vacancies in newly established positions in the Office of Evaluation, Performance & Analytics and the Office of Ethics & Compliance.

No significant revenue variance is projected.

#### *County Communications Office*

No significant overall variance is projected for the County Communications Office.

A positive expenditure variance of \$0.9 million is projected, primarily in Services & Supplies largely due to lower than anticipated one-time costs for Major Maintenance projects funded by Public, Educational and Governmental (PEG) funds.

A negative revenue variance of \$0.9 million is anticipated due to PEG expenditures not being realized, as described above.

#### *Human Resources*

An overall variance of \$0.1 million is projected for the Department of Human Resources.

A positive expenditure variance of \$1.1 million is primarily in Services & Supplies largely due to lower than anticipated costs for workers compensation and unemployment insurance services (\$1.3 million), offset by \$0.2 million in Expenditure Transfer & Reimbursements due to reclassification of cost applied for staff time supporting the Purchasing ISF.

A negative revenue variance of \$1.0 million is primarily in Miscellaneous Revenues due to less than anticipated administration costs charged to the Employee Benefit ISF (\$1.3 million), offset by \$0.2 million in Charges for Current Services due to reclassification of revenue for staff time supporting the Purchasing ISF and \$0.1 million in Intergovernmental Revenues for ARPA reimbursement of Supplemental Paid Sick Leave.

#### *County Counsel*

An overall positive variance of \$1.8 million is projected for the Office of County Counsel.

A positive expenditure variance of \$1.6 million includes \$2.4 million in Salaries & Benefits due to staff attrition and departmental vacancies and \$0.6 million in Services & Supplies due to delays in office construction projects, offset by \$1.4 million in Expenditure Transfer & Reimbursements due to less than anticipated staff cost reimbursements in the health services area.

A positive revenue variance of \$0.2 million includes \$0.1 million in Intergovernmental Revenue due to ARPA reimbursement for Supplemental Paid Sick Leave and \$0.1 million

in Charges for Current Services primarily due to an anticipated increase in legal services relating to road liability matters.

### ***Internal Service Funds (ISF)***

#### ***Facilities Management ISF***

An overall positive variance of \$1.8 million is projected for the Facilities Management ISF.

A positive expenditure variance of \$1.2 million includes \$0.9 million in Salaries & Benefits due to attrition of staff and departmental vacancies and \$0.3 million in Other Charges due to lower than anticipated depreciation charges.

A positive revenue variance of \$0.6 million is projected in Intergovernmental Revenues due to higher than anticipated reimbursement related to ARPA reimbursements for Supplemental Paid Sick Leave and payments related to facilities occupied by State courts.

#### ***Fleet Management ISF***

An overall positive variance of \$1.8 million is projected for the Fleet Management ISF.

A positive expenditure variance of \$2.5 million is projected which includes \$0.5 million in Salaries & Benefits due to attrition of staff and departmental vacancies, and \$2.0 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 \$0.7 million is projected which includes \$1.6 million in Charges for Current Services due to lower than anticipated reimbursement related to the expenditure variance mentioned above, offset by \$0.5 million in Other Financing Sources due to greater than anticipated vehicle auction proceeds, \$0.3 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.

#### ***Public Liability ISF***

No overall variance is projected for the Public Liability ISF.

A positive expenditure variance of \$1.4 million is projected in Services & Supplies due to foregoing medical malpractice excess insurance.

A negative revenue variance of \$1.4 million is projected in Charges for Current Services due to the non-collection of department rates for the medical malpractice excess insurance.

### *Purchasing & Contracting ISF*

An overall positive variance of \$2.7 million is projected for the Purchasing & Contracting ISF.

A positive expenditure variance of \$0.7 million includes \$0.6 million in Salaries & Benefits attributed to attrition and \$0.1 million in Other Charges attributed to lower than anticipated software depreciation expenses due to a delay in the sourcing application implementation.

A positive revenue variance of \$1.9 million is attributed to positive variances of \$1.9 million in Charges for Current Services due to higher than anticipated countywide procurement spend and \$0.1 million in Revenue From Use of Money & Property due to higher than anticipated interest earnings, offset by a negative \$0.1 million variance in Miscellaneous Revenues due to decrease of proceeds from usage rebates.

## **GENERAL PURPOSE REVENUE & COUNTYWIDE EXPENSES**

A positive variance of \$72.3 million is projected in General Purpose Revenue (GPR) primarily from Sales & Use Taxes due to the continued growth activities in the Unincorporated Area (\$15.8 million), higher interest revenues due to the rise in market rates (\$24.0 million), higher pass-through distributions and residual balance estimates from Redevelopment Successor Agencies (\$10.2 million), current unsecured property tax revenues (\$9.7 million), penalties & cost delinquent taxes (\$5.6 million) and other various GPR revenues (\$7.0 million). A positive variance of \$3.5 million is projected in General County Expenses.

### **General Purpose Revenue**

The County's General Purpose Revenue is directly influenced by the state of the economy. Employment showed an overall positive gain from December 2022 to December 2023, with majority of the increase in Leisure and Hospitality by 10,100, and Private Education and Health Services by 10,500, but decreased in Professional and Business Services by 10,100. Median home prices in San Diego for Single Family Homes were higher by 10.1% and for Existing Attached Homes by 10.0% based on October-November 2023 compared to the same time period last year.

