

County of San Diego

Finance Other

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Finance Other

Description

Finance Other includes funds and programs that are predominantly Countywide in nature, have no staffing associated with them or exist for budgetary accounting purposes. Responsibility for these funds and programs rests primarily with departments in the Finance and General Government Group.

The funding levels for these programs are explained below and shown in the table that follows.

Cash Borrowing

No appropriations are budgeted for Fiscal Years 2024–25 and 2025–26.

Community Enhancement

The Community Enhancement program provides grant funding for cultural activities, museums, visitor and convention bureaus, economic development councils and other similar institutions that promote and generate tourism and/or economic development at the regional and community levels throughout San Diego County. Per Board of Supervisors Policy B-58, *Funding of the Community Enhancement Program*, the amount of funding available for the Community Enhancement program approximately equals the amount of Transient Occupancy Tax (TOT) revenues estimated to be collected each fiscal year. Recommendations for grant awards are made throughout the year by individual Board members by memorandum to the Office of Economic Development and Governmental Affairs (EDGA), and grant agreements must be approved by the individual Board offices, County Counsel and EDGA as outlined in Board Policy B-58. The funding level for Fiscal Year 2024–25 is budgeted at \$5.3 million, which reflects anticipated TOT revenues compared to \$5.5 million in Fiscal Year 2023–24.

Neighborhood Reinvestment Program

The Neighborhood Reinvestment Program is governed by Board of Supervisors Policy B-72, *Neighborhood Reinvestment Program*, and provides grant funds to County departments, public agencies, and nonprofit community organizations for one-time community, social, environmental, educational, cultural or recreational needs. Resources available for the program are subject to budget priorities as established by the Board of Supervisors. Recommendations for grant awards are made throughout the year by individual Board members by memorandum to the Office of Economic Development and Governmental Affairs (EDGA), and

grant agreements must be approved by the individual Board offices, County Counsel and EDGA as outlined in Board Policy B-72. The funding level for Fiscal Year 2024–25 is budgeted at \$10.0 million which will be evenly divided among the five Districts.

Contributions to Capital Program

These appropriations represent the General Fund cost for new or augmented capital development or land acquisition projects. For Fiscal Year 2024–25, \$50.3 million is budgeted in the Contributions to Capital program as follows:

- ◆ \$17.9 million for the Hall of Justice Major Systems Renovation project (MSRP)
- ◆ \$7.5 million for the Multiple Species Conservation Project Land Acquisition
- ◆ \$5.0 million for the Ramona Sheriff Station
- ◆ \$4.4 million for the Stowe Trail
- ◆ \$4.0 million for the Lindo Lake Improvements Phase 2
- ◆ \$3.6 million for the Sycamore Canyon Trails
- ◆ \$2.5 million for the Mira Mesa Epicentre
- ◆ \$2.5 million for the Calavo Park
- ◆ \$1.0 million for the Encinitas Landfill Park Conversion
- ◆ \$1.0 million for the Butterfield Ranch/Star Valley Development and
- ◆ \$0.9 million for the Dictionary Hills Trail

Other funding sources to support the Capital Program's \$132.9 million budget can be found in the Capital section under Capital Program Summary.

No appropriations are budgeted for the Contributions to Capital Program in Fiscal Year 2025–26.

Lease Payments: Capital Projects

The appropriations for this program are for the annual lease payments due to the San Diego County Capital Asset Leasing Corporation and the San Diego Regional Building Authority on the County's outstanding Certificates of Participation and Lease Revenue Bonds, the proceeds of which were used to finance various capital projects. The budget of \$25.7 million in Fiscal Year 2024–25, is a net decrease of \$0.1 million from the Fiscal Year 2023–24 Adopted Operational Plan as a result of an increase in penalty assessment funding and interest earnings which are used to offset debt service payments.

