



# COUNTY OF SAN DIEGO

## AGENDA ITEM

### BOARD OF SUPERVISORS

NORA VARGAS  
First District

JOEL ANDERSON  
Second District

TERRA LAWSON-REMER  
Third District

NATHAN FLETCHER  
Fourth District

JIM DESMOND  
Fifth District

**DATE:** May 24, 2022

**27**

**TO:** Board of Supervisors

### **SUBJECT**

**FISCAL YEAR 2021-22 THIRD QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

### **OVERVIEW**

This report summarizes the status of the County's Fiscal Year 2021-22 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 \$130.6 million (or 1.9% of the General Fund budget), and \$255.5 million (or 2.7% of the Overall budget) for all budgetary funds combined. The projected fund balance anticipates an overall positive expenditure variance and an overall negative revenue variance from the Fiscal Year 2021-22 Amended Budget. The projection assumes General Purpose Revenue will perform better than estimated, and all business groups will produce operating balances. The General Fund year-end fund balance projection includes the assumption that the County will continue to incur COVID-19 costs and anticipates receipt of additional federal and State emergency response funding including American Rescue Plan Act (ARPA) funds and Federal Emergency Management Agency (FEMA) revenue to continue response efforts through the end of the fiscal year. The projections also reflect FEMA revenue deferrals anticipated to be received after December 2022. The projected balance for all other funds combined is \$124.9 million (or 4.9% of the other funds combined budget).

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

In the Public Safety Group (PSG), recommendations include appropriation adjustment for the purchase of apparatuses to support fire and emergency medical services, for unanticipated decedent transportation costs and contracted forensic pathologist's costs, to support increased costs in enhanced collection activities reimbursed to the Court and for teleworking stipends.

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In the Health and Human Services Agency (HHSA), recommendation includes appropriation adjustment for the Ramona Community Resource Center.

In the Land Use and Environment Group (LUEG), recommendations include appropriation adjustments for increased costs of vehicle operations, maintenance and fuel, for Rancho del Campo systemwide water improvements, for reparations of a ground water well in Campo Hills, for construction and improvements of Green Street projects, for the purchase of vehicles for vegetation management in the Helix/El Monte area of the County and for teleworking stipends.

In the Finance and General Government Group (FGG), recommendation includes appropriation adjustment for the Sweetwater Lane County Park Energy Upgrade to replace the existing metal-halide light fixtures with LED fixtures.

In the Finance Other (FO), recommendation includes appropriation adjustment to transfer teleworking stipends funds to various County Departments.

In the Capital Program, recommendations include appropriation adjustments for projects that are anticipated to be completed and closed at the end of the fiscal year.

**RECOMMENDATION(S)  
CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2021-22 third quarter report on projected year-end results.

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds  
(Recommendations 2 through 11):**

2. Establish appropriations of \$2,000,000 in the San Diego County Fire, Capital Asset Equipment, for the purchase of apparatuses to support fire and emergency medical services, based on unanticipated revenue from the California Department of Forestry and Fire Protection Assistance-By-Hire program. **(4 VOTES)**
3. Transfer appropriations of \$3,000,000 from the Health and Human Services Agency, Services & Supplies, to the Contributions to Capital Outlay Fund, Operating Transfers Out, to provide funding for Capital Project 1022935, Ramona Community Resource Center; *and* establish appropriations of \$3,000,000 in the Capital Outlay Fund for Capital Project 1022935, Ramona Community Resource Center, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
4. Establish appropriations of \$500,000 in the Department of Public Works (DPW) Internal Service Fund (ISF) Equipment Operations, Services & Supplies, for increased costs of vehicle operations, maintenance and fuel, based on unanticipated revenue from equipment rental operating fees. **(4 VOTES)**
5. Transfer appropriations of \$500,000 within DPW General Fund, Services & Supplies to Operating Transfers Out; *and* establish appropriations of \$500,000 in DPW Rancho Del

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Campo Water fund, Capital Assets Land Acquisition, for capital improvements, based on an Operating Transfer In from DPW General Fund. **(4 VOTES)**

6. Establish appropriations of \$40,000 in the DPW Campo Hills Water Fund, Services & Supplies, for reparations of a ground water well, based on available prior year Campo Hills Water Fund fund balance. **(4 VOTES)**
7. Transfer appropriations of \$2,158,224 within DPW General Fund, Services & Supplies to Operating Transfers Out; *and* establish appropriations of \$2,158,224 in the DPW Road Fund, Services & Supplies, for construction and improvements of Green Street projects, based on an Operating Transfer In from the DPW General Fund. **(4 VOTES)**
8. Establish appropriations of \$300,000 in the Department of Parks and Recreation, Fixed Assets Equipment, for the purchase of vehicles for vegetation management in the Helix/El Monte area of the County, based on a grant received from the San Diego River Conservancy. **(4 VOTES)**
9. Cancel appropriations of \$500,000 in the Department of General Services (DGS) Facilities Management Internal Service Fund (ISF), Services & Supplies, and related Operating Transfer In from the General Fund; *and* transfer appropriations of \$500,000 from the General Fund Contributions to Facilities Management ISF (\$380,000), Operating Transfers Out, and from Finance Other (\$120,000), Operating Transfers Out, to the Contributions to Capital Outlay Fund, Operating Transfers Out, to provide funding for Capital Project 1023728, Sweetwater Lane County Park Energy Upgrade; *and* establish appropriations of \$500,000 in the Capital Outlay Fund for Capital Project 1023728, Sweetwater Lane County Park Energy Upgrade, to replace the existing metal-halide light fixtures with LED fixtures based on an Operating Transfer In from the General Fund. **(4 VOTES)**
10. Transfer appropriations of \$693,855 from Finance Other, General Miscellaneous Expense, Other Charges, to Public Safety Group (\$310,915) and Land Use and Environment Group (\$382,940), all in Salaries & Benefits, for teleworking stipends as listed in Appendix E, based on available prior year General Fund fund balance. **(4 VOTES)**
11. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, as noted in Appendix D, in the net amount of \$8,712,690 for major maintenance projects listed in Appendix D based on capitalization thresholds, for financial reporting purposes; *and* establish and cancel appropriations, as noted in Appendix D for a net increase of \$8,712,690 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 (Recommendations 12 through 16):**

12. Transfer appropriations of \$600,000 from the Probation Department, Salaries & Benefits, to Medical Examiner, Services & Supplies, for unanticipated decedent transportation costs

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(\$500,000) and contracted forensic pathologist's costs (\$100,000) based on General Fund transfer from the Probation Department.

13. Transfer appropriations of \$200,000 from the Probation Department, Salaries & Benefits, to the Contribution for Trial Courts, Other Charges, to support increased costs in enhanced collection activities reimbursed to the Court based on General Fund transfer from the Probation Department.
14. Cancel appropriations of \$1,000,000 and related revenue in the Capital Outlay Fund, for Capital Project 1024602 Smugglers Gulch Basin to match the actual grant amount awarded.
15. Cancel appropriations of \$5,035.84 and related Operating Transfer In from the General Fund in the Multiple Species Conservation Program Acquisition Fund; *and* transfer appropriations of \$5,035.84 from the Contribution to Capital Outlay Fund, Operating Transfers Out, to the Department of Parks and Recreation, Services & Supplies, to properly record related non-capital pre-acquisition expenses.
16. Cancel appropriations and related revenue of up to \$472,196.08 as noted in Schedule C for Capital Projects that will be completed and closed by the end of Fiscal Year 2021-22. This is composed of \$365,717.78 in the Capital Outlay Fund, and \$106,478.30 in the Library Projects Capital Outlay Fund.

**EQUITY IMPACT STATEMENT**

After the Board of Supervisors adopted 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, developing meaningful outcomes, and creating a County government culture of equity, belonging, and racial justice.

**FISCAL IMPACT**

Funds associated with today's recommendations are partially included in the Fiscal Year 2021-22 Operational Plan. If approved, in the General Fund these actions will result in an increase to the overall budget of \$2,300,000, transfers between budgetary funds of \$4,193,855, transfers within budgetary funds of \$11,961,255 and no cancellation of appropriations. The funding source for the increase is Program Revenues (\$2,300,000).

In all other funds combined, these actions will result in a net increase to the overall budget of \$13,630,370, transfers within budgetary funds of \$214,695, and cancellation of appropriations of \$3,311,285. The funding sources for the net increase are Operating Transfers In from the General Fund (\$14,206,117), Operating Transfers In from the Library Fund (\$108,217), available prior

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year Campo Hills Water Fund fund balance (\$40,000), which are partially offset by decreases in Program Revenues (\$505,666), Trust Funds (\$199,164) and Operating Transfers In from the Park Land Dedication Ordinance (PLDO) Fund (\$19,132).

**BUSINESS IMPACT STATEMENT**

N/A

**ADVISORY BOARD STATEMENT**

N/A

**BACKGROUND**

As shown in Schedule A, the General Fund year-end fund balance projection of \$130.6 million is based on the estimate that expenditures will be approximately \$181.9 million less than the Fiscal Year 2021-22 Amended Budget and revenues will be a net \$51.3 million less than the Fiscal Year 2021-22 Amended Budget. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus year-to-date changes that have been either approved by your Board or the Deputy Chief Administrative Officer/Chief Financial Officer, when permitted.

The General Fund year-end fund balance projection includes the assumption that the County will continue to incur COVID-19 costs and anticipates receipt of additional federal and State emergency response funding including American Rescue Plan Act (ARPA) funds and Federal Emergency Management Agency (FEMA) revenue to continue response efforts through the end of the fiscal year. The projected balance for all other funds combined is \$124.9 million.

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

**GENERAL FUND EXPENDITURE VARIANCES**

The projected lower than budgeted expenditures generating an overall positive expenditure variance of \$181.9 million in the General Fund are primarily attributable to the following:

- \$73.0 million in projected positive salary and benefit appropriation variance in all groups due to normal attrition.
- \$69.8 million in projected positive appropriation variance in Services & Supplies across the County.
  - In PSG, projected overall positive expenditure variance of \$19.5 million primarily in Sheriff's Department for one-time costs that will be rebudgeted in the Fiscal Year 2022-23 CAO Recommended Operational Plan and Change Letter for the replacement of the Jail Information Management System (JIMS), the replacement of mobile fingerprint identification equipment in the Cal-ID program and for Regional Communication System (RCS) site relocation/development projects and tower/generator equipment due to project timeline changes, and expenditures in

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various accounts supporting operations; in Probation Department due to lower than anticipated use of contracted services resulting from programs slowly returning to pre-pandemic levels partially offset by an unanticipated increase in Public Liability Insurance costs; in Child Support Services due to lower than anticipated expenses in various accounts supporting operations, such as information technology (IT) services; and in Public Defender's Office due to lower than anticipated expenditures in Professional & Specialized Services.

- In HHSA, projected overall positive variance of \$30.6 million in Behavioral Health Services primarily in contracted services associated with various mental health and alcohol and drug treatment programs to align with updated procurement timeframes and projected service level trends offset by a negative variance in temporary staffing costs due to vacancies to direct service positions in San Diego County Psychiatric Hospital (SDCPH) and County outpatient clinics; in Child Welfare Services primarily driven by savings in contracted services tied to transitional housing programs due to the temporary moratorium on youth aging out of foster care during the pandemic and various other contracts associated with updated utilization trends and updated procurement timelines; in Housing & Community Development Services for the Emergency Rental Assistance Program associated with anticipated operational savings in the program with no impact to services, in multi-year projects due to implementation overlap across fiscal years and savings in programs addressing homelessness in the unincorporated area due to a longer than anticipated timeline to get clients housing ready; and in Public Health Services primarily to align with projected spending and lower than anticipated utilization of contracted services associated with COVID-19 response activities. These are offset by a negative variance in Administrative Support primarily tied to updated public liability contributions for settling claims and administrative expenses.
- In LUEG, projected overall positive variance of \$6.3 million primarily in the Department of Environmental Health and Quality in the Vector Control program due to a reduction in payments for the Vector Habitat Remediation Program, fewer aerials conducted, and fewer required larvicide purchases and related to reduced supply purchases, less travel and delayed IT projects impacted by the COVID-19 pandemic; in Department of Public Works primarily due to stormwater permit delay resulting in less permitting expenses and lower than anticipated need for contract support for stormwater inspections; and in Planning & Development Services primarily due to less than anticipated spending related to COVID-19 response and in one time only IT projects.
- In FGG, projected overall positive variance of \$10.5 million primarily in Assessor/Recorder/County Clerk associated with contracted services for various IT projects and major maintenance projects; in Treasurer-Tax Collector mainly due to delays in IT projects and contracts; in Finance & General Government Group Executive Office due to lower than anticipated spending on IT projects; and in Office of Evaluation, Performance and Analytics due to delayed implementation of programs in this recently created office.

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- In FO, projected positive variance of \$2.9 million in County General Expense due to lower than anticipated costs for translation services and for IT projects that are anticipated to extend beyond the current fiscal year.
- A projected net positive appropriation variance of \$40.0 million in Other Charges reflects variances primarily in HHSA tied to the California Work Opportunity and Responsibility to Kids (CalWORKs) program, the General Relief program, the foster care assistance and adoption assistance programs based on revised estimates of caseload levels; in FO due to lower than anticipated needs for Telework Stipends; and in PSG primarily in the Probation Department due to lower than anticipated costs related to placement services.
- A projected net positive appropriation variance of \$1.0 million in Capital Assets Equipment in PSG primarily in the Sheriff's Department due to a one-time project for the Cal-ID program that will be rebudgeted in the Fiscal Year 2022-23 CAO Recommended Operational Plan and in Child Support Services due to delayed vehicle purchases; and in FGG primarily in County Communications Office due to lower than anticipated purchases of equipment that would qualify for Public, Educational, and Governmental (PEG) Fund reimbursement.
- A projected net negative appropriation variance of \$4.4 million in Expenditure Transfer & Reimbursements in PSG in Child Support Services due to lower than anticipated expenditures in the Bureau of Public Assistance Investigations for services reimbursed by HHSA; in Sheriff's Department for the rebudget of Costs Applied in the General Fund which partially offsets the JIMS replacement project; and in Public Defender's Office due to lower than anticipated tenant improvement costs. These are offset by a positive appropriation variance in HHSA associated with costs provided through various Memorandums of Understanding (MOU) with the Probation Department.
- A projected net positive appropriation variance of \$2.5 million in Operating Transfers Out primarily in HHSA due to reduced funding needs for In-Home Support Services (IHSS) Public Authority related to anticipated operational savings in the program with no impact to services and in FO due to lower than anticipated costs for IT ISF licenses and maintenance charges.