The County's GPR related to property tax revenues improved, supported by the increase in assessed values. For Fiscal Year 2023-24, 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 preliminary rate of 4.3% in December 2023, up from 3.0% in December 2022. In comparison, this is below the state's unemployment rate of 5.1% in December 2023 and 3.9% in December 2022.
- Consumer spending, as measured by taxable sales, will increase mainly due to increase in consumer online spending. During the 2nd Quarter of 2023-24, unadjusted local point of sale tax revenue increased by 23.86% in the unincorporated area, but decreased by 0.41% in the San Diego regional level, 1.99% in the Southern California Region and 1.90% in the statewide level, 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 10.1%) and for Existing Attached Homes (up 10.0%) for October-November 2023 compared to the same time period last year.
  - Notices of Default higher by 7% in January-December 2023 compared to the same period in 2022.
  - Foreclosure activity lower by 10% in January-December 2023 compared to the same period in 2022.

### *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 \$10.9 million.

- *Property Taxes Current Secured*

No projected variance in Current Secured Property Taxes from the Amended budget. Per Administrative Code Section 113.5(b), \$19.6 million of projected one-time over realized revenue generated by greater than anticipated assessed value growth was 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 5.00%, but the actual assessed value (AV) increased by 6.86% (gross less regular exemptions). (Note: The 6.86% increase represents the change in the assessed value for only the secured roll. This is lower than the countywide overall increase published by the Assessor/Recorder/County Clerk on August 2, 2023, of 7.12%, which includes all assessed value components, secured and unsecured.)

- *Property Taxes - Current Unsecured*

Current Unsecured Property Taxes are projected to be \$9.7 million higher than budget due to projected higher revenue based on prior year receipts. 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 \$2.0 million higher than budget due to the increase in supplemental billings in Fiscal Year 2023-24 compared to prior year. However, \$0.8 million will be appropriated to partially fund unanticipated costs to complete the implementation of the Integrated Property Tax System (IPTS), which result in adjusted projection of \$1.2 million higher than budget.

### *Taxes Other Than Current Secured*

Taxes Other Than Current Secured are anticipated to be \$20.0 million above budget.

- *Property Tax Prior Secured*

Property Tax Prior Secured are projected to be \$0.4 million higher than budget based on year-to-date current year actuals going higher than expected.

- *Property Tax Prior Secured Supplemental*

Property Tax Prior Secured Supplemental are projected to be \$10.2 million higher than budget due to the increase in supplemental billings in Fiscal Year 2023-24 compared to prior year. However, \$10.4 million will be appropriated for Incompetent to Stand Trial penalty payment due to the Department of State Hospital (\$3.0 million), for unanticipated increases in operational costs primarily in court ordered forensic evaluations and leased facilities (\$1.4 million) and to support the ambulance services program in San Diego County Fire Protection District (\$6.0 million), which result in adjusted projection of \$0.2 million lower than budget.

- *Property Tax Prior Unsecured*

Property Tax Prior Unsecured are projected to be \$0.3 million higher than budget due to higher than expected current year actuals.

- *Property Tax Prior Year Unsecured Supplemental*

Property Tax Prior Year Unsecured Supplemental are projected to be \$1.9 million higher than budget based on year-to-date current year actuals going higher than expected.

- *Sales & Use Taxes*

Sales & Use Taxes are projected to be \$15.8 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.

- *Other Tax Aircraft*

Other Tax Aircraft is projected to be \$3.0 million higher than budget based on year-to-date current year actuals going higher than expected.

- *Transient Occupancy Tax*

Transient Occupancy Tax is projected to be \$1.1 million higher than budget. This is based on prior year receipts and continued growth in the hotel industry and tourism as a whole.

- *Documentary Transfer Taxes*

Documentary Transfer Taxes are projected to be \$3.5 million lower than budget due to projected home sales going down and home prices remaining high.

- *Teeter Tax Reserve Excess*

Teeter Tax Reserve Excess is projected to be \$3.5 million lower 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.

- *Teeter Property Tax Prior Year and Cumulative Prior Years*

Teeter Property Tax Prior Year and Cumulative Prior Years are projected to be \$4.6 million higher than budget. The increase is based on a higher collection of receivables from prior fiscal year.

- *Cannabis Tax*

Cannabis Tax are projected to be \$0.1 million based on year-to-date current year actuals.

- *Property Tax in Lieu of Vehicle License Fees*

No projected variance in Property Tax in Lieu of Vehicle License Fees (VLF) from the Amended budget. Per Administrative Code Section 113.5(b), \$11.5 million of projected one-time over realized revenue generated by greater than anticipated assessed value growth was used to reduce the pension fund's Unfunded Actuarial Accrued Liability.

### *Licenses, Permits, and Franchises*

Licenses, Permits and Franchises are projected to be \$0.8 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 \$24.0 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 due to the recent rise in market rates.

### *Fines, Forfeitures and Penalties*

Fines, Forfeitures and Penalties are projected to be \$5.6 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 \$10.8 million higher than budget due to pass-through distributions (\$4.0 million), residual balance estimates (\$6.2 million) in Aid from Redevelopment Successor Agencies and unanticipated State Motor Vehicle revenue (\$1.0 million), offset by \$0.4 million in lower than budget in State Aid Homeowners Property Tax Relief. 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 \$0.3 million higher than budget due to higher-than-expected revenues received in A-87 Cost Allocation Plan.