The Fiscal Year 2025–26 payments are estimated at \$25.0 million which is a net decrease of \$0.7 million from the Fiscal Year 2024–

25 CAO Recommended Operational Plan primarily due to the final debt service payment for the 2019 Justice Facilities Refunding and the reduction of interest earnings which are used to offset future debt service payments. Additional expenditure and revenue details are included in the Lease Payment table of this section.

Countywide General Expenses

The primary objective of these appropriations is to fund Countywide projects and other Countywide needs. Budgeted at \$128.1 million, the major components of the Countywide General Expenses program in Fiscal Year 2024–25 include:

- ◆ \$88.8 million to support one-time department operational expenses. Details of these projects are included in the Groups & Departments' financial section primarily in the Expenditure Transfer & Reimbursement account. These one-time activities are supported by General Purpose Revenue to reduce the use of General Fund Reserves. These General Purpose Revenues are planned to be allocated to departments on an ongoing basis in the future to address fixed cost increases and/or to mitigate revenue shortfalls.
- ◆ \$15.0 million appropriation for contingencies pursuant to Government Code §29084, Transfers and revisions to the appropriation for contingencies may be made by formal action of the Board of Supervisors, by a four-fifths vote (Government Code §29125).
- ◆ \$14.0 million for contribution to the Information Technology (IT) Internal Service Fund to support the Countywide component of the IT outsourcing contract.
- ◆ \$5.1 million to address capital, IT and emergency response efforts enterprisewide.
- ◆ \$2.0 million for retirement benefit payments required by the County Employees Retirement Law that must be paid by the County in accordance with Internal Revenue Code §415(m).
- ◆ \$1.9 million for the next phase of the Electric Vehicle Roadmap.
- ◆ \$1.3 million for appropriations of various contracts like actuaries to support the County in preparing retirement projections, for A-87 Countywide Indirect Cost Allocation Plan and for Sales & Use Tax auditing, recovery, and consulting services.
- ◆ \$0.05 million for contribution to the Employee Benefits Internal Service Fund to support workers' compensation costs based on the transfer settlement between the County and the State for pre-calendar year 2000 workers' compensation cases for court employees.

The Fiscal Year 2025–26 appropriations are estimated at \$111.1 million which includes unavoidable cost increases required to sustain service levels, anticipated increases in the County's

retirement contributions resulting from any changes in valuation assumptions adopted by the Retirement Board, and for future capital projects.

Countywide Shared Major Maintenance

In Fiscal Year 2024–25, appropriations totaling \$2.0 million are budgeted including \$1.0 million for major maintenance projects at County facilities that are shared by departments from multiple groups and \$1.0 million for ADA Accessibility Improvement in the Department of Parks and Recreation. The funding level for Fiscal Year 2025–26 is budgeted to be \$2.0 million. Appropriations for major maintenance projects are otherwise budgeted by the department/group that directly benefits from the improvements.

Employee Benefits Internal Service Fund

In Fiscal Year 1994–95, the County established an Employee Benefits Internal Service Fund (ISF) to report all of its employee risk management activities. The appropriations for this fund support claim payments and administrative costs of the County's self-insured workers' compensation program and unemployment insurance program expenses. As of June 30, 2023, the total reported liability for the fund was \$212.2 million, with total assets of \$224.8 million, resulting in a positive net position of \$12.6 million.

Workers' compensation rates (premiums) are charged to individual departments based on that department's ten-year experience (claim history) and the department's risk factor based on its blend of occupational groups as established by the Workers' Compensation Insurance Rating Bureau (WCIRB) of California. WCIRB has developed a classification system based on potential risk of injury. An annual actuarial assessment is prepared by an actuary to estimate the liability and capture the costs associated with all reported and unreported claims. The actuarial claims liability is anticipated to increase by \$4.3 million as of June 30, 2024. Appropriations for Fiscal Year 2024–25 total \$58.7 million for the Workers' Compensation Internal Service Fund, this reflects a \$4.7 million increase from the Fiscal Year 2023–24 Adopted Budget due to a combination of anticipated increase in Excess Workers' Compensation insurance, actual claims/trends, and increased contract and software costs.