**GENERAL FUND REVENUE VARIANCES**

The projected under-realized revenue of \$51.3 million includes positive variances totaling \$60.7 million and negative variances of \$112.0 million. In many instances, the negative revenue variances are directly associated with the positive expenditure variances described above.

The projected positive revenue variance of \$60.7 million is primarily attributable to the following categories: Taxes Other Than Current Secured (\$35.9 million) mainly due to increase in home prices and/or number of sales, higher than anticipated local secured assessed value (AV) growth and better than expected collection/lower delinquency rate, and higher than budgeted in Sales and Use Taxes as well as in Teeter Tax Reserve Excess revenues; Taxes Current Property (\$15.5 million) primarily due to higher than anticipated AV growth and better than expected collection/lower delinquency rate; Revenue from Use of Money & Property (\$4.7 million) primarily due to a higher projected average daily cash balance than what was budgeted which was used to calculate the interest revenue, and due to a higher interest rate due to the recent rise in market rates; and in Licenses, Permits & Franchises (\$4.6 million) primarily due to a higher than

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anticipated number of building permit applications and Food and Housing Division prior year permit fees.

The projected negative variance of \$112.0 million is in the Intergovernmental Revenues (\$77.0 million) primarily in CalWORKs revenue associated with revised caseload projections, to align COVID-19 emergency response funding with projected costs and reflect Federal Emergency Management Agency (FEMA) revenue deferrals anticipated to be received after December 2022, lower than anticipated State and federal funding for behavioral health programs and social services administrative revenues, federal and State reimbursements due to a decrease in the number of youths under supervision and lower reimbursements from the Juvenile Justice Crime Prevention Act, less than anticipated reimbursement from Regional Watershed Co-permittees due to expenditure savings, lower than anticipated ARPA reimbursements related to COVID-19 pandemic contracted services for ambulance transports, testing and vaccination, offset by positive variances due to pass-through distributions, residual balance estimates in Aid from Redevelopment Successor Agencies, one-time receipt of Motor Vehicle In-Lieu Tax, unanticipated revenue from the California Department of Corrections and Rehabilitation for inmate housing costs during a pause in jail intake at State facilities in response to the COVID-19 pandemic, and in realignment revenues to partially fund the public liability contributions; Charges for Current Services (\$29.0 million) primarily due to a decline in billable activities for land development projects, Intergovernmental Transfer (IGT) revenue to align with anticipated spending in Public Health Services, unrealized revenue related to delayed projects and in Recording/Duplicating and Filing Document fee revenues due to fewer than anticipated recordings and filings, less trust fund reimbursement for Vector and Hazardous Materials Division due to expenditure savings, continued decreasing collections partially due to impact of AB 177 which eliminated certain administrative fees, due to less than anticipated Banking Pooled Services revenue tied to Salaries & Benefits, delayed IT projects and lower than expected tax collection fees, partially offset by a positive variance primarily tied to higher rates for inpatient health services and unanticipated County Care Coordination revenue for mental health programs; in Other Financing Sources (\$3.5 million) primarily due to the rebudget of revenue from the Proposition 172 Special Revenue Fund for Jail Information Management System (JIMS) and a decrease in the transfer from the Inmate Welfare Fund associated with vacant positions; in Fines, Forfeitures & Penalties (\$1.6 million) primarily due to the rebudget of revenue for Cal-ID program projects and lower than anticipated costs, partially offset by a positive variance due to higher than budgeted growth in assessed valuation reflected on penalty for late current secured and unsecured property tax payments; and in Miscellaneous Revenues (\$0.9 million) primarily due to Regional Communication System (RCS) projects that will be rebudgeted and lower than anticipated revenue for reimbursement of costs associated with the Unsheltered Feeding Program, due to lower than anticipated reimbursements from the Indigent Defense Trust Fund, partially offset by a positive variance due to the recoupment of payments in contracted services from prior year adjustments in Self-Sufficiency Services.

**Adjustments to the Fiscal Year 2021-22 Adopted Budget**

Transfers and revisions to the adopted 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



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departments within the same budgetary fund that do not increase the overall budget or the cancellation of appropriations require a majority vote. However, transfers of appropriations to facilitate transfers between budgetary funds, referred to as operating transfers, require 4 votes even if the overall budget is not increased.

The recommendations for budget adjustments are explained as follows:

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds (Recommendations 2 through 11):**

**Recommendation 2**

On September 15, 2020 (4), the Board authorized the continued execution of the Assistance-By-Hire revenue agreement with the California Department of Forestry and Fire Protection for the County to receive reimbursement for resources deployed to assist the State with their responsibility to protect wildland during fires. This request will establish appropriations of \$2,000,000 in the San Diego County Fire for the purchase of apparatuses to support fire and emergency medical services, based on California Department of Forestry and Fire Protection Assistance-By-Hire program revenue.

**Recommendation 3**

On June 25, 2019 (17), the Board of Supervisors approved establishing appropriations of \$12,000,000 in the Capital Outlay Fund for Capital Project 1022935, Ramona Community Resource Center. This recommendation will establish additional appropriations of \$3,000,000 to fund increased costs of construction related to current market conditions based on an Operating Transfer In from the General Fund. This project will allow the Health and Human Services Agency (HHS) to provide myriad services for the Ramona and surrounding communities under one roof. The estimated total cost of the project is \$15,000,000, with an estimated completion in late 2024.

**Recommendation 4**

This recommendation will establish appropriations of \$500,000 in the Department of Public Works (DPW) Internal Service Fund (ISF) Equipment Operations for increases in operations, maintenance, and fuel costs based on unanticipated revenue from Equipment Rental Operating Fee. This request will provide additional funding for the unanticipated increases in vehicle operations, maintenance, and fuel costs.

**Recommendation 5**

This recommendation will transfer appropriations of \$500,000 within DPW General Fund in Services & Supplies to Operating Transfers Out and establish appropriations of \$500,000 in the DPW Rancho Del Campo Water Fund Capital Assets Land Acquisition based on an Operating Transfer In from DPW General Fund. This technical adjustment will align the budget to allow for the capitalization of the water improvement asset within the Rancho Del Campo Water Fund. Funds will be used for Rancho del Campo systemwide water improvements. This is a multi-year project to design, construct, and permit improvements to the aging potable water system to ensure compliance with State waterworks and public health standards. The improvements will provide

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reliable, safe, and sustainable water supply for the local community. In addition, the improvements will support planned redevelopment of the Camp Lockett historical district.

**Recommendation 6**

This recommendation will establish appropriations of \$40,000 in the DPW Campo Hills Water system in Services & Supplies based on available prior year Campo Hills Water Fund fund balance. Staff inspected one of the potable water wells and discovered that additional work is required to restore service. This request will provide additional funding to provide reliable, safe, and sustainable water supply for the local community.

**Recommendation 7**

This recommendation will transfer appropriations of \$2,158,224 within DPW General Fund, Services & Supplies to Operating Transfers Out and establish appropriations of \$2,158,224 in the DPW Road Fund, Services & Supplies, for the construction and improvements of five Green Street projects throughout the unincorporated County, based on an Operating Transfer In from the DPW General Fund. This technical adjustment will align the budget to allow for the capitalization of these improvements within the Road Fund. Construction for all five Green Street projects is anticipated to be completed by Winter 2024. The total cost including design, environmental review and construction, including contingency is \$29,880,950. The Green Street project improvements will be at the following locations:

- Los Coches Creek at Ha Hana Road Dry Weather Flow Elimination Project, District 2
- Rainbow Water Quality Improvement Project, District 5
- BMP Retrofit and Rehabilitation Project, ALL
- Woodside Avenue (Marilla Drive to Chestnut) HSIP Project, District 2
- Camino Del Rey Road Drainage Project, District 5

**Recommendation 8**

On July 10, 2019 (11), the Board provided authority for parks to apply for grants that support park operations and projects. Department of Parks and Recreation (DPR) was notified of an award of a grant for vegetation management from the San Diego River Conservancy. This recommendation will establish appropriations of \$300,000 in the DPR Fixed Assets Equipment for the purchase of vehicles to assist with vegetation management in the Helix/El Monte area of the San Diego River.

**Recommendation 9**

On August 25, 2020 (02), the Board of Supervisors approved establishing appropriations of \$1,500,000 in the Capital Outlay Fund for Capital Project 1023728, Sweetwater Lane County Park Energy Upgrade. The original project scope included installation of steel carports in the parking lot with photovoltaic (PV) panels. Due to spiking costs for steel and PV components, a proposed change in scope would reduce the size of the parking lot PV system while improving the overall energy efficiency of the park lighting system. This recommendation will establish additional capital appropriations of \$500,000 to replace the existing metal-halide light fixtures with more efficient LED fixtures based on an Operating Transfer In from the General Fund. The project funding is based on a shift of existing energy efficiency appropriations and funding sources. This project will reduce ongoing electricity costs generated and provide shaded parking for park users. The estimated total cost of the project is \$2,000,000, with an estimated completion by April 2023.

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**Recommendation 10**

On June 8, 2021 (03), the Board of Supervisors approved establishing appropriations of \$6,000,000 in Finance Other, General Miscellaneous Expense, to fund teleworking stipends in various County departments, based on prior year available General Fund fund balance. This recommendation will transfer a portion of those appropriations (\$693,855) to various departments to cover teleworking stipends costs.

**Recommendation 11**

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 D along with the related required adjustments.

This recommendation will result in a net increase of appropriations in the MMCOF of \$8,712,690 and reclassification of major maintenance projects which are supported by existing department budgets.

**Transfers Within Budgetary Funds and/or Cancellation of Appropriations (Recommendations 12 through 16):**

**Recommendation 12**

During Fiscal Year 2021-22, the Medical Examiner experienced a 14% increase in cases within its jurisdiction, which has impacted service needs resulting in higher costs related to decedent transportation and pathologist services. Probation Department's operational savings which result in generating fund balance is sufficient to support Medical Examiner's needs. This recommendation will transfer appropriations of \$600,000 from the Probation Department to continue providing transportation services through June 30, 2022 (\$500,000) and for contracted forensic pathologists' costs to assist with the increase in cases (\$100,000).

**Recommendation 13**

The Court operates collection and enhanced collection activities on court-ordered debt per MOU between the Court and the County. The Court uses comprehensive collection service practices as specified in Penal Code section 1463.007 to conduct enhanced collections activities on delinquent accounts in order to maximize collections on court-ordered debt. Based on Court's current estimate, cost related to enhanced collection functions, which includes labor efforts and associated services and supplies are expected to be higher than anticipated. Probation Department's operational savings which result in generating fund balance is sufficient to support appropriation

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needs in Contribution for Trial Courts. This request will transfer appropriations of \$200,000 from the Probation Department to the Contribution for Trial Courts.

**Recommendation 14**

This recommendation will cancel appropriations of \$1,000,000 and related revenue for Capital Project 1024602 Smugglers Gulch Basin. This is based upon the grant funding received came in lower than what was anticipated and will align the budget with the grant funding and project scope. Total project costs are estimated at \$10,000,000 and the project is estimated to be complete Fall 2026.

**Recommendation 15**

This recommendation will cancel appropriations of \$5,035.84 and the related Operating Transfer In from the General Fund in the Multiple Species Conservation Program Acquisition Fund and transfer appropriations to the DPR to properly incur non-capital expenditures for pre-acquisition costs.

**Recommendation 16**

By the end of Fiscal Year 2021-22, a total of 16 capital projects are anticipated to be completed, closed and capitalized. These projects are listed in Schedule C. Appropriations of up to \$472,196.08 related to these projects will be cancelled, of which \$365,717.78 is in the Capital Outlay Fund, and \$106,478.30 in the Library Projects Capital Outlay Fund. At the end of the fiscal year, remaining appropriations will be cancelled along with the revenue related to the respective appropriations and returned in accordance with Board Policy B-37, *Use of the Capital Outlay Funds*, to the original funding sources which include the General Fund, Library Fund, Recorder Modernization & Property Tax Admin Trust Funds, Parkland Dedication Fund, and Community Development Block Grants.