### *Miscellaneous Revenue*

Miscellaneous Revenue is projected to be \$1.5 million higher than budget due to the anticipated closure of Flex Forfeitures Trust Funds.

## **General County Expenses**

### *Countywide General Expense*

A positive variance of \$3.5 million is projected in Countywide General Expense.

A positive expenditure variance of \$2.2 million is projected. A positive variance of \$2.0 million is projected in Services & Supplies as additional funding is no longer anticipated to be needed in the current fiscal year to support the Immigrant Rights Legal Defense Program in the Department of the Public Defender since the department has the capacity to operate this program using existing appropriations. The Fiscal Year 2023-25 Adopted Operational Plan set aside \$2.0 million in Finance Other on a one-time basis should additional funding be needed to support the Immigration Rights Legal Defense Program. A positive variance of \$0.2 million is projected in Operating Transfers Out due to prior year remaining funding for site security at the Family Superior Court demolition that are no longer needed.

A positive revenue variance of \$1.3 million is projected primarily in Miscellaneous Revenues due to reimbursement from the Small Business Loan Program and various departmental escheatment.

## **Capital Program Funds**

### *Edgemoor Development Fund*

A negative variance of \$0.1 million is projected for the Edgemoor Development Fund.



There is no significant expenditure variance projected.

A negative revenue variance of \$0.1 million is projected. A negative variance of \$0.1 million is due to Federal Other revenue related to the medical assistance program that is coming in lower than anticipated. There is sufficient available fund balance in the Edgemoor Development Fund (EDF) to mitigate the projected negative revenue variance.

(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.)

**FY 2023-2024 2nd Quarter  
Projected Year-End Results**  
(in thousands)

**COUNTY SUMMARY**

	Expenditure Variance	Revenue Variance	2nd Quarter FY23-24 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)			
<b>General Fund</b>				
Public Safety	\$ 15,951	\$ (10,891)	\$ 5,060	0.2%
Health & Human Services Agency	22,212	(23,386)	(1,174)	0.0%
Land Use & Environment	11,862	(10,720)	1,142	0.3%
Finance & General Government	10,258	(5,178)	5,079	1.2%
Total Agency/Group	60,282	(50,175)	10,108	0.1%
General Purpose Revenue	0	72,279	72,279	3.9%
Finance Other	2,258	1,330	3,588	0.4%
<b>Total General Fund</b>	<b>\$ 62,540</b>	<b>\$ 23,434</b>	<b>\$ 85,975</b>	<b>1.1%</b>
<b>Non-General Funds:</b>				
<b>Special Revenue Funds</b>				
Public Safety	\$ 9,810	\$ (4,383)	\$ 5,427	1.0%
Health & Human Services Agency	0	0	0	0.0%
Land Use & Environment	35,138	(3,625)	31,513	6.6%
<b>Total Special Revenue Funds</b>	<b>\$ 44,948</b>	<b>\$ (8,008)</b>	<b>\$ 36,940</b>	<b>3.6%</b>
<b>Capital Program</b>				
Finance Other	\$ 55	\$ (151)	\$ (96)	0.0%
<b>Internal Service Funds Departments</b>				
Land Use & Environment	\$ 405	\$ 389	\$ 794	4.2%
Finance & General Government	4,397	1,861	6,258	1.0%
Finance Other	1,378	(1,378)	0	0.0%
<b>Total Internal Service Funds</b>	<b>\$ 6,180</b>	<b>\$ 872</b>	<b>\$ 7,052</b>	<b>0.9%</b>
<b>Enterprise Fund Departments</b>				
Public Safety Group	\$ 0	\$ 0	\$ 0	0.0%
Land Use & Environment	3,314	(2,821)	494	0.8%
<b>Total Enterprise Funds</b>	<b>\$ 3,314</b>	<b>\$ (2,821)</b>	<b>\$ 494</b>	<b>0.7%</b>
<b>Special District Funds Departments</b>				
Public Safety Group	\$ 33	\$ 33	\$ 66	0.2%
Land Use & Environment	9,443	897	10,340	7.9%
<b>Total Special District Funds</b>	<b>\$ 9,476</b>	<b>\$ 930</b>	<b>\$ 10,406</b>	<b>6.4%</b>
<b>Other County Funds Departments</b>				
HHSA - Red./Redev. Successor Agency	\$ 0	\$ 0	\$ 0	0.0%
HHSA - Housing & Community Development	0	0	0	0.0%
<b>Total Other County Funds</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0.0%</b>
Debt Service - Pension Obligation Bonds	\$ 0	\$ 0	\$ 0	0.0%
<b>Total Non-General Fund</b>	<b>\$ 63,973</b>	<b>\$ (9,177)</b>	<b>\$ 54,796</b>	<b>1.8%</b>
<b>Total County Year-End Operating Balance</b>	<b>\$ 126,513</b>	<b>\$ 14,257</b>	<b>\$ 140,771</b>	<b>1.3%</b>

**FY 2023-2024 2nd Quarter  
Projected Year-End Results**

(in thousands)

