



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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Fourth District

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Fifth District

DATE: March 11, 2025

14

TO: Board of Supervisors

SUBJECT

**FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN STATUS
REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

OVERVIEW

This report summarizes the status of the County's Fiscal Year 2024-25 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 \$31.0 million (or 0.4% of the General Fund budget). The projected balance for all other funds combined is \$44.7 million (1.4% of the other funds combined budget). For all budgetary funds combined, the projected balance is \$75.7 million (or 0.7% of the overall budget). The projected fund balance anticipates an overall positive expenditure variance and an overall negative revenue variance from the Fiscal Year 2024-25 Amended Budget. The projection reflects the unused portion of the appropriation for contingency pursuant to Government Code §29084, assumes General Purpose Revenue will perform better than estimated, and business groups will produce operating balances, except for Public Safety Group.

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

In the Public Safety Group (PSG), recommendations include appropriation adjustments in the Sheriff's Office due to increased operational costs such as care support for the incarcerated, internal service fund costs in facilities management, property insurance, and public liability and in the Public Defender's Office increased costs in psychiatric evaluations, facility management internal services and leased space cost. The increased operational costs in the Sheriff's Office and Public Defender's Office are being addressed with additional appropriations supported by overrealized revenue this fiscal year, and will be resolved with today's recommendations. Ongoing funding strategies for these costs have been identified, and will be included in the upcoming Fiscal Year 2025-26 CAO Recommended Operational Plan.

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In the Health and Human Services Agency (HHS), recommendations include appropriation adjustments to transfer unanticipated fund balances of CSA 17 San Dieguito Ambulance Fund & CSA 69 Heartland Paramedic Fund from the old funds to the new funds.

In the Land Use and Environment Group (LUEG), recommendations include appropriation adjustments for the purchase of replacement vehicles and equipment, for the Goldentop Road Water Quality Improvement Project, for the Campo Road Reconfiguration project, to support personnel and operations costs incurred by the North County Fire Protection District, for Calavo Park, for various Parks projects and for Sweetwater Lane County Park Energy Upgrade.

In the Finance and General Government Group (FGG), recommendations include appropriation adjustments for the Community Enhancement program and for special elections to fill the vacant seat of Board of Supervisor First District.

Today's recommendations seek authority to establish and transfer appropriations in order to ensure efficient use of County resources and to maintain a structurally balanced budget.

**RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2024-25 second quarter report on projected year-end results.

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds
(Recommendations 2 through 16):**

2. Establish appropriations of \$24,500,000 in the Sheriff's Office, Salaries & Benefits, to support increased operational costs in medical care support for the incarcerated, internal service fund costs such as facilities management, property insurance, and public liability that resulted in the reallocation of salaries and benefits appropriations at that time, based on over-realized General Purpose Revenue. **(4 VOTES)**
3. Establish appropriations of \$1,800,000 in the Public Defender's Office, Salaries & Benefits, to support increased costs in psychiatric evaluations, facility management internal services and lease space cost, that resulted in the reallocation of salaries and benefits appropriations, based on over-realized General Purpose Revenue. **(4 VOTES)**
4. Establish appropriations of \$140,000 in County Service Area (CSA) 17 San Dieguito Ambulance Fund (14065), Operating Transfers Out, and establish appropriations of \$140,000 in CSA 17 Fund (14995), Services & Supplies, to transfer unanticipated fund balance from old CSA 17 San Dieguito Ambulance Fund (14065) to new fund CSA 17 Fund (14995), based on the available prior year fund balance in the old fund. **(4 VOTES)**
5. Establish appropriations of \$240,000 in CSA 69 Heartland Paramedic Fund (14190), Operating Transfers Out, and establish appropriations of \$240,000 in the CSA 69 Fund (14996), Services & Supplies, to transfer unanticipated fund balance from old CSA 69 Heartland Paramedic Fund

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(14190) to new fund CSA 69 Fund (14996), based on the available prior year fund balance in the old fund. **(4 VOTES)**