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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 2022-2027 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,



HELEN N. ROBBINS-MEYER  
Chief Administrative Officer

**ATTACHMENT(S)**

Schedule A  
Schedule B  
Notes to Schedules A and B  
Schedule C  
Appendix D  
Appendix E

**AGENDA ITEM INFORMATION SHEET**

**SUBJECT:**

**FISCAL YEAR 2021-22 THIRD QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

**REQUIRES FOUR VOTES:**    Yes     No

**WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED**

Yes     No

**PREVIOUS RELEVANT BOARD ACTIONS:**

March 15, 2022 (23) Fiscal Year 2021-22 Second Quarter Operational Plan Status Report and Budget Adjustments;  
December 7, 2021 (26), Fiscal Year 2021-22 First Quarter Operational Plan Status Report and Budget Adjustments;  
June 29, 2021 (07), County of San Diego Fiscal Year 2021-22 Adopted Budget Resolution for County Family of Funds,  
Enterprise Funds and Internal Service Funds and Prior Year Encumbrances

**BOARD POLICIES APPLICABLE:**

N/A

**BOARD POLICY STATEMENTS:**

N/A

**MANDATORY COMPLIANCE:**

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):**

N/A

**ORIGINATING DEPARTMENT:**

Finance & General Government Group

**OTHER CONCURRENCE(S):**

N/A

**INTERNAL REVIEW COMPLETE BY:**

**Craig Schaffer** Digitally signed by Craig Schaffer  
Date: 2022.05.16 08:46:47 -07'00'

Signature

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**FY 2021-2022 3rd Quarter  
Projected Year-End Results**  
(in thousands)

**COUNTY SUMMARY**

	Expenditure Variance	Revenue Variance	3rd Quarter FY21-22 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)			
<b>General Fund</b>				
Public Safety	\$ 39,606	\$ (22,558)	\$ 17,047	0.8%
Health & Human Services Agency	100,452	(80,141)	20,311	0.6%
Land Use & Environment	12,452	(10,400)	2,052	0.6%
Finance & General Government	20,377	(11,795)	8,582	2.2%
Total Agency/Group	172,886	(124,894)	47,991	0.8%
General Purpose Revenue	0	73,715	73,715	4.8%
Finance Other	9,023	(162)	8,862	1.0%
<b>Total General Fund</b>	<b>\$ 181,909</b>	<b>\$ (51,341)</b>	<b>\$ 130,569</b>	<b>1.9%</b>
<b>Special Revenue Funds</b>				
Public Safety	\$ 7,267	\$ 57,137	\$ 64,404	16.1%
Health & Human Services Agency	0	0	0	0.0%
Land Use & Environment	15,995	7,201	23,196	5.6%
<b>Total Special Revenue Funds</b>	<b>\$ 23,261</b>	<b>\$ 64,338</b>	<b>\$ 87,600</b>	<b>10.6%</b>
<b>Capital Program</b>				
Finance Other	\$ 324	\$ (324)	\$ 0	0.0%
<b>Internal Service Funds Departments</b>				
Land Use & Environment	\$ 3,797	\$ 193	\$ 3,989	15.9%
Finance & General Government	19,609	(15,132)	4,478	0.9%
Finance Other	23	11	33	0.0%
<b>Total Internal Service Funds</b>	<b>\$ 23,429</b>	<b>\$ (14,928)</b>	<b>\$ 8,501</b>	<b>1.3%</b>
<b>Enterprise Fund Departments</b>				
Public Safety Group	\$ 2,305	\$ (2,305)	\$ 0	0.0%
Land Use & Environment	6,360	(3,762)	2,598	5.3%
<b>Total Enterprise Funds</b>	<b>\$ 8,665</b>	<b>\$ (6,067)</b>	<b>\$ 2,598</b>	<b>4.6%</b>
<b>Special District Funds Departments</b>				
Public Safety Group	\$ 15,644	\$ 1,415	\$ 17,059	48.3%
Health & Human Services Agency	0	0	0	0.0%
Land Use & Environment	8,833	362	9,196	7.0%
<b>Total Special District Funds</b>	<b>\$ 24,477</b>	<b>\$ 1,778</b>	<b>\$ 26,255</b>	<b>14.4%</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	\$ 10	\$ 10	0.0%
<b>Total County Year-End Operating Balance</b>	<b>\$ 262,066</b>	<b>\$ (6,535)</b>	<b>\$ 255,531</b>	<b>2.7%</b>



**FY 2021-2022 3rd Quarter  
Projected Year-End Results**

(in thousands)

**PUBLIC SAFETY GROUP**

	<b>Expenditure Variance</b>	<b>Revenue Variance</b>	<b>3rd Quarter FY21-22 Projected Fund Balance</b>	<b>% of Proj FB to Budget</b>
	<b>Favorable/(Unfavorable)</b>			
<b>General Fund Departments</b>				
Animal Services	\$ 444	\$ (15)	\$ 429	4.4%
Child Support	1,125	136	1,260	2.6%
District Attorney	4,742	(1,015)	3,727	1.6%
Emergency Services	123	(115)	8	0.1%
Medical Examiner	25	(25)	0	0.0%
Probation	13,739	(8,280)	5,459	2.2%
Public Defender	1,222	(1,201)	21	0.0%
Public Safety Executive Office	442	(2,925)	(2,483)	-2.7%
San Diego County Fire	242	(1,308)	(1,066)	-1.3%
Sheriff	17,501	(7,809)	9,692	0.8%
<b>Total General Fund</b>	<b>\$ 39,606</b>	<b>\$ (22,558)</b>	<b>\$ 17,047</b>	<b>0.8%</b>
<b>Special Revenue Funds Departments</b>				
District Attorney (Asset Forfeiture - State & Federal)	\$ 0	\$ 0	\$ 0	0.0%
Probation - Asset Forfeiture	0	0	0	0.0%
Probation - Inmate Welfare Program	0	12	12	610.6%
Sheriff - Asset Forfeiture	1,300	1,773	3,073	127.9%
Sheriff - Inmate Welfare Program	3,277	(1,452)	1,826	31.4%
Criminal Justice Facility	0	0	0	0.0%
Courthouse	0	0	0	0.0%
Penalty Assessment	0	0	0	0.0%
Public Safety - Proposition 172	2,689	56,803	59,492	17.2%
<b>Total Special Revenue Funds</b>	<b>\$ 7,267</b>	<b>\$ 57,137</b>	<b>\$ 64,404</b>	<b>16.1%</b>
<b>Enterprise Funds</b>				
Jail Commissary Enterprise Fund	\$ 2,305	\$ (2,305)	\$ 0	0.0%
<b>Total Enterprise Funds</b>	<b>\$ 2,305</b>	<b>\$ (2,305)</b>	<b>\$ 0</b>	<b>0.0%</b>
<b>Special District Funds</b>				
Sheriff (Regional 800 MHz)	\$ 42	\$ 59	\$ 102	34.8%
County Service Areas	139	1,215	1,354	30.8%
Community Facilities Districts	33	141	174	23.1%
County Service Areas 17 & 69	15,430	0	15,430	51.6%
<b>Total Special District Funds</b>	<b>\$ 15,644</b>	<b>\$ 1,415</b>	<b>\$ 17,059</b>	<b>48.3%</b>
<b>Total Public Safety Group</b>	<b>\$ 64,821</b>	<b>\$ 33,689</b>	<b>\$ 98,510</b>	<b>4.0%</b>

**FY 2021-2022 3rd Quarter  
Projected Year-End Results**  
(in thousands)

**HEALTH & HUMAN SERVICES AGENCY**

	Expenditure Variance		Revenue Variance		3rd Quarter FY21-22 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)					
<b>General Fund Programs</b>						
Administrative Support	\$ (4,353)	\$	2,603	\$	\$ (1,750)	-1.0%
Aging & Independence Services	2,212		284		2,496	1.2%
Behavioral Health Services	38,007		(6,807)		31,201	3.7%
Child Welfare Services	21,399		(19,374)		2,025	0.5%
Public Health Services	4,390		(24,471)		(20,082)	-3.8%
Self-Sufficiency Services	30,345		(26,492)		3,853	0.6%
Housing & Community Development Services	4,777		(2,874)		1,902	0.6%
Homeless Solutions and Equitable Communities	3,675		(3,010)		666	0.4%
<b>Total General Fund</b>	<b>\$ 100,452</b>	<b>\$</b>	<b>(80,141)</b>	<b>\$</b>	<b>20,311</b>	<b>0.6%</b>
<b>Special Revenue Funds</b>						
Tobacco Securitization Fund	\$ 0	\$	0	\$	0	0.0%
<b>Total Special Revenue Funds</b>	<b>\$ 0</b>	<b>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>	<b>0.0%</b>
<b>Special District Funds Departments</b>						
Ambulance Districts	\$ 0	\$	0	\$	0	0.0%
<b>Total Special District Funds</b>	<b>\$ 0</b>	<b>\$</b>	<b>0</b>	<b>\$</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>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>	<b>0.0%</b>
<b>Total Health &amp; Human Services Agency</b>	<b>\$ 100,452</b>	<b>\$</b>	<b>(80,141)</b>	<b>\$</b>	<b>20,311</b>	<b>0.6%</b>

**FY 2021-2022 3rd Quarter  
Projected Year-End Results**  
(in thousands)

**LAND USE & ENVIRONMENT GROUP**

**General Fund Departments**

	Expenditure Variance	Revenue Variance	3rd Quarter FY21-22 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)			
Agriculture, Weights & Measures	\$ 194	\$ 1	\$ 196	0.6%
Department of Environmental Health and Quality	6,530	(4,893)	1,637	2.8%
Land Use & Environment Group Exec Office	79	16	94	0.7%
Parks & Recreation	0	0	0	0.0%
Planning & Development Services	2,716	(2,692)	24	0.0%
Public Works	2,933	(2,832)	101	0.1%
<b>Total General Fund</b>	<b>\$ 12,452</b>	<b>\$ (10,400)</b>	<b>\$ 2,052</b>	<b>0.6%</b>

**Special Revenue Funds/Departments**

A,W & M (Grazing and Fish & Game Commission)	\$ (5)	\$ 5	\$ 1	2.2%
Parks & Recreation - PLDO	0	2,913	2,913	33.1%
DPW - Aviation Funds	0	0	0	0.0%
DPW - Road Fund	11,883	2,690	14,573	4.5%
DPW - Survey Monument Preservation	0	0	0	0.0%
DPW - Inactive Waste	883	(883)	0	0.0%
DPW - Waste Planning and Recycling	1,348	682	2,031	45.8%
Library Services	1,886	1,793	3,679	5.5%
<b>Total Special Revenue Funds</b>	<b>\$ 15,995</b>	<b>\$ 7,201</b>	<b>\$ 23,196</b>	<b>5.6%</b>

**Internal Service Funds**

Public Works - DPW Equip. ISF Prg. (35525-35700)	\$ 3,797	\$ 193	\$ 3,989	15.9%
<b>Total Internal Service Funds</b>	<b>\$ 3,797</b>	<b>\$ 193</b>	<b>\$ 3,989</b>	<b>15.9%</b>

**Enterprise Funds**

Airport Enterprise Fund	\$ 4,103	\$ (1,984)	\$ 2,119	5.8%
Wastewater Management Enterprise Fund	2,257	(1,778)	478	3.7%
<b>Total Enterprise Funds:</b>	<b>\$ 6,360</b>	<b>\$ (3,762)</b>	<b>\$ 2,598</b>	<b>5.3%</b>

**Special District Funds/Departments**

Parks and Recreation	\$ 0	\$ 6	\$ 6	0.1%
Parks - Community Facilities Districts	0	18	18	1.2%
DPW - SD County Sanitation District	1,946	169	2,115	3.1%
DPW - Campo WSMD-Zone A (Rancho Del Campo Water)	32	0	32	4.0%
DPW - CWSMD-Zone B (Campo Hills Water)	2	(5)	(2)	-0.6%
DPW - Live Oak Springs Water	1	66	67	1.7%
DPW - CSAs	35	(2)	33	7.2%
DPW - PRDs	5,883	142	6,026	67.8%
DPW - Community Facilities Districts	347	25	372	1.9%
DPW - Flood Control	2	0	2	0.0%
DPW - Street Lighting District	585	(57)	529	15.9%
<b>Total Special Districts Funds:</b>	<b>\$ 8,833</b>	<b>\$ 362</b>	<b>\$ 9,196</b>	<b>7.0%</b>

**Total Land Use & Environment Group**

<b>Total Land Use &amp; Environment Group</b>	<b>\$ 47,437</b>	<b>\$ (6,406)</b>	<b>\$ 41,030</b>	<b>4.3%</b>
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**FY 2021-2022 3rd Quarter  
Projected Year-End Results**

(in thousands)

**FINANCE & GENERAL GOVERNMENT  
GROUP**

Expenditure Variance	Revenue Variance	3rd Quarter FY21-22 Projected Fund Balance	% of Proj FB to Budget
Favorable/(Unfavorable)			

**General Fund Departments**

Law Enforcement Review Board	\$ 72	\$ 1	\$ 73	4.3%
Assessor/Recorder/County Clerk	6,547	(6,348)	199	0.2%
Auditor & Controller	2,407	(1,236)	1,171	2.5%
Board of Supervisors	19	0	19	0.1%
Chief Administrative Office	1,229	6	1,235	12.8%
Civil Service Commission	15	0	15	2.6%
Clerk of the Board of Supervisors	193	(75)	118	2.7%
County Communications Office	615	(230)	384	9.0%
County Counsel	1,082	(297)	785	2.3%
County Technology Office	0	0	0	0.0%
Finance & GG Exec Office	1,322	631	1,952	3.7%
Evaluation, Performance and Analytics	4,300	(4,300)	0	0.0%
General Services	0	0	0	0.0%
Grand Jury	152	0	152	19.8%
Human Resources	283	1,057	1,340	3.9%
Purchasing & Contracting	0	0	0	0.0%
Registrar of Voters	0	0	0	0.0%
Treasurer-Tax Collector	2,141	(1,003)	1,138	4.6%
<b>Total General Fund</b>	<b>\$ 20,377</b>	<b>\$ (11,795)</b>	<b>\$ 8,582</b>	<b>2.2%</b>

**Internal Service Funds Departments**

CTO - Information Technology	\$ 0	\$ 0	\$ 0	0.0%
Facilities Management	14,656	(13,930)	726	0.5%
Major Maintenance ISF	0	0	0	0.0%
Fleet Management	4,948	(3,064)	1,884	2.6%
Purchasing & Contracting	5	1,862	1,867	11.8%
<b>Total Internal Service Funds</b>	<b>\$ 19,609</b>	<b>\$ (15,132)</b>	<b>\$ 4,478</b>	<b>0.9%</b>

**Total Finance & General  
Government Group**

<b>Total Finance &amp; General Government Group</b>	<b>\$ 39,986</b>	<b>\$ (26,926)</b>	<b>\$ 13,060</b>	<b>1.4%</b>
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**FY 2021-2022 3rd Quarter  
Projected Year-End Results**

(in thousands)