**PUBLIC SAFETY GROUP**

	Expenditure Variance	Revenue Variance	2nd Quarter FY23-24 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)			
<b>General Fund Departments</b>				
Animal Services	\$ 2	\$ 71	\$ 73	0.7%
Child Support	5,925	(4,738)	1,187	2.0%
District Attorney	1,960	(719)	1,241	0.4%
Emergency Services	125	(116)	9	0.1%
Medical Examiner	20	51	71	0.4%
Probation	5,242	(4,403)	839	0.3%
Public Defender	36	(1,942)	(1,906)	-1.4%
Public Safety Executive Office	421	(299)	122	0.1%
San Diego County Fire	27	14	40	0.0%
Sheriff	2,194	1,190	3,384	0.2%
<b>Total General Fund</b>	<b>\$ 15,951</b>	<b>\$ (10,891)</b>	<b>\$ 5,060</b>	<b>-0.2%</b>
<b>Special Revenue Funds Departments</b>				
District Attorney (Asset Forfeiture - State & Federal)	\$ 0	\$ 0	\$ 0	0.0%
Probation - Asset Forfeiture	-	4	4	3.8%
Probation - Incarcerated Peoples' Welfare Program	-	-	0	0.0%
Sheriff - Asset Forfeiture	-	2,363	2,363	90.3%
Sheriff - Incarcerated Peoples' Welfare Program	2,954	-	2,954	29.9%
Criminal Justice Facility	0	-	0	0.0%
Courthouse	-	-	0	0.0%
Penalty Assessment	-	106	106	3.4%
Public Safety - Proposition 172	6,856	(6,856)	0	0.0%
<b>Total Special Revenue Funds</b>	<b>\$ 9,810</b>	<b>\$ (4,383)</b>	<b>\$ 5,427</b>	<b>1.0%</b>
<b>Enterprise Funds</b>				
Jail Commissary Enterprise Fund	\$ 0	\$ 0	\$ 0	0.0%
<b>Total Enterprise Funds</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0.0%</b>
<b>Special District Funds</b>				
Sheriff (Regional 800 MHz)	\$ 0	\$ 2	\$ 2	0.6%
County Service Areas	21	-	21	0.1%
Community Facilities Districts	12	(3)	9	0.2%
County Service Areas 17 & 69	-	35	35	0.4%
<b>Total Special District Funds</b>	<b>\$ 33</b>	<b>\$ 33</b>	<b>\$ 66</b>	<b>0.2%</b>
<b>Total Public Safety Group</b>	<b>\$ 25,793</b>	<b>\$ (15,240)</b>	<b>\$ 10,553</b>	<b>0.0%</b>

**FY 2023-2024 2nd Quarter  
Projected Year-End Results**  
(in thousands)

**HEALTH & HUMAN SERVICES AGENCY**

	Expenditure Variance		Revenue Variance		2nd Quarter FY23-24 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)					
<b>General Fund Programs</b>						
Administrative Support	\$	0	\$	2,941	\$ 2,941	1.6%
Aging & Independence Services		4,928		(2,958)	1,970	0.7%
Behavioral Health Services		8,893		(20,420)	(11,527)	-1.1%
Child Welfare Services		3,238		(10,082)	(6,844)	-1.4%
Public Health Services		4,672		11,922	16,594	5.4%
Self-Sufficiency Services		406		(7,143)	(6,738)	-0.8%
Medical Care Services		0		2,772	2,772	5.4%
Housing & Community Development Services		77		(357)	(280)	-0.1%
Homeless Solutions and Equitable Communities		(0)		(60)	(60)	0.0%
<b>Total General Fund</b>	\$	<b>22,212</b>	\$	<b>(23,386)</b>	\$ <b>(1,174)</b>	<b>0.0%</b>
<b>Special Revenue Funds</b>						
Tobacco Securitization Fund	\$	0	\$	0	\$ 0	0.0%
<b>Total Special Revenue Funds</b>	\$	<b>0</b>	\$	<b>0</b>	\$ <b>0</b>	<b>0.0%</b>
<b>Other County Funds Departments</b>						
Housing & Community Development	\$	0	\$	0	\$ 0	0.0%
Red. Agency/Redevelopment Successor Agency		0		0	0	0.0%
<b>Total Other County Funds Departments</b>	\$	<b>0</b>	\$	<b>0</b>	\$ <b>0</b>	<b>0.0%</b>
<b>Total Health &amp; Human Services Agency</b>	\$	<b>22,212</b>	\$	<b>(23,386)</b>	\$ <b>(1,174)</b>	<b>0.0%</b>