6. Establish appropriations of \$5,500,000 in the Department of Public Works (DPW) Internal Service Funds (ISF) Equipment Acquisition Road Fund, Capital Assets Equipment, for the purchase of replacement vehicles and equipment, based on available prior year DPW ISF Equipment Acquisition Road Fund fund balance. **(4 VOTES)**
7. Establish appropriations of \$1,500,000 in the DPW ISF Equipment Acquisition Liquid Waste Fund, Capital Assets Equipment, for the purchase of replacement vehicles, based on available prior year DPW ISF Equipment Acquisition Liquid Waste Fund fund balance. **(4 VOTES)**
8. Transfer appropriations of \$916,000 within DPW General Fund, Services & Supplies to Operating Transfers Out; *and* establish appropriations of \$916,000 in the DPW Road Fund, Services & Supplies, for the Goldentop Road Water Quality Improvement Project, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
9. Establish appropriations of \$3,075,000 in the DPW Road Fund, Services & Supplies, for the Campo Road Reconfiguration project, based on a grant from SANDAG Housing Acceleration Program (\$2,500,000) and Regional Transportation Congestion Improvement Program (\$575,000). **(4 VOTES)**
10. Establish appropriations of \$18,791 in Community Facilities District (CFD) No. 2013-01 Horse Creek Ridge Maintenance - Special Tax C fund, Services & Supplies, to support personnel and operations costs incurred by the North County Fire Protection District, based on available prior year CFD No. 2013-01 Horse Creek Ridge Maintenance – Special Tax C Fund fund balance. **(4 VOTES)**
11. Establish appropriations of \$15,239 in CFD No. 2019-01 Meadowood Fire – Special Tax C fund, Services & Supplies, to support personnel and operations costs incurred by the North County Fire Protection District, based on available prior year CFD No. 2019-01 Meadowood Fire – Special Tax C fund balance. **(4 VOTES)**
12. Cancel appropriations of \$1,301,000 in Parkland Dedication Ordinance (PLDO) Area 20 Spring Valley; *and* establish appropriations of \$1,216,000 in PLDO Spring Valley Improvement Impact Fees, Operating Transfer Out, based on available prior year PLDO Spring Valley Improvement Impact Fees Fund fund balance; *and* establish appropriations of \$85,000 in PLDO Spring Valley in Lieu Fees, Operating Transfer Out, based on available prior year PLDO Spring Valley in Lieu Fees Fund fund balance. Funding for Capital Project 1022858 Calavo Park is included in Fiscal Year 2024-25 Operational Plan. This recommendation will add appropriations to the PLDO accounts as the funding sources for the project. **(4 VOTES)**
13. Transfer appropriations of \$30,700 from Department of Parks and Recreation, Services & Supplies, to Contribution to Capital Outlay Fund, Operating Transfers Out. This will enable a

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swap in revenue of \$30,700 in the Capital Outlay Fund for Capital Project 1027068 TJ River Valley Spooners Mesa Stormwater Improvement project (\$17,400), for Capital Project 1026654 Calavo Park Community Garden Project (\$9,000), and for Capital Project 1025464 Collier Park Community Garden Project (\$4,300) from ARPA to Operating Transfer In from the General fund. There is no change to projects total budget. **(4 VOTES)**

14. Establish appropriations of \$14,397 in the Community Enhancement Program budget (\$8,000 for District 1, \$4,584 for District 3, and \$1,813 for District 5 in Org 12900), Contribution to Other Agencies, based on the return of unused portions or prior year allocations so the funds can be allocated to other projects. **(4 VOTES)**
15. Approve the use of \$6,600,000 of FY 2024-25 Appropriation for Contingency; *and* transfer appropriations of \$6,600,000 from Finance Other, Services & Supplies, to the Registrar of Voters, Salaries & Benefits (\$3,300,000) and Services & Supplies (\$3,300,000), for costs associated with two elections to fill the vacant seat of Board of Supervisors First District, based on General Purpose Revenue. **(4 VOTES)**
16. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, as noted in Appendix C, in the net amount of \$1,483,447 for major maintenance projects listed in Appendix C that were subsequently reclassified, based on capitalization thresholds, for financial reporting purposes; *and* establish, transfer and cancel appropriations, as noted in Appendix C for a net decrease of \$1,483,447 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 17 through 18):**