**GENERAL PURPOSE REVENUE &  
FINANCE OTHER**

	Expenditure Variance	Revenue Variance	3rd Quarter FY21-22 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)			
<b>General Fund</b>				
General Purpose Revenue:				
All Current Property Taxes	\$ 0	\$ 15,450	\$ 15,450	1.9%
All Other Taxes-Local	0	35,938	35,938	6.4%
Licenses, Permits & Franchises	0	(393)	(393)	-8.1%
Fines, Forfeitures & Penalties	0	4,169	4,169	24.2%
Revenue for Use of Money & Property	0	4,207	4,207	48.3%
Intergovernmental Revenue	0	13,774	13,774	9.5%
Charges for Current Services	0	570	570	27.2%
Miscellaneous Revenue	0	0	0	0.0%
<b>Total General Purpose Revenue</b>	<b>\$ 0</b>	<b>\$ 73,715</b>	<b>\$ 73,715</b>	<b>4.8%</b>
<b>General County Expenses:</b>				
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	147	0	147	0.0%
Lease Payments - Bonds	360	(162)	199	0.8%
Local Agency Formation Comm Admin	0	0	0	0.0%
Neighborhood Reinvestment Program	0	0	0	0.0%
Countywide Expenses	8,516	0	8,516	2.2%
Total Finance Other Expenses	9,023	(162)	8,862	1.0%
<b>Total General Fund</b>	<b>\$ 9,023</b>	<b>\$ 73,554</b>	<b>\$ 82,577</b>	<b>9.0%</b>
<b>Capital Program Funds</b>				
Capital Program	\$ 324	\$ (324)	\$ 0	0.0%
<b>Total Capital Program Funds</b>	<b>\$ 324</b>	<b>\$ (324)</b>	<b>\$ 0</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	23	11	33	0.1%
<b>Total ISF Funds</b>	<b>\$ 23</b>	<b>\$ 11</b>	<b>\$ 33</b>	<b>0.0%</b>
<b>Debt Service Funds Departments</b>				
Pension Obligation Bonds	\$ 0	\$ 10	\$ 10	0.0%
<b>Total Debt Service Funds</b>	<b>\$ 0</b>	<b>\$ 10</b>	<b>\$ 10</b>	<b>0.0%</b>
<b>Total General Purpose Revenue &amp; Finance Other</b>	<b>\$ 9,371</b>	<b>\$ 73,250</b>	<b>\$ 82,621</b>	<b>4.5%</b>

**FY 2021-2022 3rd Quarter  
Projected Year-End Results**  
(in thousands)

Category	Projected Management Reserves	Projected Operating Balances	3rd Quarter FY21-22 Projected Fund Balance
	Favorable/(Unfavorable)		
<b>General Fund</b>			
Public Safety	\$ 0	\$ 17,047	\$ 17,047
Health and Human Services Agency	0	20,311	20,311
Land Use and Environment	0	2,052	2,052
Finance & General Government	0	8,582	8,582
<b>Agency/Group Totals</b>	<b>\$ 0</b>	<b>\$ 47,991</b>	<b>\$ 47,991</b>
General Purpose Revenue	\$ 0	\$ 73,715	\$ 73,715
General County Expenses	0	8,862	8,862
<b>Total General Purpose Revenue &amp; General County Expense</b>	<b>\$ 0</b>	<b>\$ 82,577</b>	<b>\$ 82,577</b>
<b>Total General Fund</b>	<b>\$ 0</b>	<b>\$ 130,569</b>	<b>\$ 130,569</b>

**COUNTY OF SAN DIEGO  
NOTES TO SCHEDULES A and B  
Fiscal Year 2021-22 3rd 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.

*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 \$1.3 million is projected for the Department of Child Support Services.

A positive expenditure variance of \$1.2 million is projected. A positive variance of \$1.1 million in Salaries & Benefits is due to vacant and modified positions, \$2.8 million in Services & Supplies primarily due to lower than anticipated expenses in various accounts supporting operations, such as information technology services, \$0.3 million in Capital Assets Equipment due to delayed vehicle purchases, offset by a negative variance of \$3.0 million in Expenditure Transfer & Reimbursements due to lower than anticipated expenditures in the Bureau of Public Assistance Investigations for services reimbursed by Health and Human Services Agency.

A positive revenue variance of \$0.1 million is projected. A positive variance of \$0.3 million in Intergovernmental Revenues is due to higher than anticipated State and federal

reimbursement for the child support program, which includes the reimbursement of indirect/A-87 Cost Allocation Plan, offset by a negative variance of \$0.2 million in Charges for Current Services due to lower than anticipated collections on Title IV-A child support cases.

#### *District Attorney*

A positive variance of \$3.7 million is projected for the District Attorney's Office.

A positive expenditure variance of \$4.7 million is projected in Salaries & Benefits due to normal attrition, vacant and modified positions.

A negative revenue variance of \$1.0 million is projected in Intergovernmental Revenues due to lower than anticipated expenditures funded by the California Governor's Office of Emergency Services, Victims of Crime Act for the victim services program and the County Local Revenue Fund 2011, Local Community Corrections Account.

#### *Probation*

A positive variance of \$5.4 million is projected for the Probation Department.

A positive expenditure variance of \$13.7 million is projected. A positive variance of \$4.5 million in Salaries & Benefits primarily due to vacant positions. A positive variance of \$4.6 million in Services & Supplies is due to lower than anticipated use of contracted services resulting from programs slowly returning to pre-pandemic levels, partially offset by an unanticipated increase in Public Liability Insurance costs. A positive variance of \$4.1 million in Other Charges primarily due to lower than anticipated costs related to placement services. A positive variance of \$0.5 million is projected in Expenditure Transfer & Reimbursements primarily related to higher than anticipated reimbursements for supervision and case management services provided to Health and Human Services Agency clients.

A negative revenue variance of \$8.3 million is projected. A negative variance of \$8.2 million in Intergovernmental Revenues primarily for federal and State reimbursements due to a decrease in the number of youths under supervision and lower reimbursements from the Juvenile Justice Crime Prevention Act, Community Corrections Subaccount, American Rescue Plan Act, Post-Release Community Supervision and the Community Corrections Incentive-funded programs based on lower costs described above. This variance is partially offset by increased revenues from Caltrans for Post Release Community Supervision and the Youthful Offender Block Grant. A negative variance of \$0.1 million is projected in Charges for Current Services based on lower than anticipated revenue for the Work Furlough program.

#### *Public Defender*

There is no overall variance projected for the Public Defender.

A positive expenditure variance of \$1.2 million is projected. A positive variance of \$0.6 million in Salaries & Benefits due to vacant and modified positions, \$1.2 million in Services & Supplies mainly due to lower than anticipated expenditures in Professional &



Specialized Services, \$0.1 million in Other Charges due to lower expenditures on interest of capital lease, offset by a negative variance of \$0.7 million in Expenditure Transfer & Reimbursements due to lower than anticipated tenant improvement costs transferred to Finance Other.

A negative revenue variance of \$1.2 million is projected. A negative variance of \$0.4 million in Intergovernmental Revenues due to lower than anticipated eligible activities reimbursed by PD Revocation, and \$0.8 million in Miscellaneous Revenues due to lower than anticipated reimbursements from the Indigent Defense Trust Fund.

*Public Safety Group Executive Office/Contribution for Trial Courts*

A negative variance of \$2.5 million is projected for the Public Safety Group Executive Office, primarily due to negative revenue variance projected in Contributions for Trial Court. The negative variance of \$2.5 million will be mitigated with the projected Public Safety Group fund balance and no action is necessary at this time.

A positive expenditure variance of \$0.4 million is projected in Services & Supplies due to lower than anticipated expenditures in facility maintenance.

A negative revenue variance of \$2.9 million is projected. This includes a negative variance of \$0.9 million in Fines, Forfeitures & Penalties and \$2.5 million in Charges for Current Services due to continued decreasing collections partially due to impact of AB 177, eliminating certain administrative fees. These revenues support the statutory payments in Contribution for Trial Courts. This negative variance is partially offset by a positive variance of \$0.5 million in Intergovernmental Revenues due to State backfill to the counties for loss of revenue AB 1869, *Criminal Fees*.

*San Diego County Fire*

A negative variance of \$1.1 million is projected for the San Diego County Fire. This negative variance of \$1.1 million will be mitigated with the projected Public Safety Group fund balance and no action is necessary at this time.

A positive expenditure variance of \$0.3 million is projected. A positive variance of \$0.2 million in Salaries & Benefits is due to vacant positions. Although no variance is projected in Services & Supplies, there is a significant cost increase in CAL FIRE contract which is mainly offset by lower COVID-19 pandemic costs related to ambulance transport, testing and vaccination.

A negative revenue variance of \$1.3 million is projected in Intergovernmental Revenues due to lower than anticipated American Recue Plan Act (ARPA) reimbursements related to COVID-19 pandemic contracted services for ambulance transports, testing and vaccination.

*Sheriff*

A positive variance of \$9.7 million is projected for the Sheriff's Department.

A positive expenditure variance of \$17.5 million is projected. A positive variance of \$9.5 million in Salaries & Benefits is projected due to vacancies, attrition, and under-filled positions. The Salaries & Benefits projection already takes into account the transfer of funds to Services and Supplies for the additional contributions for Public Liability (\$7.4 million). A positive variance of \$10.3 million is projected in Services & Supplies primarily for one-time costs of \$7.2 million that will be rebudgeted in the Fiscal Year 2022-23 CAO Recommended Operational Plan and Change Letter for the replacement of the Jail Information Management System (JIMS), the replacement of mobile fingerprint identification equipment in the Cal-ID program and for Regional Communication System (RCS) site relocation/development projects and tower/generator equipment due to project timeline changes, and expenditures in various accounts supporting operations offset by higher than anticipated costs for fuel and materials and supplies related to the COVID-19 pandemic. A positive variance of \$0.4 million is projected in Capital Assets Equipment due to a one-time project for the Cal-ID program that will be rebudgeted in the Fiscal Year 2022-23 CAO Recommended Operational Plan. A negative variance of \$2.7 million is in Expenditure Transfer & Reimbursements for the rebudget of Costs Applied in the General Fund which partially offsets the JIMS replacement project. None of the rebudgeted amounts will be based on General Fund fund Balance.

A negative revenue variance of \$7.8 million is projected. A negative variance of \$5.1 million is projected in Charges for Current Services primarily from the over accrual in Trial Court Security Subaccount from prior year and lower than anticipated jail bed leasing, defendant booking fees and civil service process fees offset by higher than anticipated e-SUN payments. A negative variance of \$4.6 million is projected in Fines, Forfeitures & Penalties due to the rebudget of revenue for Cal-ID program projects and lower than anticipated costs. A negative variance of \$3.4 million is projected in Other Financing Sources due to the rebudget of revenue from the Proposition 172 Special Revenue Fund for JIMS and a decrease in the transfer from the Inmate Welfare Fund associated with vacant positions. A negative variance of \$1.6 million is projected in Miscellaneous Revenues due to RCS projects that will be rebudgeted and lower than anticipated revenue for reimbursement of costs associated with the Unsheltered Feeding Program. These negative variances are partially offset by a positive variance of \$6.9 million in Intergovernmental Revenues due to unanticipated revenue from the CA Department of Corrections and Rehabilitation for inmate housing costs during a pause in jail intake at state facilities in response to the COVID-19 pandemic, for backfill for criminal admin fees, for Citizens Options for Public Safety revenue and ARPA reimbursement, offset by lower than anticipated Community Corrections Sub-Account funding and fee revenue for inmate confinement records.

### **Special Revenue Funds**

#### *Sheriff's Asset Forfeiture Program*

A positive variance of \$3.1 million is projected in the Sheriff's Asset Forfeiture Program (US Department of Justice, US Treasury Department and State).

A position expenditure variance of \$1.3 million is projected in Services & Supplies due to lower than anticipated costs for law enforcement projects.

A positive revenue variance of \$1.8 million is projected. A \$1.6 million positive variance in Intergovernmental Revenues is due to increased asset forfeiture from US Department of Justice and US Treasury Department seizures and \$0.2 million in Fines, Forfeitures & Penalties based on increased asset forfeiture from State seizures.

#### *Sheriff's Inmate Welfare Fund*

A positive variance of \$1.8 million is projected for the Inmate Welfare Fund.

A positive expenditure variance of \$3.3 million is projected. A positive variance of \$2.6 million is projected in Services & Supplies primarily due to the impact of the COVID-19 pandemic associated with contracts for educational services resulting from cancelled classes, and lower than anticipated expenditure needs associated with suspended activities and programs. A positive variance of \$0.7 million in Operating Transfers Out is associated with vacant positions in the General Fund.

A negative revenue variance of \$1.5 million is projected. The negative variance of \$1.7 million in Other Financing Sources is due to a decrease in the operating transfers from the Sheriff's Jail Commissary Enterprise Fund for proceeds generated by Commissary sales partially offset by \$0.2 million in over-realized revenue in Revenue from Use of Money & Property.

#### *Proposition 172*

Proposition 172 (Prop 172) Special Revenue Fund has a positive variance of \$59.5 million.

A positive expenditure variance of \$2.7 million is projected due to the rebudget of Sheriff IT costs.

A positive revenue variance of \$56.8 million is projected in Intergovernmental Revenues due to higher expected sales tax receipts in the current fiscal year and under-accrual in the prior fiscal year.

Prop 172 was approved by California voters in 1993 to create a permanent one-half cent sales tax for public safety purposes and was intended to provide funding sources to qualifying public safety programs

## **Enterprise Fund**

#### *Sheriff's Jail Commissary Enterprise Fund*

There is no overall variance projected for the Sheriff's Jail Commissary Enterprise Fund.

A positive expenditure variance of \$2.3 million is projected. A positive variance of \$0.6 million in Services & Supplies is primarily due to savings in purchases of commissary items from a pause in commissary operations due to COVID-19 pandemic. A positive variance of \$1.7 million is projected in Operating Transfers Out to the Inmate Welfare

fund due to a decrease in the transfer of commissary proceeds from lower-than-expected revenues, and lower amounts transferred to the General Fund due to vacant positions.

A negative revenue variance of \$2.3 million is projected in Miscellaneous Revenues due to decreases in projected commissary sales resulting from a decreased population due to the revised bail schedule in response to the pandemic and pause in commissary operations due to the COVID-19 pandemic.

### **Special District Funds**

#### *San Diego County Fire Protection District*

A net positive variance of \$1.3 million is projected for San Diego County Fire Protection District.

A positive expenditure variance of \$0.1 million is projected in Services & Supplies is due to lower than anticipated fire station operational cost.