**FY 2023-2024 2nd Quarter**  
**Projected Year-End Results**  
(in thousands)

**LAND USE & ENVIRONMENT GROUP**

	Expenditure Variance	Revenue Variance	2nd Quarter FY23-24 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)			
<b>General Fund Departments</b>				
Agriculture, Weights & Measures	\$ 1,119	\$ (1,116)	\$ 4	0.0%
Department of Environmental Health and Quality	1,871	(776)	1,095	1.7%
Land Use & Environment Group Exec Office	-	-	-	0.0%
Parks & Recreation	-	-	0	0.0%
Planning & Development Services	7,560	(7,537)	23	0.0%
Public Works	1,311	(1,291)	19	0.0%
<b>Total General Fund</b>	<b>\$ 11,862</b>	<b>\$ (10,720)</b>	<b>\$ 1,142</b>	<b>0.3%</b>
<b>Special Revenue Funds/Departments</b>				
A,W & M (Grazing and Fish & Game Commission)	\$ 0	\$ 0	\$ 0	0.0%
Parks & Recreation - PLDO	-	4	4	0.0%
DPW - Aviation Funds	-	-	0	0.0%
DPW - Road Fund	33,162	(6,164)	26,998	7.3%
DPW - Survey Monument Preservation	-	-	0	0.0%
DPW - Inactive Waste	-	-	0	0.0%
DPW - Waste Planning and Recycling	872	167	1,039	15.4%
Library Services	1,104	2,368	3,472	4.7%
<b>Total Special Revenue Funds</b>	<b>\$ 35,138</b>	<b>\$ (3,625)</b>	<b>\$ 31,513</b>	<b>6.6%</b>
<b>Internal Service Funds</b>				
Public Works - DPW Equip. ISF Prg. (35525-35700)	\$ 405	\$ 389	\$ 794	4.2%
<b>Total Internal Service Funds</b>	<b>\$ 405</b>	<b>\$ 389</b>	<b>\$ 794</b>	<b>4.2%</b>
<b>Enterprise Funds</b>				
Airport Enterprise Fund	\$ 2,699	\$ (2,205)	\$ 494	1.0%
Wastewater Management Enterprise Fund	616	(616)	0	0.0%
<b>Total Enterprise Funds:</b>	<b>\$ 3,314</b>	<b>\$ (2,821)</b>	<b>\$ 494</b>	<b>0.8%</b>
<b>Special District Funds/Departments</b>				
Parks and Recreation	\$ 0	\$ 24	\$ 24	0.4%
Parks - Community Facilities Districts	(0)	20	20	0.9%
DPW - SD County Sanitation District	780	(230)	550	0.7%
DPW - Campo WSMD-Zone A (Rancho Del Campo Water)	-	36	36	1.9%
DPW - CWSMD-Zone B (Campo Hills Water)	-	-	0	0.0%
DPW - Live Oak Springs Water	-	92	92	1.9%
DPW - CSAs	102	30	132	25.6%
DPW - PRDs	7,089	269	7,358	70.2%
DPW - Community Facilities Districts	393	(15)	378	9.7%
DPW - Flood Control	900	357	1,258	7.3%
DPW - Street Lighting District	179	314	493	18.4%
<b>Total Special Districts Funds:</b>	<b>\$ 9,443</b>	<b>\$ 897</b>	<b>\$ 10,340</b>	<b>7.9%</b>
<b>Total Land Use &amp; Environment Group</b>	<b>\$ 60,162</b>	<b>\$ (15,880)</b>	<b>\$ 44,282</b>	<b>4.2%</b>

**FY 2023-2024 2nd Quarter  
Projected Year-End Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT  
GROUP**

Expenditure Variance	Revenue Variance	2nd Quarter FY23-24 Projected Fund Balance	% of Proj FB to Budget
Favorable/(Unfavorable)			

**General Fund Departments**

Law Enforcement Review Board	140	-	\$ 140	7.1%
Assessor/Recorder/County Clerk	3,529	(3,529)	0	0.0%
Auditor & Controller	149	-	149	0.3%
Board of Supervisors	1,883	22	1,905	10.6%
Chief Administrative Office	695	-	695	4.7%
Civil Service Commission	5	-	5	0.8%
Clerk of the Board of Supervisors	29	31	60	1.1%
County Communications Office	921	(876)	45	0.7%
County Counsel	1,555	223	1,778	4.0%
County Technology Office	-	-	0	0.0%
Finance & GG Exec Office	9	(9)	0	0.0%
Evaluation, Performance and Analytics	0	0	0	0.0%
General Services	(0)	-	(0)	0.0%
Grand Jury	4	-	4	0.5%
Human Resources	1,150	(1,040)	110	0.3%
Purchasing & Contracting	0	0	0	0.0%
Registrar of Voters	0	0	0	0.0%
Treasurer-Tax Collector	189	0	189	0.7%
<b>Total General Fund</b>	<b>\$ 10,258</b>	<b>\$ (5,178)</b>	<b>\$ 5,079</b>	<b>1.2%</b>

**Internal Service Funds Departments**

CTO - Information Technology	\$ 0	\$ 0	\$ 0	0.0%
Facilities Management	1,186	594	1,780	1.0%
Major Maintenance ISF	0	0	0	0.0%
Fleet Management	2,480	-664	1,816	2.0%
Purchasing & Contracting	731	1,931	2,662	12.9%
<b>Total Internal Service Funds</b>	<b>\$ 4,397</b>	<b>\$ 1,861</b>	<b>\$ 6,258</b>	<b>1.0%</b>

**Total Finance & General  
Government Group**

<b>Total Finance &amp; General Government Group</b>	<b>\$ 14,655</b>	<b>\$ (3,317)</b>	<b>\$ 11,338</b>	<b>1.1%</b>
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**FY 2023-2024 2nd Quarter  
Projected Year-End Results**

(in thousands)