17. Transfer appropriations of \$500,000 within the Capital Outlay Fund and related Operating Transfer In from the General Fund, to provide funding for Capital Project 1023728 Sweetwater Lane County Park Energy Upgrade, based on the transfer from Capital Project 1023065 Sweetwater Summit Regional Park Campground Expansion Phase II.
18. Transfer appropriations of \$15,000,000 in Contributions to Capital Outlay, Operating Transfers Out, from Capital Project 1020254, San Diego County Animal Shelter to Capital Project 1024604, County Public Health Laboratory. This will enable a swap in revenue of \$15,000,000 from proceeds from the 2023 Public Health Lab and Capital Improvements Certificates of Participation to General Fund fund balance for the County Public Health Laboratory. There is no change to either project's total budget.

EQUITY IMPACT STATEMENT

After the Board of Supervisors adopts the Operational Plan, it is monitored by the departments, Groups, and the Board. Departments are expected to work within their respective budgets. Budgets may, however, be modified during the year as circumstances warrant. In conjunction with the fund

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balance projection process, the Chief Administrative Officer meets with each Group to review accomplishments, emergent issues, and budget status. Department heads are required to communicate any potential problems or errors to the appropriate authority. Groups complete fund balance projections quarterly providing explanations of significant variances of their budget. The recommended actions are intended to provide resources to address inequities in County services and to identify disparities, develop meaningful outcomes, and create a County government culture of equity, belonging, and racial justice.

SUSTAINABILITY IMPACT STATEMENT

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

FISCAL IMPACT

Funds associated with today's recommendations are partially included in the Fiscal Year 2024-25 Operational Plan. If approved, in the General Fund these actions will result in an increase to the overall budget of \$26,314,397, transfers between budgetary funds of \$7,993,020, transfers within budgetary funds of \$15,916,000, and no cancellation of appropriations. The funding sources for the increases are over-realized General Purpose Revenue (\$26,300,000) and unused portions of prior year allocations for Community Enhancement Program (\$14,397).

In all other funds combined, these actions will result in a net increase to the overall budget of \$10,301,583, transfers between budgetary funds of \$121,127, transfers within budgetary funds of \$500,000, and cancellation of appropriations of \$3,040,147. The funding sources for the net increase are available prior year DPW ISF Equipment Acquisition Road Fund fund balance (\$5,500,000), SANDAG Housing Acceleration Program (\$2,500,000), available prior year DPW ISF Equipment Acquisition Liquid Waste Fund fund balance (\$1,500,000), available prior year Parkland Dedication Ordinance (PLDO) Spring Valley Improvement Impact Fees Fund fund balance (\$1,216,000), Operating Transfers In from various non-General Fund (\$580,000), Regional Transportation Congestion Improvement Program (\$575,000), available prior year CSA 17 & 69 fund balance (\$380,000), available prior year PLDO Spring Valley in Lieu Fees Fund fund balance (\$85,000), available prior year CFD No. 2013-01 Horse Creek Ridge Maintenance – Special Tax C Fund fund balance (\$18,791) and available prior year CFD No. 2019-01 Meadowood Fire – Special Tax C Fund fund balance (\$15,239). These are offset by decreases in available prior year PLDO Area 20 Spring Valley fund balance (\$1,301,000), Operating Transfers In from the General Fund (\$415,619), Operating Transfer In from the Library Fund (\$321,128), and American Rescue Plan Act (ARPA) (\$30,700).

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

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BACKGROUND

As shown in Schedule A, the General Fund year-end fund balance projection of \$31.0 million is based on the estimate that expenditures will be approximately \$111.0 million less than the Fiscal Year 2024-25 Amended Budget and revenues will be a net \$80.0 million less than the Fiscal Year 2024-25 Amended Budget. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus approved year-to-date changes. The projected balance for all other funds combined is a net of \$44.7 million.