A positive revenue variance of \$1.2 million is projected. A positive variance of \$0.4 million in Taxes Current Property is due to higher than anticipated property tax collections. A positive variance of \$0.8 million in Miscellaneous Revenues is due to higher than anticipated Fire Mitigation Fees collections in East Otay Mesa.

#### *County Service Areas (CSA) 17 & 69*

A positive variance of \$15.4 million is projected for CSA 17 San Dieguito Ambulance & CSA 69 Heartland Paramedics.

A positive expenditure variance of \$15.4 million is projected. This variance resulted from an accounting transaction to transfer the residual balances as a result of the transfer of CSA 17 Fund 14065 and CSA 69 14190 from HHSA to San Diego County Fire (new CSA 17 Fund 14995 and CSA 69 Fund 14996) effective July 1, 2021. The balances will be retained in the new funds for future use.

No revenue variance is projected.

## **HEALTH AND HUMAN SERVICES AGENCY (HHSA)**

### **General Fund**

#### *Administrative Support*

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

An overall negative variance of \$1.8 million is projected for Administrative Support.

A negative expenditure variance of \$4.4 million is projected, which includes \$0.4 million positive variance in Salaries & Benefits primarily due to lower than anticipated cost associated with the Board approved one-time hazard pay, partially offset by \$4.8 million negative variance in Services & Supplies primarily tied to updated public liability contributions for settling claims and administrative expenses.

A positive revenue variance of \$2.6 million is projected and includes \$2.2 million in Intergovernmental Revenues and \$0.4 million in Charges for Current Services tied to additional funding for indirect costs from First 5 San Diego. The \$2.2 million positive variance in Intergovernmental Revenues is primarily due to realignment revenues to partially fund the public liability contributions noted above.

#### *Aging & Independence Services*

A positive variance of \$2.5 million is projected for Aging & Independence Services.

A positive expenditure variance of \$2.2 million is projected and includes a positive variance of \$0.8 million in Salaries & Benefits due to attrition and vacant positions, a negative variance of \$0.5 million in Services & Supplies, and a positive variance of \$1.9 million in Operating Transfers Out due to reduced funding needs for the In-Home Supportive Services (IHSS) Public Authority related to anticipated operational savings in the program with no impact to services. The \$0.5 million negative variance in Services & Supplies is associated with an increase of \$1.7 million primarily tied to the increase for home delivered meals partially offset by \$1.2 million savings in various operating costs including reductions in IT costs, travel, and security guard services.

A positive revenue variance of \$ 0.3 million is projected in Intergovernmental Revenues consisting of a \$3.9 million increase primarily tied to Older Americans Act (OAA) revenues to align to updated program allocations, partially offset by a \$3.6 million decrease primarily to align with the reduced expenditures in the IHSS Public Authority program, savings in Salary & Benefits, and various operating costs.

#### *Behavioral Health Services*

Behavioral Health Services (BHS) consists of the following: Mental Health Services, Alcohol and Drug Services, and Inpatient Health Services comprised of the San Diego

County Psychiatric Hospital (SDCPH) and Edgemoor Distinct Part Skilled Nursing Facility.

An overall positive variance of \$31.2 million is projected for BHS. In the Adopted Budget, \$29.5 million of one-time fund balance was budgeted to bridge mental health and alcohol drug program services for a year while realignment revenues recovered, which is no longer anticipated to be needed.

A positive expenditure of \$38.0 million is projected and includes a positive variance of \$12.9 million in Salaries & Benefits due to attrition and vacant positions across BHS, a positive variance of \$23.5 million in Services & Supplies, and a positive variance of \$1.6 million in Expenditure Transfer & Reimbursements mainly associated with costs provided through various Memorandums of Understanding (MOU) to the Probation Department. The positive variance of \$23.5 million in Services & Supplies includes \$27.4 million primarily in contracted services associated with various mental health and alcohol and drug treatment programs to align with updated procurement timeframes and projected service level trends offset by a negative variance of \$3.9 million in temporary staffing costs due to vacancies to direct service positions in SDCPH and County outpatient clinics.

A negative revenue variance of \$6.8 million is projected and includes a negative variance of \$11.4 million in Intergovernmental Revenue and \$0.3 million in Miscellaneous Revenue mainly due to lower receipts in collection for recovered expenditures, partially offset by a positive variance of \$4.9 million in Charges for Current Services primarily tied to higher rates for inpatient health services and unanticipated County Care Coordination revenue for mental health programs. The \$11.4 million negative variance in Intergovernmental Revenue is mainly due to lower State and federal funding for behavioral health programs to align with anticipated expenditures.

#### *County Child Welfare Services*

An overall positive variance of \$2.0 million is projected for County Child Welfare Services (CWS).

A positive expenditure variance of \$21.4 million is projected and includes a positive variance of \$8.4 million in Salaries & Benefits due to attrition and vacant positions, a positive variance of \$5.1 million in Services & Supplies, and a positive variance of \$7.9 million in Other Charges mainly to align with projected caseloads in foster care assistance and adoption assistance programs. The positive variance of \$5.1 million in Services & Supplies is primarily driven by savings in contracted services tied to transitional housing programs due to the temporary moratorium on youth aging out of foster care during the pandemic and various other contracts associated with updated utilization trends partially offset by an increase in temporary staff to meet needs at Polinsky Children's Center for high acuity youth with medical needs and to meet Community Care Licensing (CCL) requirements.

A negative revenue variance of \$19.4 million is projected and includes \$18.8 million in Intergovernmental Revenues, \$0.3 million in Use of Money and Property to align revenue

collection trends for the use of the San Pasqual Academy property, and \$0.3 million in Charges for Current Services to align with anticipated reimbursement from birth certificate fees and adoption fees. The negative variance of \$18.8 million in Intergovernmental Revenues consists of \$9.9 million primarily tied to social services administrative revenues aligning with anticipated federal and State funding and projected expenditures mentioned above and \$8.9 million in federal and state assistance payment revenues primarily tied to updated caseload projections for foster care and adoptions assistance.

#### *Housing & Community Development Services*

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

An overall positive variance of \$1.9 million is projected for HCDS.

A positive expenditure variance of \$4.8 million is projected and includes a positive variance of \$4.0 million in Services & Supplies and \$0.8 million in Other Charges primarily tied to multi-year projects due to a revised funding allocation for the HOME and HOPWA Homeless Tenant Based Rental Assistance (TBRA) programs. The positive variance of \$4.0 million in Services & Supplies consists of \$2.0 million for the Emergency Rental Assistance Program associated with anticipated operational savings in the program with no impact to services, \$1.6 million primarily in multi-year projects due to implementation overlap across fiscal years and \$0.9 million tied to savings in programs addressing homelessness in the unincorporated area due to a longer than anticipated timeline to get clients housing ready, partially offset by a negative variance of \$0.5 million primarily due to the increase in loan disbursement tied to the Innovative Housing Trust Fund (IHTF) initiative to increase affordable housing opportunities.

A negative revenue variance of \$2.9 million includes a negative variance of \$3.4 million in Intergovernmental Revenues mainly associated with federal and State revenue to align with anticipated spending noted above offset by a positive variance of \$0.5 million in Miscellaneous Revenues primarily to align with the anticipated loan disbursement for the IHTF.

#### *Public Health Services*

An overall negative variance of \$20.1 million is projected for Public Health Services (PHS).

A positive expenditure variance of \$4.4 million is projected and includes a positive variance of \$1.7 million in Salaries & Benefits due to attrition and vacant positions, and a positive variance of \$2.7 million in Services & Supplies primarily aligning with projected spending and utilization of contracted services associated with COVID-19 response activities.

A negative revenue variance of \$24.5 million is projected and includes negative variances of \$18.0 million in Intergovernmental Revenue, \$6.6 million in Charges for Current Services primarily tied to Intergovernmental Transfer Agreement (IGT) revenue to align

with anticipated spending offset by a positive variance of \$0.1 million in Miscellaneous Revenues based on an anticipated grant allocation to support COVID-19 surveillance. The negative variance of \$18.0 million in Intergovernmental Revenue is primarily to align COVID-19 emergency response funding with projected costs and reflect Federal Emergency Management Agency (FEMA) revenue deferrals anticipated to be received after December 2022.

#### *Self-Sufficiency Services*

An overall positive variance of \$3.9 million is projected for Self-Sufficiency Services (SSS).

A positive expenditure variance of \$30.4 million is projected and includes a positive variance of \$8.6 million in Salaries & Benefits due to attrition and vacant positions, a positive variance of \$0.1 million in Services & Supplies in various operating cost, and a positive variance of \$21.7 million in Other Charges. The positive variance of \$21.7 million in Other Charges includes \$17.9 million primarily in the California Work Opportunity and Responsibility to Kids (CalWORKs) and \$3.8 million in the General Relief program based on revised estimates of caseload levels and growth trends.

A negative revenue variance of \$26.5 million is projected and consists of a negative variance of \$27.8 million in Intergovernmental Revenue partially offset by \$1.3 million in Miscellaneous Revenue due to the recoupment of payments in contracted services from prior year adjustments. The negative variance of \$27.8 million in Intergovernmental Revenue consists of \$16.5 million mainly in CalWORKs revenue associated with revised caseload projections, and \$11.3 million in social services administrative revenues primarily tied to savings in Salaries & Benefits noted above and to align with revised allocation.

#### *Homeless Solutions and Equitable Communities*

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

An overall positive variance of \$0.7 million is projected for Homeless Solutions and Equitable Communities (HSEC).

A positive expenditure variance of \$3.7 million is projected and includes a positive variance of \$3.4 million in Salaries & Benefits due to attrition and vacant positions and a variance of \$0.3 million in Services & Supplies. The positive variance of \$0.3 million in Services & Supplies includes \$0.8 million saving associated with Whole Person Wellness (WPW) pilot program as the result of lower than expected program participants partially offset by \$0.5 million primarily due to the expansion of various Centers for Disease Control and Prevention program contracts associated with increased funding.



A negative revenue variance of \$3.0 million is projected and includes \$2.6 million in Intergovernmental Revenue, \$0.2 million in Charges for Current Services primarily tied to Intergovernmental Transfer Agreement (IGT) revenue for savings in the WPW program noted above and \$0.2 million in Licenses Permits & Franchises revenues to align with projected marriage license fees. The negative Intergovernmental Revenue of \$2.6 million consists of \$2.0 million in realignment revenues associated with savings in Salaries & Benefits and the WPW program noted above and \$0.6 million in federal and State funding to align with projected expenditures.

## **LAND USE AND ENVIRONMENT GROUP**

### **General Fund**

#### *Environmental Health and Quality*

A positive variance of \$1.6 million is projected for the Department of Environmental Health and Quality.

A positive expenditure variance of \$6.5 million is projected. A positive variance of \$3.6 million in Salaries & Benefits is due to vacancies and under-filled positions. A positive variance of \$2.9 million in Services & Supplies includes \$1.8 million in the Vector Control program due to a reduction in payments for the Vector Habitat Remediation Program, fewer aeriels conducted, and fewer required larvicide purchases, \$1.1 million related to reduced supply purchases, less travel and delayed information technology projects impacted by the COVID-19 pandemic; and \$0.1 million in Capital Assets Equipment related to delayed purchases in the Urban Area Security Initiative Grant Program. These are partially offset by a negative variance of \$0.1 million in Expenditure Transfer & Reimbursements for Cost Applied due to less occupational health work performed for other departments.

A negative revenue variance of \$4.9 million is projected. A negative variance of \$3.9 million in Charges for Current Services includes \$3.3 million less trust fund reimbursement for Vector and Hazardous Materials Divisions due to expenditure savings mentioned above and \$0.6 million less revenue in various revenue accounts due to fewer services requested by property owners. A negative variance of \$1.2 million in Intergovernmental Revenues is mostly due to less fee waivers and fee revenue funded by the American Rescue Plan Act (ARPA), and a \$0.2 million in Fines and Forfeitures & Penalties is due to late fee deferrals. These are partially offset by a positive variance of \$0.4 million in Licenses, Permits, & Franchises mostly due to Food and Housing Division prior year permit fees paid.

#### *Planning & Development Services*

There is no overall variance projected for the Department of Planning and Development Services.

A positive expenditure variance of \$2.7 million is projected. A positive variance of \$1.3 million in Salaries & Benefits is projected due to staff vacancies and under-filled positions and less than anticipated spending related to COVID-19 response. A positive variance of \$1.3 million in Services & Supplies is projected primarily due to less than anticipated spending related to COVID-19 response and savings in one time only information technology projects. A positive variance of \$0.1 million in Expenditure Transfer & Reimbursements is due to slight increase in services rendered to other General Fund departments.

A negative revenue variance of \$2.7 million is projected. A negative variance of \$0.2 million in Intergovernmental Revenue is due to reduced reimbursements related to

COVID-19 response and \$7.4 million in Charges for Current Services is projected due to a decline in billable activities for land development projects because of staff vacancies, which is partially offset by a positive variance of \$4.9 million in Licenses, Permits and Franchises due to higher than anticipated building permit applications.

#### *Public Works – General Fund*

A positive variance of \$0.1 million is projected for the Department of Public Works General Fund.

A positive expenditure variance of \$2.9 million is projected. A positive variance of \$0.8 million in Salaries & Benefits is due to staff vacancies and under-filled positions. A positive variance of \$2.1 million is projected in Services & Supplies primarily due to stormwater permit delay resulting in less permitting expenses and lower than anticipated need for contract support for stormwater inspections.

A negative revenue variance of \$2.8 million is projected. A negative variance of \$2.0 million in Intergovernmental Revenues is due to less than anticipated reimbursement from Regional Watershed Co-permittees due to expenditure savings noted above. A negative variance of \$0.8 million is projected in Charges for Current Services mostly due to vacancies mentioned above.

#### **Special Revenue Funds**

##### *Public Works - Road Fund*

A positive variance of \$14.6 million is projected for the Department of Public Works Road Fund.

A positive expenditure variance of \$11.9 million is projected. A positive variance of \$11.9 million in Salaries & Benefits is due to staff vacancies and under-filled positions.