The County is self-insured for unemployment benefit costs and therefore must reimburse the State for any unemployment benefit payments that are attributed to a claimant's previous employment with the County. County departments provide the funding source for these payments. Unemployment insurance rates (premiums) are charged to departments based on 80% of each department's ten-year claims experience and 20% on bud-

geted staffing levels. Budgeted appropriations for Fiscal Year 2024–25 are \$3.9 million which reflects a relatively minimal increase (0.2%) from the Fiscal Year 2023–24 Adopted Budget.

Insurance Internal Service Fund

The Insurance Internal Service Fund (ISF) is a new ISF set to begin on July 1, 2024, to report the County's insurance activities. Beginning Fiscal Year 2024–25, this fund will support insurance premiums for Mexican Auto (non-emergency and emergency), Government Crime Bonds, Property, U.S. Custom Bonds, Cyber Liability, Aircraft, and Airport.

Mexican Auto (non-emergency and emergency) provides coverage for County vehicles that are driven into Mexico for departments that have official business in Mexico. Government Crime Bonds provides Countywide coverage for illegal acts committed by employees while on the job. Property insurance covers countywide real and personal property, boiler and machinery, flood, and earthquake. U.S. Custom Bonds provides coverage to the Palomar Airport. Cyber Liability provides countywide comprehensive electronic information and security liability. Aircraft provides coverage for Sheriff helicopters and Airport provides coverage for all aspects of airports and/or liability of aircraft.

Appropriations for Fiscal Year 2024–25 total \$10.4 million.

Local Agency Formation Commission Administration

These appropriations reflect the County's contribution to the San Diego Local Agency Formation Commission (LAFCo) in accordance with provisions in Government Code §56381. LAFCo is a State chartered regulatory agency with countywide authority. LAFCo performs studies and renders jurisdictional decisions affecting the boundaries and government structure of cities and special districts. Through Fiscal Year 2000–01, LAFCo was funded exclusively by the County and user fees. Beginning with Fiscal Year 2001–02, funding for LAFCo is shared by the County, the 18 cities, 61 independent special districts in San Diego County as well as user fees. Appropriations of \$0.6 million are budgeted for

Fiscal Year 2024–25 and \$0.6 million are budgeted for Fiscal Year 2025–26.

Public Liability Internal Service Fund

In Fiscal Year 1994–95, the County established the Public Liability Internal Service Fund (ISF) to report all of its public risk management activities. The County is self-insured through the ISF for premises liability at medical facilities, medical malpractice, errors and omissions, false arrest, forgery, automobile and general liability. In addition, as of July 1, 2023, the County now has general liability excess insurance with a self-insured retention of \$5.0 million, respectively. The cost to General Fund departments, other funds and special districts is distributed based on a weighted risk factor: 90% allocated based on the last five years' loss experience and 10% based on staff hours of exposure. The County contracts with an actuary to annually assess the long-term liability of the fund to determine an adequate level of reserves. The fund's total reported liability as of June 30, 2023, was \$142.7 million with current assets of \$69.9 million resulting in a negative net position of \$72.8 million. To address the unfunded actuarial liability that is driving the negative net position, \$6.4 million was budgeted in Fiscal Year 2023–24, and \$2.0 million is budgeted in Fiscal Year 2024–25. Collections of the unfunded liability are amortized over a ten-year period subject to annual review.

Appropriations for Fiscal Year 2024–25 total \$70.8 million for the Public Liability Internal Service Fund, which reflects a \$5.6 million decrease from the Fiscal Year 2023–24 Adopted Operational Plan primarily due to an anticipated decrease in settlements relating to liability payments.