The General Fund year-end fund balance projection includes COVID-19 response costs primarily funded through American Rescue Plan Act (ARPA) funds and anticipates receipt of additional Federal Emergency Management Agency (FEMA) revenue to cover costs incurred. Total FEMA costs are currently estimated at \$438.7 million. This includes \$436.3 million of costs incurred from the beginning of the pandemic through May 11, 2023, when FEMA eligibility ended, and \$2.4 million for Fiscal Year 2024-25 for allowable administrative costs to manage the grant beyond the FEMA eligibility date. To date, a total of \$293.5 million in FEMA reimbursement payments have been received and projections anticipate receiving an additional \$6.4 million by December 31, 2025, for prior year efforts. The remaining balance of \$138.8 million, which includes the 10% withhold amount as part of the FEMA close out process, is anticipated to be received in future fiscal years. County staff continue to actively monitor federal actions and legislation, which may impact FEMA reimbursements or other federal revenues, and evaluating the potential impacts of these actions.

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. Schedule B shows the projected General Fund fund balance by business group split between operating and reserve balances. The Notes to Schedules A and B explain variances from budget by department, fund and for General Purpose Revenue.

GENERAL FUND EXPENDITURE VARIANCES

The projected lower than budgeted expenditures generating an overall positive expenditure variance of \$111.0 million in the General Fund are primarily attributable to the following:

- \$28.5 million in projected overall positive Salary & Benefits appropriation variance. As of January 13, 2025, the vacancy rate (including newly added positions) was 6.5% (1,328 of 20,491 positions).
 - In PSG, the projected overall positive expenditure variance of \$2.4 million is due to attrition, vacancies and modified positions. A projected negative variance in Sheriff's Office will be mitigated by an adjustment that will provide \$24.5 million in appropriations based on over-realized General Purpose Revenue and a projected negative variance in the Public Defender's Office will be partially mitigated by an adjustment that will provide \$1.8 million in appropriations based on over-realized General Purpose Revenue. These shortfalls are attributed to increased operational costs that resulted in the reallocation of Salaries & Benefits appropriations during the development of the Fiscal Year 2024-25 Operational Plan. The vacancy savings

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did not materialize for these departments due to lower department vacancy rates so additional appropriations are needed to cover the reallocation of Salaries & Benefits. The increased operational costs in the Sheriff's Office and Public Defender's Office are proposed to be addressed with additional appropriations supported by overrealized revenue this fiscal year, and will be resolved with today's recommendations. Ongoing funding strategies for these costs have been identified, and will be included in the upcoming Fiscal Year 2025-26 CAO Recommended Operational Plan. In HHSA, the projected overall positive expenditure variance of \$17.3 million is attributed to longer timeframes to hire staff, including hard to recruit classifications and vacancies due to attrition.

- In LUEG, the projected overall positive expenditure variance of \$7.2 million is primarily due to vacancies and under-filled positions.
- In FGG, the projected overall positive expenditure variance of \$1.6 million is primarily unanticipated vacancies and staff attrition.
- \$59.8 million in projected positive appropriation variance in Services & Supplies across the County.
 - In PSG, projected overall positive expenditure variance of \$4.5 million primarily in the Department of Child Support Services due to lower than anticipated expenses related to facility projects, information technology (IT), and contracted services, and in San Diego County Fire due to lower contracted services resulting from delays in obtaining Environmental Historical Preservation report approval from FEMA for Home Hardening projects.
 - In HHSA, projected overall positive variance of \$30.7 million in various departments. This consists of positive variances in:
 - Behavioral Health Services (BHS) primarily due to contracted services associated with a range of mental health and substance use disorder programs to align with anticipated spending which adjusts for contractor staffing vacancies and projected utilization in residential bed days;
 - Public Health Services (PHS) primarily from procurement delays associated with identification and timing of lab equipment delivery, installation, and validation testing, lesser use of contracts in Immunizations program to align with projected spending with the grant resources and workplan, and in contracted temporary staffing costs associated with the demobilization of COVID-19 associated activities;
 - Aging & Independence Services (AIS) tied to lesser use in contracted services in Home Safe and California Department of Aging (CDA) programs by utilizing internal County staffing to support the programs and the roll out of Modernizing Older California Act (MOCA) programs over future fiscal years, an adjustment to align the budget to the anticipated In-Home Support Services (IHSS) Maintenance of Effort (MOE) for IHSS Individual Providers, and due to the phased implementation needed to accommodate the increasing number of participants in the San Diego Veterans Independence Service at Any Age (SD-VISA) program;

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- Child and Family Well-Being (CFWB) associated with contracted services for transitional housing programs experiencing challenges in the rental market and group home costs as the program continues its transition into an eligible facility.