A positive revenue variance of \$2.7 million is projected. A positive revenue variance of \$4.4 million is projected in Intergovernmental Revenues mostly due to the State's revision of Highway User Tax Account (HUTA) and Road Maintenance Rehabilitation Account (RMRA) allocations. This is partially offset by a negative revenue variance of \$0.6 million in Taxes Other than Current Secured due to TransNet project schedule revisions, a negative revenue variance of \$1.0 million in Charges for Current Services due to schedule revisions for Special District projects (\$0.6 million) and Watershed Protection Program projects (\$0.2 million), and reduced funding for Airports projects (\$0.2 million), and a negative variance of \$0.1 million in Miscellaneous Revenues due to less than anticipated reimbursements from trust accounts.

##### *Public Works – Inactive Waste Site Management Fund*

There is no overall variance projected for Inactive Waste Site Management Fund.

A positive expenditure variance of \$0.9 million is projected. A positive variance of \$0.1 million is projected in Salaries & Benefits due to staff vacancies. A positive variance of

\$0.8 million in Services & Supplies is due to the delay of San Pasqual burnsite clean closure projects.

A negative revenue variance \$0.9 million is projected. A negative variance of \$1.2 million is projected in Charges for Current Services mostly due to the delay of the San Pasqual burn site clean closure projects, partially offset by a positive variance of \$0.3 million in Intergovernmental Revenues due to prior year claims being paid this fiscal year.

*Public Works - Waste Planning & Recycling*

A positive variance of \$2.0 million is projected in Waste Planning and Recycling Fund.

A positive expenditure variance of \$1.3 million is projected. A positive variance of \$0.3 million in Salaries & Benefits is due to staff vacancies. A positive variance of \$1.0 million is projected in Services & Supplies due to fewer than anticipated recycling outreach events.

A positive revenue variance of \$0.7 million is projected in Intergovernmental Revenues due to the unanticipated award of the CalRecycle Organics grant program.

*Park Land Dedication Ordinance*

A positive variance of \$2.9 million is projected for the Park Land Dedication Ordinance.

No significant expenditure variance is projected.

A positive revenue variance of \$2.9 million is projected in Licenses, Permits, & Franchises due to unanticipated increased levels of land development activity resulting in additional revenue from Park Land Dedication fees.

*San Diego County Library*

A positive variance of \$3.7 million is projected for the San Diego County Library.

A positive expenditure variance of \$1.9 million is projected. A positive variance of \$0.7 million in Salaries & Benefits is due to staff vacancies. A positive variance of \$1.0 million in Services & Supplies is due to savings in information technology related costs and delays in these projects due to supply chain issues. A positive variance of \$0.2 million in Operating Transfers Out is due to savings in the Bonita expansion project and the Borrego furniture, fixtures, and equipment project.

A positive revenue variance of \$1.8 million is projected. A positive revenue variance of \$0.6 million in Taxes Current Property is due to assessed value growth. A positive variance of \$1.2 million in Intergovernmental Revenues is due to growth in assessed value from property taxes associated with former redevelopment area.

## **Special District Funds**

### *Public Works – Permanent Roads Divisions*

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

A positive expenditure variance of \$5.9 million is projected in Services & Supplies mostly due to lower than anticipated contracted services for emergency work.

A positive revenue variance of \$0.1 million is projected in Charges for Current Services mostly due to an increased rate on tax bills.

### *Public Works - San Diego County Sanitation District*

A positive variance of \$2.1 million is projected for the Department of Public Works San Diego County Sanitation District.

A positive expenditure variance of \$1.9 million in Services & Supplies is mostly due to vacancies in Wastewater Management Enterprise Management Fund that provides support and staffing to Sanitation District.

A positive revenue variance of \$0.2 million is projected in Charges for Current Services due to increase in construction fees.

### *Public Works - Street Lighting District*

A positive variance of \$0.5 million is projected for the Department of Public Works Street Lighting District.

A positive expenditure variance of \$0.6 million is projected in Services & Supplies mostly due to lower than anticipated costs for as needed contracts.

A negative revenue variance of \$0.1 million is projected in Revenue from Use of Money and Property due to lower than anticipated interest on deposits.

## **Internal Service Funds**

### *Public Works – Equipment Internal Service Funds*

A positive variance of \$4.0 million is projected in the Department of Public Works Internal Service Funds (ISF).

A positive expenditure variance of \$3.8 million is projected in Capital Assets Equipment due to the capitalization of assets.

A positive revenue variance of \$0.2 million is projected in Other Financing Sources mostly due to unanticipated gain on the sale of fixed assets.

## **Enterprise Funds**

### *Public Works - Airport Enterprise Fund*

A positive variance of \$2.1 million is projected in the Airport Enterprise Fund.

A positive expenditure variance of \$4.1 million is projected. A positive variance of \$0.5 million is projected in Salaries & Benefits due to staff vacancies and \$3.6 million in Capital Assets/Land Acquisition is due to the cancellation of Cajon Air Center (CAC) Taxiway project (\$3.1 million) and the prior year completion of CAC Drainage project at Gillespie Airport (\$0.5 million).

A negative revenue variance of \$2.0 million is projected. A negative variance of \$1.9 million is projected in Intergovernmental Revenue due to the cancellation of CAC Taxiway project and revenue from State Aid for Aviation already realized during prior year for completed CAC Drainage project. A negative variance of \$0.2 million is projected in Revenue from Use of Money and Property due to lower than anticipated interest on deposits. This is partially offset by a positive variance of \$0.1 million in Charges for Current Services mostly due to US Customs contract.

### *Public Works – Wastewater Management Enterprise Fund*

A positive variance of \$0.5 million is projected in the Wastewater Management Enterprise Fund.

A positive expenditure variance of \$2.3 million is projected. A positive variance of \$2.0 million is projected in Salaries & Benefits due to staff vacancies and under filled positions. A positive variance of \$0.3 million is projected in Services & Supplies due to lower than anticipated costs for support services from other County departments.

A negative revenue variance of \$1.8 million is projected in Charges for Current Services due to reduced work for maintenance in the San Diego County Sanitation District related to staff vacancies identified above.

## **FINANCE AND GENERAL GOVERNMENT GROUP**

### **General Fund**

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

An overall positive variance of \$0.2 million is projected for the Assessor/Recorder/County Clerk (ARCC).

A positive expenditure variance of \$6.5 million is projected due to positive variances of \$0.3 million in Salaries & Benefits associated with hazard pay and \$6.2 million in Services & Supplies associated with contracted services for various Information Technology (IT) projects and major maintenance projects.

A negative revenue variance of \$6.3 million is projected due to negative variance of \$0.3 million in Intergovernmental Revenues associated with hazard pay; negative variance of \$6.1 million in Charges for Current Services; and positive variance of \$0.1 million in Licenses and Permits & Franchises due to higher than anticipated number of marriage licenses issued. The negative variance of \$6.1 million in Charges for Current Services includes \$7.0 million underrealized revenue related to delayed projects, \$2.1 million underrealized Recording/Duplicating and Filing Document fee revenues due to fewer than anticipated recordings and filings, offset by \$3.0 million over realized revenues (AB2890 Recovered Costs for supplemental assessments, Special Assessments, Property Tax System Administration Fee, Filing Documents, Notary Public Fees, Recording Fees, and Marriage Ceremony Fees) due to higher than anticipated demand for identified services

#### *Auditor & Controller*

An overall positive variance of \$1.2 million is projected for the Auditor & Controller.

A positive expenditure variance of \$2.4 million is projected primarily due to \$2.3 million in Salaries & Benefits as a result of vacant and modified positions and \$0.1 million projected operational savings in various Services & Supplies accounts.

A negative revenue variance of \$1.2 million is projected primarily in Intergovernmental Revenues due to budgeted COVID-19 response costs not being incurred, which has resulted in American Rescue Plan Act (ARPA) revenue not being realized to offset those costs.

#### *Chief Administrative Office*

An overall positive variance of \$1.2 million is projected for the Chief Administrative Office.

A positive expenditure variance of \$1.2 million is projected including \$1.0 million in Salaries & Benefits primarily due to staffing vacancies associated with newly created divisions and \$0.2 million in Services & Supplies due to projected savings associated with gradual implementation of newly created programs.

No significant revenue variance is projected.

*County Communications Office*

An overall positive variance of \$0.4 million is projected for the County Communications Office.

A positive expenditure variance of \$0.6 million is projected, including \$0.1 million in Salaries & Benefits due to staff attrition and departmental vacancies, \$0.3 million in Services & Supplies due primarily to lower than anticipated facility maintenance expenditures, and \$0.2 million in Capital Assets Equipment due to lower than anticipated purchases of equipment that would qualify for Public, Educational, and Governmental (PEG) Fund reimbursement.

A negative revenue variance of \$0.2 million is projected primarily in Licenses Permits & Franchises due to lower than anticipated PEG Fund reimbursements related to equipment purchases described above.

*County Counsel*

An overall positive variance of \$0.8 million is projected for the Office of County Counsel.

A positive expenditure variance of \$1.1 million is projected which includes \$1.3 million in Salaries & Benefits due to staff attrition and departmental vacancies, which is offset by a negative variance of \$0.2 million in Expenditure Transfer & Reimbursements due to less than anticipated staff costs for legal services provided to Health & Human Services Agency.

A negative revenue variance of \$0.3 million is projected in Charges for Current Services primarily due to a decrease in legal services provided within the air pollution and land use areas.

*Department of Human Resources*

An overall positive variance of \$1.3 million is projected for the Department of Human Resources.

A positive expenditure variance of \$0.3 million is projected in Salaries & Benefits due to normal attrition of staff and departmental vacancies.

A positive revenue variance of \$1.0 million is projected, which includes \$1.3 million in Intergovernmental Revenues due to unanticipated ARPA revenue for reimbursement of operational expenses related to the COVID-19 pandemic response, offset by negative variances of \$0.2 million in Miscellaneous Revenues and \$0.1 million in Charges for Current Services, both due to lower administration costs for anticipated services charged to the Employee Benefit Internal Service Fund and insurance premium refunds.

*Finance & General Government Group Executive Office*



An overall positive variance of \$2.0 million is projected for the Finance & General Government Group Executive Office.

A positive expenditure variance of \$1.3 million is projected, including \$0.3 million in Salaries & Benefits due to departmental vacancies, and \$1.0 million in Services & Supplies for lower than anticipated spending on IT projects.

A positive revenue variance of \$0.7 million is projected in Revenue from Use of Money & Property due to over-realized revenue related to parking garage receipts.

*Office of Evaluation, Performance and Analytics*

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

A positive expenditure variance of \$4.3 million is projected, including \$3.6 million in Salaries & Benefits due to departmental vacancies, and \$0.7 million in Services & Supplies due to delayed implementation of programs in this recently created office.

A negative revenue variance of \$4.3 million is projected in Intergovernmental Revenues due to lack of qualifying expenditures for ARPA funding tied to savings noted above.

*Treasurer-Tax Collector*

An overall positive variance of \$1.1 million is projected for the Treasurer-Tax Collector.

A positive expenditure variance of \$2.1 million is projected, which includes \$0.4 million in Salaries & Benefits due to normal attrition of staff and departmental variances and \$1.7 million in Services & Supplies mainly due to delays in IT projects and contracts.

A negative revenue variance of \$1.0 million is projected primarily in Charges for Current Services mainly due to less than anticipated Banking Pooled Services revenue tied to Salaries & Benefits, delayed IT projects noted above, and lower than expected tax collection fees.

**Internal Service Funds (ISF)**

*Facilities Management ISF*

An overall positive variance of \$0.7 million is projected for the Facilities Management ISF.

A positive expenditure variance of \$14.6 million is projected. A positive variance of \$0.4 million in Salaries & Benefits is due to normal attrition of staff and departmental vacancies, \$14.0 million in Services & Supplies primarily due to lower than anticipated pass-through expenses related to utilities, contracted services, and maintenance, and \$0.2 million in Other Charges due to lower than anticipated depreciation charges.

A negative revenue variance of \$13.9 million is projected. Anticipated negative variances include \$14.2 million in Charges for Current Services due to lower than anticipated reimbursement related to the expenditure savings mentioned above and \$0.2 million in

Miscellaneous Revenues due to less than anticipated revenue from the Energy Trust Fund, partially offset by a positive variance of \$0.5 million in Other Financing Sources due to an increase in Operating Transfers In from the Major Maintenance ISF related to higher than anticipated maintenance services.

#### *Fleet Management ISF*

An overall positive variance of \$1.9 million is projected for the Fleet Management ISF.

A positive expenditure variance of \$4.9 million is projected. Anticipated positive variances include \$1.5 million in Salaries & Benefits due to normal attrition of staff and departmental vacancies, \$1.9 million in Services & Supplies due to anticipated savings in garage operations and support including commercial repair and parts purchases, and \$1.5 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 \$3.0 million is projected. Anticipated negative variances include \$3.3 million in Charges for Current Services due to lower than anticipated reimbursement related to the expenditure savings mentioned above and decreased expenditures for depreciation, \$0.1 million in Revenue from Use of Money & Property due to lower than expected interest earnings, and \$0.1 million in Other Financing Sources due to less than anticipated auction proceeds, partially offset by a positive variance of \$0.5 million in Residual Equity Transfers In due to higher than anticipated true up payments for active vehicles.

#### *Public Liability ISF*

No significant variance is projected for the Public Liability ISF.

No significant expenditure variance is projected. Appropriations were added by Board approval in the 2<sup>nd</sup> Quarter Operational Plan Status Letter to pay several unanticipated settlements approved by the Board earlier in the fiscal year.

No significant revenue variance is projected. County departments will contribute additional funds as a result of several unanticipated settlements mentioned above, and will not require additional appropriations to do so. A positive variance of \$0.3 million in Miscellaneous Revenue from unanticipated payments relating to existing cases and will be offset by a negative variance of \$0.3 million projected in Revenue from Use of Money & Property as a result of lower than anticipated interest earnings.

#### *Purchasing and Contracting ISF*

A positive variance of \$1.9 million is projected for the Purchasing and Contracting ISF.