**GENERAL PURPOSE REVENUE &  
FINANCE OTHER**

	Expenditure Variance		Revenue Variance		2nd Quarter FY23-24 Projected Fund Balance	% of Proj FB to Budget	
	Favorable/(Unfavorable)						
<b>General Fund</b>							
General Purpose Revenue:							
All Current Property Taxes	\$	0	\$	10,913	\$	10,913	1.2%
All Other Taxes-Local		0		20,066		20,066	3.0%
Licenses, Permits & Franchises		0		(817)		(817)	-17.4%
Fines, Forfeitures & Penalties		0		5,597		5,597	24.6%
Revenue for Use of Money & Property		0		23,976		23,976	52.1%
Intergovernmental Revenue		0		10,764		10,764	6.1%
Charges for Current Services		0		281		281	13.4%
Miscellaneous Revenue		0		1,500		1,500	300.0%
<b>Total General Purpose Revenue</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>72,279</b>	<b>\$</b>	<b>72,279</b>	<b>3.9%</b>
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		51		0		51	0.2%
Local Agency Formation Comm Admin		0		0		0	0.0%
Neighborhood Reinvestment Program		0		0		0	0.0%
Countywide Expenses		2,207		1,330		3,537	0.9%
Total Finance Other Expenses		2,258		1,330		3,588	0.4%
<b>Total General Fund</b>	<b>\$</b>	<b>2,258</b>	<b>\$</b>	<b>73,609</b>	<b>\$</b>	<b>75,867</b>	<b>8.9%</b>
<b>Capital Program Funds</b>							
Capital Program	\$	55	\$	(151)	\$	(96)	0.0%
<b>Total Capital Program Funds</b>	<b>\$</b>	<b>55</b>	<b>\$</b>	<b>(151)</b>	<b>\$</b>	<b>(96)</b>	<b>0.0%</b>
<b>Internal Service Funds Departments</b>							
Workers Compensation	\$	0	\$	0	\$	0	0.0%
Unemployment Insurance		0		0		0	0.0%
Public Liability		1,378		(1,378)		0	0.0%
<b>Total ISF Funds</b>	<b>\$</b>	<b>1,378</b>	<b>\$</b>	<b>(1,378)</b>	<b>\$</b>	<b>0</b>	<b>0.0%</b>
<b>Debt Service Funds Departments</b>							
Pension Obligation Bonds	\$	0	\$	0	\$	0	0.0%
<b>Total Debt Service Funds</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>	<b>0.0%</b>
<b>Total General Purpose Revenue &amp; Finance Other</b>	<b>\$</b>	<b>3,691</b>	<b>\$</b>	<b>72,080</b>	<b>\$</b>	<b>75,771</b>	<b>3.8%</b>

**FY 2023-2024 2nd Quarter  
Projected Year-End Results**  
(in thousands)

Schedule B

Category	Projected Management Reserves	Projected Operating Balances	2nd Quarter FY23-24 Projected Fund Balance
	Favorable/(Unfavorable)		
<b>General Fund</b>			
Public Safety	\$ 0	\$ 5,060	\$ 5,060
Health and Human Services Agency	0	\$ (1,174)	\$ (1,174)
Land Use and Environment	0	\$ 1,142	\$ 1,142
Finance & General Government		\$ 5,079	\$ 5,079
<b>Agency/Group Totals</b>	<b>\$ 0</b>	<b>\$ 10,108</b>	<b>\$ 10,108</b>
General Purpose Revenue	\$ 0	\$ 72,279	\$ 72,279
General County Expenses	0	\$ 3,588	\$ 3,588
<b>Total General Purpose Revenue &amp; General County Expense</b>	<b>\$ 0</b>	<b>\$ 75,867</b>	<b>\$ 75,867</b>
<b>Total General Fund</b>	<b>\$ 0</b>	<b>\$ 85,975</b>	<b>\$ 85,975</b>