Pension Obligation Bonds

The appropriations for this debt service fund reflect the scheduled principal and interest payments and related administrative expenses for the 2004 and the 2008 taxable Pension Obligation Bonds (POBs). The remaining principal and interest payments are structured as level debt service in the amount of \$81.5 million annually. See the Debt Management Policies and Obligations section of this document for more information on the POBs,

Finance Other Appropriations/Expenditures					
	Fiscal Year 2022–23 Adopted Budget	Fiscal Year 2023–24 Adopted Budget	Fiscal Year 2024–25 Recommended Budget	% Change	Fiscal Year 2025–26 Recommended Budget
Community Enhancement	\$ 5,390,086	\$ 5,459,241	\$ 5,265,490	(3.5)	\$ 5,328,145
Neighborhood Reinvestment Program	10,000,000	10,708,261	10,000,000	(6.6)	10,000,000
Contributions to Capital Program	84,160,000	45,868,000	50,308,000	9.7	0
Lease Payments: Capital Projects	24,031,204	25,723,612	25,657,309	(0.3)	24,987,537
Countywide General Expenses	124,366,769	132,648,757	128,146,545	(3.4)	111,085,425
Countywide Shared Major Maintenance	2,000,000	24,811,177	2,000,000	(91.9)	2,000,000
Employee Benefits Internal Service Funds (ISF)					
<i>Workers Compensation Employee Benefits ISF</i>	48,426,168	54,075,189	58,735,552	8.6	58,735,552
<i>Unemployment Insurance Employee Benefits ISF</i>	3,807,784	3,939,525	3,946,374	0.2	3,946,374
Insurance ISF	—	—	10,380,721	100.0	10,380,721
Local Agency Formation Commission Administration	514,281	582,443	617,716	6.1	617,716
Public Liability ISF	42,019,120	76,413,160	70,771,524	(7.4)	70,771,524
Pension Obligation Bonds	81,411,260	81,494,299	81,500,054	0.0	81,495,400
Total	\$ 426,126,672	\$ 461,723,664	\$ 447,329,285	(3.1)	\$ 379,348,394





Lease Payments-Bonds

Budget by Program					
	Fiscal Year 2022–23 Adopted Budget	Fiscal Year 2023–24 Adopted Budget	Fiscal Year 2024–25 Recommended Budget	% Change	Fiscal Year 2025–26 Recommended Budget
Lease Payments-Bonds	\$ 24,031,204	\$ 25,723,612	\$ 25,657,309	(0.3)	\$ 24,987,537
Total	\$ 24,031,204	\$ 25,723,612	\$ 25,657,309	(0.3)	\$ 24,987,537

Budget by Categories of Expenditures					
	Fiscal Year 2022–23 Adopted Budget	Fiscal Year 2023–24 Adopted Budget	Fiscal Year 2024–25 Recommended Budget	% Change	Fiscal Year 2025–26 Recommended Budget
Services & Supplies	\$ 2,001	\$ 2,000	\$ —	(100.0)	\$ —
Other Charges	24,029,203	25,721,612	25,657,309	(0.2)	24,987,537
Total	\$ 24,031,204	\$ 25,723,612	\$ 25,657,309	(0.3)	\$ 24,987,537

Budget by Categories of Revenues					
	Fiscal Year 2022–23 Adopted Budget	Fiscal Year 2023–24 Adopted Budget	Fiscal Year 2024–25 Recommended Budget	% Change	Fiscal Year 2025–26 Recommended Budget
Revenue From Use of Money & Property	\$ 770,242	\$ —	\$ —	—	\$ —
Other Financing Sources	10,689,261	8,520,764	9,965,340	17.0	8,770,143
Fund Balance Component Decreases	800,000	—	—	—	—
General Purpose Revenue Allocation	11,771,701	17,202,848	15,691,969	(8.8)	16,217,394
Total	\$ 24,031,204	\$ 25,723,612	\$ 25,657,309	(0.3)	\$ 24,987,537