No significant expenditure variance is projected.

A positive revenue variance of \$1.9 million is projected primarily in Charges for Current Services as a result of over-realized ISF revenue generated by client department contractual expenditures.

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

A positive variance of \$73.7 million is projected in General Purpose Revenue (GPR) primarily due to higher than anticipated assessed value (AV) growth (\$22.0 million), higher pass-through distributions and residual balance estimates from Redevelopment Successor Agencies (\$10.4 million) and other various GPR revenues (\$41.3 million). A positive variance of \$8.9 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 gains in all industries except Mining and Logging which were flat; overall employment showed a positive gain from February 2021 to February 2022. The region has continued to fare better than other California metros in terms of unemployment rate. Median home prices in San Diego for Single Family Homes were higher by 18.1% and for Existing Attached Homes by 21.5% in February 2022 compared to the same time period last year. Per Beacon Economics (Spring 2022), they expect the San Diego labor market will fully recover pandemic-related job losses by either the end of this year or the beginning of the next year as the region continues to transition from recovery to expansion. Unemployment will continue to fall slowly around 4% by year's end. The pace of growth in San Diego is expected to slow, but the region has come a long way and recovered a significant portion of the jobs lost during the recession. According to CoreLogic data for new homes, existing homes and condos, sales in San Diego county increased 23.5% year-over-year in 2021 which was the fastest rate of increase in nearly 25 years. Housing markets have been on fire, both locally and at the national level, primarily due to the rapid upswing in sales were the steady decline in interest rates and a shift in consumer preferences for more space. New home construction has continued to pick up, but not enough to help with inventories, and will take time for residential permits to bring any relief to the housing market. Nationally, the Fed is looking to tighten monetary policy by dialing back its bond-buying spree which should push long-term interest rates up and slow down the real estate sector. Beacon Economics expects San Diego's economy to improve through 2022 with employment levels continuing to rise, unemployment rate continuing to go down, and home prices continuing to appreciate above historic levels.

The County's GPR related to property tax revenues improved, supported by the increase in assessed values. For Fiscal Year 2021-22, the economic indicators discussed previously and the trends summarized below, are followed by a discussion on significant revenue account variances from budget:

- San Diego's monthly unemployment rate fell to 4.0% in February 2022, down from 7.9% in February 2021. In comparison, this is below the State's rate of 4.8% in February 2022 and 8.9% in February 2021.
- Consumer spending, as measured by taxable sales, will increase mainly due to increase in consumer online spending. During the 3rd Quarter of Fiscal Year 2021-22, unadjusted local point of sale tax revenue increased by 20.78% in the

unincorporated area, in the Southern California Region by 29.10%, in the statewide level by 25.39% and in the San Diego regional level by 25.83% compared to the same time period last year.

- The positive indicators in the housing market continue in the county.
  - Increase in median housing prices for Single Family Homes (up 18.1%) and for Existing Attached Homes (up 21.5%) for February 2022 compared to the same time period last year.
  - Notices of Default for January-March 2022 were up 82% compared to the same period in 2021.
  - Foreclosure activity increased 67% in January-March 2022 compared to the same period in 2021.

#### *Current Property Taxes All Categories*

The four categories of Current Property Taxes (i.e. Property Taxes Current Secured, Property Taxes Current Supplemental, Property Taxes Unsecured, and Property Taxes Current Unsecured Supplemental) combined are estimated to show a net positive variance to budget of \$15.5 million.

- *Property Taxes Current Secured*

Current Secured Property Taxes are projected to be \$14.1 million higher than budget due primarily to higher than anticipated assessed value (AV) growth (\$7.0 million) and increase to prior year base revenue due to better than expected collection/lower delinquency rate (\$7.1 million).

The budgeted current secured property taxes assumed a local secured assessed value increase of 3.00%, but the actual assessed value (AV) increased by 4.02% (gross less regular exemptions). (Note: The 4.02% increase represents the change in the assessed value for only the secured roll. This is higher than the countywide overall increase published by the Assessor/Recorder/County Clerk on July 6, 2021 of 3.72%, which includes all assessed value components, secured and unsecured).

- *Property Taxes - Current Unsecured*

Current Unsecured Property Taxes are projected to be \$1.4 million above budget due to higher than budgeted growth in assessed valuation, primarily driven by the increase in the Consumer Price Index at 2.0%. 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*

No projected variance in Property Taxes Current Supplemental.

#### *Taxes Other Than Current Secured*

Taxes Other Than Current Secured are anticipated to be \$35.9 million above budget.

- *Property Tax Prior Secured Supplemental*  
No significant variance projected in Property Tax Prior Secured Supplemental.
- *Real Property Transfer Taxes*  
Real Property Transfer Taxes are projected to be \$14.5 million higher than budget. This is due to an increase in home prices and/or number of sales tied to transfer fee increase.
- *Teeter Tax Reserve Excess*  
Teeter Tax Reserve Excess is projected to be \$2.0 million higher than budget. This is based on returned excess Teeter Tax Reserve requirement, current penalty and interest collections and available data on the outstanding receivables and projections through the end of the fiscal year.
- *Sales & Use Taxes*  
Sales & Use Taxes are projected to be \$5.6 million higher than budget. This is mostly due to the rebound of the economy faster than expected. Since the lock down from COVID-19 has been lifted, Sales & Use Tax growth is staying strong and will continue throughout the year.
- *Transient Occupancy Tax*  
Transient Occupancy Tax is projected to be \$2.0 million higher than budget. This is based on current year actual receipts for first and second quarter and projected actual receipts for third and fourth quarter based on current year trends. The hotel industry has rebounded since the lock down from COVID-19 has been lifted.
- *Other Tax Aircraft*  
Other Tax Aircraft is projected to be \$0.3 million higher than budget based on prior year actual revenues received.
- *Property Tax in Lieu of Vehicle License Fees*  
Property Tax in Lieu of Vehicle License Fees (VLF) is projected to be \$7.4 million higher than budget due to higher than budgeted growth in assessed valuation (\$4.5 million) and increase to prior year base revenue due to better than expected collection/lower delinquency rate (\$2.9 million).
- *Teeter Property Tax Prior Year and Cumulative Prior Years*  
Teeter Property Tax Prior Year and Cumulative Prior Years are projected to be \$4.1 million higher than budget. The increase is based on a higher collection of receivables from prior fiscal year.

#### *Licenses, Permits, and Franchises*

Licenses, Permits and Franchises are projected to be \$0.4 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 \$4.2 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 \$4.2 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 \$13.8 million higher than budget due to pass-through distributions (\$1.0 million), and residual balance estimates (\$9.4 million) in Aid from Redevelopment Successor Agencies, from one-time receipt of Motor Vehicle In-Lieu Tax (\$3.2 million), and higher than anticipated revenue from Fed In-Lieu Tax Open Space (\$0.2 million). 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 \$0.6 million higher than budget due to higher-than-expected revenues received in A-87 Cost Allocation Plan.

### *Miscellaneous Revenue*

No projected variance in Miscellaneous Revenue.

## **General County Expenses**

### *Countywide General Expense*

A positive variance of \$8.5 million is projected in Countywide General Expense.

A positive expenditure variance of \$8.5 million is projected. A positive variance of \$2.8 million is projected in Services & Supplies due to lower than anticipated costs for translation services (\$2.0 million) and for information technology (IT) projects that are anticipated to extend beyond the current fiscal year (\$0.8 million). A positive variance of \$5.3 million is projected in Other Charges due to lower than anticipated needs for Telework Stipends. A positive variance of \$0.4 million is projected in Operating Transfers Out due to lower than anticipated costs for IT ISF licenses and maintenance charges.

No significant revenue variance is projected.

### *Lease Payments – Bonds*

A positive variance of \$0.2 million is projected for the Lease Payments – Bonds Fund.

A positive expenditure variance of \$0.4 million is projected in Other Charges due to lower than anticipated principal and interest payments. The annual lease payments from the County are budgeted and paid for from this fund in an amount sufficient to satisfy the principal and interest payments due to the bondholders of the County's outstanding Certificates of Participation and Lease Revenue Bonds. Amounts invested in these interest-bearing trust accounts generate additional funds which can be used to offset payments to bondholders. The interest recognized is related to the outstanding debt for the County Operations Center, Series 2016A and the Edgemoor Refunding, Series 2014A.

A negative revenue variance of \$0.2 million is projected in Other Financing Sources. The annual principal and interest payments for all outstanding County debt obligations are paid for from the General Fund on July 5th of every fiscal year. The revenue recognized in this account is received from the Edgemoor Capital Fund to reimburse the General Fund for its portion of the principal and interest payments due for the outstanding Edgemoor Refunding, Series 2014A. Since interest was generated in the interest-bearing trust funds and used to offset a portion of this fiscal year's principal and interest payments, the transfer to reimburse the General Fund must also be reduced.

#### *Contributions to Capital*

A positive variance of \$0.1 million is projected in Contributions to Capital.

A positive expenditure variance of \$0.1 million is projected. This includes a positive variance of \$0.1 million in Operating Transfers Out due to lower than anticipated expenses related to capital projects that are closed or being cancelled by the end of Fiscal Year 2021-22.

The following capital projects will be closed or canceled (with the amount of related appropriations to be canceled):

- San Diego Botanic Garden Improvements (\$564.05)
- North County Regional Center Parking Lot (\$146,227.88)

### **Capital Program Funds**

#### *Edgemoor Development Fund*

There is zero variance projected for the Edgemoor Development Fund.

A positive expenditure variance of \$0.3 million is projected that includes a positive variance of \$0.2 million in Services & Supplies due to lower than anticipated Internal Service Fund and major maintenance expenditures and a positive variance of \$0.1 million in Operating Transfers Out due to lower than anticipated principal and interest payments. A portion of the cost of replacing Edgemoor Skilled Nursing Facility was funded by Certificates of Participation (COPs) in January 2005. These COPs are outstanding, and the monies used to fund the outstanding principal, interest and reserve requirement are deposited in interest-bearing trust accounts. The interest collected in these various accounts are used to offset payments to bondholders.

A negative revenue variance of \$0.3 million is projected. A negative variance of \$0.1 million is related to lower than anticipated interest earnings which are based on the average daily cash balances and a negative variance of \$0.2 million for Federal Other revenue related to medical assistance program.



**SCHEDULE C**  
**Fiscal Year 2021-22 3rd Quarter**  
**Capital Projects Anticipated for Completion/Cancellation**

Oracle Project Number	Account	Project Name	(1) Completed (2) Cancelled (3) Closed	Total Budget as of 03-31-22	Total Expenditures as of 03-31-22	Amount Capitalized as of 03-31-22	Minor Equipment & FA	Amount for Cancellation
<b>Capital Outlay Fund (Fund 26000)</b>								
1018209	54202	San Diego Botanic Garden Improvements	1	3,800,000.00	3,799,435.95	3,798,396.43	-	564.05
1021494	54202	Woodhaven Park Well and Fitness Trail	1	933,938.00	931,583.66	931,583.66	-	2,354.34
1021668	54202	Structure	1	188,135.58	188,135.58	188,135.58	-	-
1021905	54202	Patriot Park Water Conservation	1	373,019.23	373,019.23	373,019.23	-	-
1022249	54202	Pine Valley County Park Pavilion	1	374,820.98	358,043.47	358,043.47	-	16,777.51
1000040	54130	Volcan Mountain West Acquisition	1	1,903,518.01	1,903,518.01	1,903,518.01	-	-
1006952	54051	Stowe Trail Acquisition	1	71,500.24	71,500.24	67,842.88	-	-
1023436	54202	Don Dussault Park Phase III Improvements	1	300,000.00	299,369.79	299,369.79	-	630.21
1022928	54202	Liberty Park Water Conservation	1	96,382.65	96,382.65	96,382.65	-	-
1022929	54202	Homestead Park Water Conservation	1	96,712.32	96,712.32	96,712.32	-	-
1022930	54202	Heritage Park Water Conservation	1	116,579.49	116,579.49	116,579.49	-	-
1005335	54047	Valley Park Acquisition	3	6,226.78	6,226.78	6,226.78	-	-
1021847	54202	North County Regional Center Parking Lot	1	6,766,785.00	6,620,557.12	6,620,557.12	-	146,227.88
1018194	54202	El Cajon Branch Office Building	1	22,465,680.00	22,266,516.21	19,183,708.94	3,080,686.77	199,163.79
<b>TOTAL</b>				<b>37,493,298.28</b>	<b>37,127,580.50</b>	<b>34,040,076.35</b>	<b>3,080,686.77</b>	<b>365,717.78</b>
<b>County Health Complex Fund (Fund 26025)</b>								
<b>TOTAL</b>				-	-	-	-	-
<b>Justice Facility Construction Fund (Fund 26050)</b>								
1023885	54202	Youth Transition Campus (Phase II)*	3	-	-	-	-	-
<b>TOTAL</b>				-	-	-	-	-
<b>Library Projects Capital Outlay Fund (Fund 26075)</b>								
1021161	54202	Bonita Library Expansion	1	4,400,000.00	4,293,521.70	3,984,388.44	309,133.26	106,478.30
<b>TOTAL</b>				<b>4,400,000.00</b>	<b>4,293,521.70</b>	<b>3,984,388.44</b>	<b>309,133.26</b>	<b>106,478.30</b>
<b>16</b>	<b>TOTAL CAPITAL PROJECTS</b>			<b>41,893,298.28</b>	<b>41,421,102.20</b>	<b>38,024,464.79</b>	<b>3,389,820.03</b>	<b>472,196.08</b>

**Notes:**

- 1 Completed Project**
- 2 Cancelled Project**
- 3 Closed Project**
- \* Youth Transition Campus Phase II capital project combined into Phase I capital project**