**Appendix C: Major Maintenance Capital Outlay Fund (MMCOF) Adjustments for Fiscal Year 2023-2024 (2nd QUARTER)**

GROUP	DEPT.	PROJECT NUMBER	PROJECT NAME	FUNDING SOURCE			NOTES	DEPARTMENTS	DEPARTMENTS	MMCOF	RATIFICATION	Description
				FUND	ORG	ACCOUNT		(Acct - 52XXX Opt Transfer Out)	(Acct - 52XXX Services & Supplies)	(Acct - 54202 Fixed Asset)		
							1 thru 11	Inc (Dec)	Inc (Dec)	Inc (Dec)	Yes/No	
<b>Increase (Decrease) of Appropriation</b>												
FGG	DGS	1026222	MMCOF7988 DPW Wastewater Sites Lighting and HVAC Efficiency Replacements	37600	88050	52737	2	250,000	(250,000)	250,000	No	New Walk-in Project (DGS Energy)
FGG	DGS	1026763	MMCOF7989 El Cajon FRC EV Charging Stations	26005	7928D	54202	2	N/A	N/A	200,000	No	New Walk-in Project (DGS Energy); Transferred from CP 1026065
FGG	DGS	1026764	MMCOF7990 Edgemoor Skilled Nursing Facility EV Charging Stations	26005	7980D	54202	2	N/A	N/A	200,000	No	New Walk-in Project (DGS Energy); Transferred from CP 1026248
HHS	HHS	1026221	MMCOF7987 Polinsky Repairs Phase 2	37600	88050	52370	3	170,000	(170,000)	170,000	No	Spending plan amendment (DGS Energy)
LUG	LIB	1025447	MMCOF7876 Rancho Santa Fe Staff Workroom Installation	12200	57330	52737	3	57,341	(57,341)	57,341	No	Spending plan amendment
PSG	SHF	1024623	MMCOF7825 VDF Recreation Yard Conversion	26005	7897D	54202	3	N/A	N/A	411,939	No	Spending plan amendment; Transferred from CP 1025533
PSG	OES	1025458	MMCOF7887 Jamul Fire Station 36 Parking Repavement, Exterior Gym, Security Fencing	26005	7888D	54202	3	N/A	N/A	34,246	No	Spending plan amendment; Transferred from CP 1025459
FGG	DGS	1026246	MMCOF7979 San Marcos Offices Electric Vehicle Charging Stations	26005	7929D	54202	3	N/A	N/A	80,000	No	Spending plan amendment (DGS Energy); Transferred from CP 1026066
FGG	DGS	1026245	MMCOF7978 EMDF Electric Vehicle Charging Stations	26005	7857D	54202	3	N/A	N/A	550,000	No	Spending plan amendment (DGS Energy); Transferred from CP 1025429
FGG	DGS	1026065	MMCOF7928 Ramona Road Station EV Project	26005	7928D	54202	4	N/A	N/A	(200,000)	No	Spending plan amendment (DGS Energy); Transferred to CP 1026763
FGG	DGS	1026248	MMCOF7980 South Lot Line COC Electric Vehicle Charging Stations	26005	7980D	54202	4	N/A	N/A	(200,000)	No	Spending plan amendment (DGS Energy); Transferred to CP 1026764
FGG	DGS	1026066	MMCOF7929 San Marcos Road Station EV Project	26005	7929D	54202	4	N/A	N/A	(80,000)	No	Spending plan amendment (DGS Energy); Transferred to CP 1026246
FGG	DGS	1025429	MMCOF7857 COC EV Charging Stations Phase 2	26005	7857D	54202	4	N/A	N/A	(550,000)	No	Spending plan amendment (DGS Energy); Transferred to CP 1026245
<b>Subtotal Other Funds</b>								<b>477,341</b>	<b>(477,341)</b>	<b>923,526</b>		
PSG	OES	1022032	MMCOF7668 Sunshine Summit Fire Station Structural Improvements	10100	30231	52737	5	(1,497)	1,497	(1,497)	No	Project is complete and can be closed
PSG	OES	1025455	MMCOF7884 Boulevard Fire Station 47 Fencing Project	10100	30231	52737	5	(13,836)	13,836	(13,836)	No	Project is complete and can be closed
LUG	LIB	1024590	MMCOF7809 Cardiff Library Exterior Doors and Card Readers	12200	57330	52737	5	(7,203)	7,203	(7,203)	No	Project is complete and can be closed
FGG	DGS	1025247	MMCOF7854 Parking Equipment Upgrade at CAC and Cedar-Kettner Garages	37600	88050	52370	5	(59,847)	59,847	(59,847)	No	Project is complete and can be closed
Shared	Shared	1023645	MMCOF7757 NCRC South Building Rigging Equipment	10100	31575	52737	5	(110,993)	110,993	(110,993)	No	Project is complete and can be closed
PSG	SHF	1025533	MMCOF7897 NCRC Vista Detention Facility Site Improvements	26005	7897D	54202	5	N/A	N/A	(411,939)	No	Project is complete and can be closed; Transferred to CP 1024623
PSG	OES	1025459	MMCOF7888 Shelter Valley Fire Station 53 Heaters, Air Conditioners, Hose Drying Racks, Retaining Wall	10100	30231	52737	9	(121,502)	121,502	(155,748)	No	Project has been cancelled; Transferred to CP 1025458 (\$34,246)
<b>Subtotal Completed/Cancelled Projects</b>								<b>(314,878)</b>	<b>314,878</b>	<b>(761,063)</b>		
<b>Total Increase (Decrease) of Appropriation</b>								<b>162,463</b>	<b>(162,463)</b>	<b>162,463</b>		
<b>Board Letter Recommendation</b>								<b>REC # 20</b>		<b>REC # 20</b>		

**NOTES:**

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1 MMCOF Project identified as MMISF (maintenance/not capital)</li> <li>2 MMISF Project identified as MMCOF</li> <li>3 MMCOF Spending plan increased</li> <li>4 MMCOF Spending plan decreased</li> <li>5 MMCOF Project complete and remaining funds are transferred to Dept. Services &amp; Supplies</li> <li>6 MMCOF Project complete and remaining funds are transferred to an existing MMCOF project</li> </ol> | <ol style="list-style-type: none"> <li>7 MMCOF Project complete and remaining funds are transferred to a new MMCOF walk-in project</li> <li>8 MMCOF Project cancelled and funding source returned to Services &amp; Supplies for department's operation</li> <li>9 MMCOF Project cancelled and funding transferred to an existing MMCOF project</li> <li>10 MMCOF Project cancelled and funding transferred to a new MMCOF walk-in project</li> <li>11 Change in revenue source</li> </ol> |
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## Appendix D: Permanent Road Division (PRD) Adjustments for Fiscal Year 2023-2024 (2nd QUARTER)

GROUP	DEPT.	FUND	PRD NAME	DEPARTMENTS (Services & Supplies)	FUNDING SOURCE		Description
				Inc (Dec)	AVAILABLE PRIOR YEAR FUND BALANCE	SPECIAL ASSESSMENT	
<b>Increase (Decrease) of Appropriation</b>							
LUEG	DPW	14005	Permanent Road Division (PRD) Zone No. 6 – Pauma Valley	140,000	134,212	5,788	For road maintenance and planning services
LUEG	DPW	14010	PRD Zone No. 8 – Magee Road	49,000	35,500	13,500	For road maintenance and planning services
LUEG	DPW	14080	PRD Zone No. 20 – Daily Road	78,000	78,000	-	For road maintenance and planning services
LUEG	DPW	14235	PRD Zone No. 80 – Harris Truck Trail	37,500	37,500	-	For road maintenance and planning services
LUEG	DPW	14135	PRD Zone No. 45 – Rincon Springs Road	12,000	12,000	-	For road maintenance and planning services
LUEG	DPW	14165	PRD Zone No. 55 – Rainbow Crest Road	26,000	26,000	-	For road maintenance and planning services
LUEG	DPW	14230	PRD Zone No. 78 – Gardena Way	25,000	25,000	-	For road maintenance and planning services
LUEG	DPW	14500	PRD Zone No. 133 – Ranch Creek Road	12,000	9,656	2,344	For road maintenance and planning services
			<b>Subtotal</b>	<b>379,500</b>	<b>357,868</b>	<b>21,632</b>	
<b>Total Increase (Decrease) of Appropriation</b>				<b>379,500</b>	<b>357,868</b>	<b>21,632</b>	
<b>Board Letter Recommendation</b>				<b>REC #15</b>			



# San Diego County Fire Protection District

## GOVERNING BODY

NORA VARGAS  
First District

JOEL ANDERSON  
Second District

TERRA LAWSON-REMER  
Third District

MONICA MONTGOMERY STEPPE  
Fourth District

JIM DESMOND  
Fifth District

## AGENDA ITEM

**DATE:** March 12, 2024

**TO:** Board of Directors, San Diego County Fire Protection District

### SUBJECT

**FISCAL YEAR 2023-24 SECOND QUARTER OPERATIONAL PLAN STATUS  
REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

### OVERVIEW

This item recommends budget adjustment in the San Diego County Fire Protection District as part of the Fiscal Year 2023-24 Second Quarter Operational Plan budget adjustments.

### RECOMMENDATION(S) EXECUTIVE DIRECTOR

Establish appropriations of \$14,500,000 in San Diego County Fire Protection District Ambulance Service Area (ASA), Services & Supplies, to provide ambulance services, based on Operating Transfers In from San Diego County Fire (\$7,400,000) and Ambulance Service fees (\$7,100,000).  
**(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 not included in the Fiscal Year 2023-24 Operational Plan in the San Diego County Fire Protection District (SDCFPD). If approved, this action will result in cost of \$14,500,000 to provide ambulance services. The funding sources are Operating Transfers In from San Diego County Fire (\$7,400,000) and Ambulance Service fees (\$7,100,000). There will be no change in net General Fund cost and no additional staff years.

**SUBJECT: FISCAL YEAR 2023-24 SECOND QUARTER OPERATIONAL PLAN  
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS:  
ALL)**

**BUSINESS IMPACT STATEMENT**

N/A

**ADVISORY BOARD STATEMENT**

N/A

**BACKGROUND**

On May 23, 2023 (FP 01), the San Diego County Fire Protection District (SDCFPD) Board of Directors authorized the Executive Director, or designee, to enter into a written a contract with the County of San Diego for the SDCFPD to exclusively provide and/or manage emergency ambulance services in the areas where the County has, or will have, the responsibility in compliance with California Health and Safety Code Section 1797.230-231. Ambulance operating areas historically have relied upon insurance revenue from transports to hospitals to recover costs. However, rural communities, with large geographic areas and small population centers, are costly and generally are overrepresented by public insurance programs that reimburse at lower rates than private health plans. Public plans, such as Medicare and Medi-Cal, pay a fixed rate based upon regulation and statute.

On September 12, 2023 (FP 01), County Fire staff, on behalf of the SDCFPD, updated the Board of Directors with revenue projections from two different consultants. The consultants developed revenue projections based upon multiple factors, which provided a wide range of estimates from \$8.0 million to \$14.0 million in annual revenue.

This recommendation will establish appropriations of \$14,500,000, in Ambulance Service Area, Services & Supplies, to provide ambulance services, based on Operating Transfers In, from San Diego County Fire (\$7,400,000) and Ambulance Service fees (\$7,100,000).

**ENVIRONMENTAL STATEMENT**

N/A

**SUBJECT: FISCAL YEAR 2023-24 SECOND QUARTER OPERATIONAL PLAN  
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS:  
ALL)**

**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 2024-2029 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,

USE "INSERT PICTURE"  
FUNCTION TO INSERT  
SIGNATURE

SARAH E. AGHASSI  
Interim Chief Administrative Officer

**ATTACHMENT(S)**

N/A