DPR Projects

DGS Projects

**Appendix D: Major Maintenance Capital Outlay Fund (MMCOF) Adjustments for Fiscal Year 2021-2022 (3RD QUARTER)**

GROUP	DEPT.	PROJECT NUMBER	PROJECT NAME	FUNDING SOURCE			NOTES	DEPARTMENTS	DEPARTMENTS	MMCOF	RATIFICATION	Description
				(Acct - 56321 Opt Transfer Out)	(Acct - 52XXX Services & Supplies)	(Acct - 54202 Fixed Asset)						
				FUND	ORG	ACCOUNT	1 thru 10	Inc (Dec)	Inc (Dec)	Inc (Dec)	Yes/No	
<b>Increase (Decrease) of Appropriation</b>												
PSG	DAO	1025244	MMCOF7852 El Cajon City Hall 6th Floor Renovation	10100	37470	51110	3	500,000	(500,000)	500,000	No	Spending plan amendment
HHS	HHSA	1025392	MMCOF7855 Town Center Manor Critical Systems	10100	46462	52396	3	2,601,825	(2,601,825)	2,601,825	No	Spending plan amendment
LUEG	PKS	1023693	MMCOF7765 Sweetwater Regional Park Road Repair	10100	52811	52737	3	50,000	(50,000)	50,000	No	Spending plan amendment
LUEG	PKS	1023699	MMCOF7771 Potrero Park Backup Generators Installation	10100	52811	52737	3	92,204	(92,204)	92,204	No	Spending plan amendment
LUEG	PKS	1024612	MMCOF7819 Vallecitos Park Generator	10100	52811	52737	3	36,519	(36,519)	36,519	No	Spending plan amendment
PSG	SHF	1022825	MMCOF7686 Ridgehaven Renovation and Modernization	10100	39884	52737	3	2,000,000	(2,000,000)	2,000,000	No	Spending plan amendment
PSG	SHF	1025532	MMCOF7896 COC Building 209 Crime Lab Security	10100	39884	52737	5	84,000	(84,000)	84,000	No	Walk-in MMCOF Project
PSG	SHF	1025533	MMCOF7897 NCRC Vista Detention Facility Site Improvements	10100	39884	52737	5	450,000	(450,000)	450,000	No	Walk-in MMCOF Project
PSG	SHF	1025534	MMCOF7898 Las Colinas Detention Facility Water Heater and Swamp Cooler Replacements	10100	39884	52737	5	850,000	(850,000)	850,000	No	Walk-in MMCOF Project
PSG	SHF	1025535	MMCOF7899 Borrego Springs Sheriff Office Generator and ATS Replacement	10100	39884	52737	5	245,000	(245,000)	245,000	No	Walk-in MMCOF Project
PSG	SHF	1025536	MMCOF7900 San Diego Fire Arms Training Center South AV System Replacement	10100	39884	52737	5	100,000	(100,000)	100,000	No	Walk-in MMCOF Project
PSG	SHF	1025537	MMCOF7901 East Mesa Reentry Facility Panels and Switch Gear Cover Replacements	10100	39884	52737	5	150,000	(150,000)	150,000	No	Walk-in MMCOF Project
PSG	SHF	1025538	MMCOF7902 Hall Of Justice Security Weapons Screening Area Improvements	10100	39884	52737	5	170,000	(170,000)	170,000	No	Walk-in MMCOF Project
PSG	SHF	1025539	MMCOF7903 Hall Of Justice Camera Equipment Replacement	10100	39884	52737	5	950,000	(950,000)	950,000	No	Walk-in MMCOF Project
PSG	SHF	1025540	MMCOF7904 Rock Mountain House 6 Roof and AHU Replacements	10100	39884	52737	5	800,000	(800,000)	800,000	No	Walk-in MMCOF Project
PSG	SHF	1025541	MMCOF7905 Pine Valley Sheriff Substation Patio and Locker Room Improvements	10100	39884	52737	5	350,000	(350,000)	350,000	No	Walk-in MMCOF Project
PSG	SHF	1025542	MMCOF7906 Ranchita Substation Awning and Parking Lot Repairs	10100	39884	52737	5	280,000	(280,000)	280,000	No	Walk-in MMCOF Project
PSG	SHF	1025543	MMCOF7907 IB Sheriff Trailer Roof and HVAC Replacement	10100	39884	52737	5	122,500	(122,500)	122,500	No	Walk-in MMCOF Project
<b>Subtotal General Fund</b>								<b>9,832,048</b>	<b>(9,832,048)</b>	<b>9,832,048</b>		
PSG	OES	1024619	MMCOF7821 Julian Fire Station 56 Pavement and Asphalt	26005	7612D	54202	3	N/A	N/A	150,000	No	Spending plan amendment; Transferred from CP 1021948
PSG	OES	1024620	MMCOF7822 Ranchita FS 58 Stormwater Repairs and Paving	26005	7751D 7612D	54202	3	N/A	N/A	150,000	No	Spending plan amendment; Transferred from CP 1023709 (\$46,354.02), 1023625 (\$48,313.15) and 1021948 (\$55,332.83)
PSG	OES	1023709	MMCOF7781 Solar Panels Installation at Multiple Fire Stations	26005	7781D	54202	4	N/A	N/A	(46,354)	No	Spending plan amendment; Transfer to CP 1024620
LUEG	LIB	1024590	MMCOF7809 Cardiff Library Exterior Doors and Card Readers	12200	57330	52737	3	30,400	(30,400)	30,400	No	Spending plan amendment
LUEG	LIB	1024594	MMCOF7813 Jacumba Library Friends of the Library Storage Shed	12200	57330	52737	3	45,275	(45,275)	45,275	No	Spending plan amendment
LUEG	LIB	1024595	MMCOF7814 Vista Library Bathroom Remodel and Staff Workroom Tile Replacement	12200	57330	52737	3	39,021	(39,021)	39,021	No	Spending plan amendment
LUEG	LIB	1024595	MMCOF7814 Vista Library Bathroom Remodel and Staff Workroom Tile Replacement	12200	57475	56321	3	100,000	-	100,000	No	Spending plan amendment; Transferred from CP 1023691
LUEG	LIB	1023691	MMCOF7763 Valley Center Library HVAC Replacements	12200	57475	56321	10	(100,000)	-	(100,000)	No	Reduce LIB funds and transfer to CP 1024595; Add DGS Energy funds
LUEG	LIB	1023691	MMCOF7763 Valley Center Library HVAC Replacements	37600	87875	52737	10	100,000	(100,000)	100,000	No	Reduce LIB funds and add DGS Energy funds
<b>Subtotal Other Funds</b>								<b>214,695</b>	<b>(214,695)</b>	<b>468,341</b>		
LUEG	AWM	1023692	MMCOF7764 AWM Hazard Way Add Stair or Ramp with Gate	10100	48000	52737	2	(348,187)	348,187	(348,187)	No	Project has been cancelled
PSG	PSG	1022512	MMCOF7679 NCRC Law Library Trailer Replacement	10100	14000	52737	2	(233,574)	233,574	(233,574)	No	Project has been cancelled
LUEG	PKS	1024609	MMCOF7816 Heise Park HVAC and Heat Installation	10100	52821	52737	2	(6,525)	6,525	(6,525)	No	Project has been cancelled
HHS	HHSA	1024616	MMCOF7834 North Coastal Live Well Center Remodel	10100	45005	52737	2	(700,000)	700,000	(700,000)	No	Project has been cancelled
HHS	HHSA	1024186	MMCOF7804 HHSA Eligibility Data Processing Center Relocation	10100	46454	52737	6	(23,265)	23,265	(23,265)	No	Project is complete and can be closed
PSG	SHF	1024622	MMCOF7824 Lemon Grove Sheriff Paving	10100	39884	52737	6	(22,503)	22,503	(22,503)	No	Project is complete and can be closed
PSG	OES	1023625	MMCOF7751 Julian Fire Station Emergency Generator	26005	7751D	54202	7	N/A	N/A	(48,313)	No	Project is complete and can be closed; Transfer remaining funds to CP 1024620
PSG	OES	1021948	MMCOF7612 SD Fire Authority Fire Alarm Sprinkler System	26005	7612D	54202	7	N/A	N/A	(205,333)	No	Project is complete and can be closed; Transfer remaining funds to CP's 1024619 (\$150,000) and 1024620 (\$55,332.83)
<b>Subtotal Completed/Cancelled Projects</b>								<b>(1,334,053)</b>	<b>1,334,053</b>	<b>(1,587,699)</b>		
<b>Total Increase (Decrease) of Appropriation</b>								<b>8,712,690</b>	<b>(8,712,690)</b>	<b>8,712,690</b>		
<b>Board Letter Recommendation</b>								<b>REC #11</b>	<b>REC #11</b>	<b>REC #11</b>		

**NOTES:**

- 1 MMCOF Project identified as MMISF (maintenance/not capital)
- 2 MMCOF Project cancelled and funding source returned to Services & Supplies for department's operation
- 3 MMCOF Spending plan increased
- 4 MMCOF Spending plan decreased
- 5 MMISF Project identified as MMCOF

- 6 MMCOF Project complete and remaining funds are transferred to Dept. Services & Supplies
- 7 MMCOF Project complete and remaining funds are transferred to an existing MMCOF project
- 8 MMCOF Project complete and remaining funds are transferred to a new MMCOF walk-in project
- 9 MMCOF Project cancelled and remaining funds are transferred to an existing MMCOF project
- 10 Change in revenue source

**Appendix E**  
**Telework Stipends**  
**Summary by Group and Business Unit**  
**Fiscal Year 2021-22**

Group ID	Group Description	Business Unit	Fund	Low Org	Account	Business Unit Description	Telework Stipends Cost
G4000	Land Use & Environment	A0940	12650	63950	51185	Inactive Waste Site Mgt	<b>3,749.40</b>
G4000	Land Use & Environment	A0947	12675	63970	51185	Waste Planning and Recycling	<b>7,015.35</b>
G4000	Land Use & Environment	A6710	10100	49800	51185	Planning & Development Srvcs	<b>126,424.33</b>
G4000	Land Use & Environment	A6850	11100	53646	51185	Public Works, Dept of, Road	<b>137,085.96</b>
G4000	Land Use & Environment	A7320	12200	57305	51185	Library, County	<b>22,025.52</b>
G4000	Land Use & Environment	A7530	10100	52800	51185	Parks & Recreation Dept	<b>59,826.82</b>
G4000	Land Use & Environment	A8870	30050	76350	51185	DPW-Airport Enterprise Fund	<b>15,891.74</b>
G4000	Land Use & Environment	A8990	30100	76900	51185	Wastewater Management	<b>10,920.40</b>
<b>Land Use &amp; Environment Group Total</b>							<b>382,939.52</b>

Group ID	Group Description	Business Unit	Fund	Low Org	Account	Business Unit Description	Telework Stipends Cost
G2000	Public Safety	A4270	10100	38200	51185	Public Defender	<b>310,914.96</b>
<b>Public Safety Group Total</b>							<b>310,914.96</b>

<b>Total Telework Stipends</b>							<b>693,854.48</b>
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# San Diego County Flood Control District

## GOVERNING BODY

NORA VARGAS  
First District

JOEL ANDERSON  
Second District

TERRA LAWSON-REMER  
Third District

NATHAN FLETCHER  
Fourth District

JIM DESMOND  
Fifth District

## AGENDA ITEM

**DATE:** May 24, 2022

# FL01

**TO:** Flood Control Board of Directors

### SUBJECT

**FISCAL YEAR 2021-22 THIRD QUARTER OPERATIONAL PLAN BUDGET ADJUSTMENT (DISTRICTS: ALL)**

### OVERVIEW

This item recommends budget adjustment in the San Diego County Flood Control District as part of the Fiscal Year 2021-22 Third Quarter Operational Plan budget adjustment.

### RECOMMENDATION(S)

#### CHIEF ADMINISTRATIVE OFFICER

Establish appropriations of \$877,000 in the San Diego County Flood Control District, Services & Supplies, for Woodside Water Quality Basin Modifications Project, based on an Operating Transfer In from the Department of Public Works (DPW) General Fund. **(4 VOTES)**

### EQUITY IMPACT STATEMENT

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

### FISCAL IMPACT

Funds associated with today's recommendation is not included in the Fiscal Year 2021-22 Operational Plan in the San Diego County Flood Control District. If approved, this action will result in costs & revenues of \$877,000. The funding source is Operating Transfer In from the General Fund. There will be no change in net General Fund cost and no additional staff years.

### BUSINESS IMPACT STATEMENT

N/A

### ADVISORY BOARD STATEMENT

N/A

**SUBJECT:** FISCAL YEAR 2021-22 THIRD QUARTER OPERATIONAL PLAN  
BUDGET ADJUSTMENT (DISTRICTS: ALL)

**BACKGROUND**

This recommendation will establish appropriations of \$877,000 in the San Diego County Flood Control District, Services & Supplies, for Woodside Water Quality Basin Modifications Project, District 2, based on Operating Transfer In from the DPW General Fund.

The additional appropriations are required this Fiscal Year (FY) due to increase in project construction cost estimates and to meet the milestones established in the FY 2021-2022 Detailed Work Plan.

**ENVIRONMENTAL STATEMENT**

N/A

**LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN**

Today's proposed actions support the Strategic Initiatives of Sustainability, Equity, Empower, Community and Justice in the County of San Diego's 2022-2027 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,



HELEN N. ROBBINS-MEYER  
Chief Administrative Officer

**ATTACHMENT(S)**

None

**AGENDA ITEM INFORMATION SHEET**

**SUBJECT:**

**FISCAL YEAR 2021-22 THIRD QUARTER OPERATIONAL PLAN BUDGET ADJUSTMENT (DISTRICTS: ALL)**

**REQUIRES FOUR VOTES:**    Yes     No

**WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED**

Yes     No

**PREVIOUS RELEVANT BOARD ACTIONS:**

N/A

**BOARD POLICIES APPLICABLE:**

N/A

**BOARD POLICY STATEMENTS:**

N/A

**MANDATORY COMPLIANCE:**

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):**

N/A

**ORIGINATING DEPARTMENT:**

Finance & General Government Group

**OTHER CONCURRENCE(S):**

N/A

**INTERNAL REVIEW COMPLETE BY:**

**Craig Schaffer** Digitally signed by Craig Schaffer  
Date: 2022.05.16 09:03:33 -07'00'

Signature

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