These are offset by a negative variance in Self-Sufficiency Services (SSS) primarily due to increases in contracted services based on revised allocations for CalWORKs Housing Support Program due to California Department of Social Services redistribution of unspent prior year funding.
- In LUEG, projected overall positive variance of \$11.8 million primarily in the Department of Planning & Development Services (PDS) primarily due to schedule changes to one-time only IT projects and reduced consultant contract spending and delayed spending related to grants, in LUEG Executive Office due to grant project related to air purifier that will no longer be managed through the LUEG Executive Office and will be managed by the Air Pollution Control District, and in Department of Environmental Health and Quality (DEHQ) due to a reduction in contract costs as a result of contracts not being awarded.
- In FGG, projected overall positive variance of \$12.8 million primarily in Assessor/Recorder/County Clerk (ARCC) due to delay or cancellation of trust fund funded projects, in Registrar of Voters (ROV) due to delays associated with an IT project for a new voter registration system and lower than anticipated ballot printing costs and in Board of Supervisors due to lower than anticipated one-time expenses.
- A projected positive appropriation variance of \$9.4 million in Other Charges primarily (HHSA) in SSS tied to Participant Benefits programs mainly in Child Care Stage 1 due to revised projected caseloads and in EBT Skimming mainly tied to estimated EBT Fraud payments, in CFWB mainly to align with the revised projected caseloads in assistance programs, and in Housing & Community Development Services (HCDS) primarily in HOME Tenant Based Rental Assistance (TBRA) due to lower-than-anticipated referral and a gradual transition in enrolling newly eligible participants under the Transitional Aged Youth (TAY) program.
- \$8.4 million budgeted for appropriations for contingency pursuant to Government Code §29084 is projected to be unspent at year-end in Capital Asset/ Land Acquisition.
- A projected positive appropriation variance of \$5.8 million in Capital Assets Equipment in HHSA primarily in PHS associated with longer than anticipated delivery of equipment, and in FGG primarily in ARCC due to the postponement of the acquisition of the vitals mobile and the replacement of the fire suppression system in the East County Office (ECO) Archives.
- A projected negative appropriation variance of \$2.5 million in Expenditure Transfer & Reimbursements in FGG primarily in ROV due to delayed IT project and in County Counsel due to less than anticipated reimbursements for staff costs in the health services area.
- A projected positive appropriation variance of \$1.6 million in Operating Transfers Out in HHSA primarily in AIS due to reduced funding needs for the IHSS Public Authority related to anticipated operational needs in the program with no impact to services.

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GENERAL FUND REVENUE VARIANCES

The projected under-realized revenue of \$80.0 million includes positive variances totaling \$9.6 million and negative variances of \$89.6 million. In many instances, the negative revenue variances are directly associated with the positive expenditure variances described above, that is, the County does not receive the supporting revenue when a cost is not incurred.

The projected positive revenue variance of \$9.6 million is primarily attributable to the following categories:

- Taxes Other Than Current Secured are anticipated to be \$31.6 million above budget, and of this amount, \$26.3 million total will be appropriated in Sheriff's Office (\$24.5 million) and in Public Defender's Office (\$1.8 million), resulting in an adjusted projection of \$5.3 million.
 - The amounts appropriated in the Sheriff's Office and the Public Defender's Office are due to increased costs that resulted in the reallocation of Salaries & Benefits appropriations during the development of the Fiscal Year 2024-25 Operational Plan. The vacancy savings did not materialize for these departments due to lower department vacancy rates. The increased operational costs in the Sheriff's Office and Public Defender's Office will be resolved with today's recommendations, supported by overrealized revenue. Ongoing funding strategies for these costs have been identified, and will be included in the upcoming Fiscal Year 2025-26 CAO Recommended Operational Plan.
 - The revenue variances in Taxes Other Than Current Secured are mainly in Sales and Use Taxes mostly boosted by a state audit correction made to recover previously misallocated revenues as well as significant increase in business-industry related revenue, in Property Tax in Lieu of Vehicle License Fees (VLF) due to higher than budgeted growth in assessed valuation, in Teeter Taxes based on a higher collection of receivables from prior fiscal year and projected returned excess Teeter Tax Reserve requirement, in Property Tax Prior Secured Supplemental due to the increase in supplemental billings compared to prior year, in Other Tax Aircraft, Property Tax Prior Secured and Property Tax Prior Year Unsecured Supplemental due to higher than budget based on year-to-date current year actuals going higher than expected, and in Document Transfer Taxes due to projected home prices remaining high despite having projected lower sales volume.
- Taxes Current Property (\$4.3 million) primarily in Current Secured Property Taxes due to greater than anticipated assessed value growth and in Current Unsecured Property Taxes due to projected higher revenue based on prior year receipts.

The projected negative revenue variance of \$89.6 million is primarily attributed to:

- Intergovernmental Revenues (\$56.1 million)
 - In HHSA, primarily tied to aligning projected spending and includes reductions in Behavioral Health Realignment and Mental Health Services Act funding offset by increases in federal funding tied to anticipated billable service units under payment reform, in COVID-19 Expanding Laboratory Capacity and in COVID Health

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Disparities grant to align with projected spending, in Immunization Action Plan (IAP) grant to align with workplan, in Future of Public Health due to revised allocation estimate, and in California Children's Services (CCS) tied to prior year revenue adjustments, in Realignment based on estimated receipts and in social services administrative revenues to align with anticipated federal and State funding and projected expenditures, tied to reduced expenditures in the IHSS MOE and IHSS Public Authority program, tied to the ending of one-time Community Health Workers Resilient grant and Health Disparities grant, due to Future of Public Health (FOPH) revenue aligning with the State's revised allocation and lower-than-anticipated COVID-19 Expanding Laboratory Capacity grant funding, in CalSAWs revenue based on estimated receipts, and in federal revenue primarily to align with projected costs associated with the HOME Tenant Based Rental Assistance (TBRA).

- In LUEG, primarily due to delays in grant related projects, in grant project and associated revenue to be managed by the Air Pollution Control District, and due to less than anticipated reimbursements related to state contracts.
- In PSG, primarily due to lower grant reimbursements related to the expenditures from delays in obtaining Environmental Historical Preservation report approval from FEMA for Home Hardening projects, due to lower than anticipated State and federal reimbursement revenue related to expenditure savings related to facility projects, IT, and contracted services, and due to lower than expected eligible case activities funded by CARE Act and staff attritions during mid-year funded by Justice Assistance Grant and state mandated reimbursements.
- Charges for Current Services (\$21.9 million) primarily in Recorder Trust Funds revenues due to delay, cancellation, or postponement of the acquisition of the vitals mobile and the replacement of the fire suppression system in the ECO Archives, due to a decline in billable activities for land development, project planning, and building projects due to staff vacancies, tied to a decrease in Intergovernmental Transfer (IGT) revenue primarily due to decrease in census enrollment days for Medi-Cal and due to less than anticipated services requested by customers.
- Revenue from Use of Money & Property (\$6.9 million) primarily due to a lower projected average daily cash balance than what was budgeted which was used to calculate the interest revenue.
- Fines, Forfeitures & Penalties (\$2.9 million) primarily due to lower costs for the Cal-ID program.
- Miscellaneous Revenues (\$0.9 million) primarily due to lower expenditures in Regional Communication System (RCS) projects and due to the recoupment of payments in contracted services from prior year adjustments.
- Licenses, Permits & Franchises (\$0.5 million) primarily due to under-realized permit payment revenue resulting from less staff to perform services.
- Other Financing Sources (\$0.4 million) due to lower transfers from the Incarcerated Peoples' Welfare Fund and Jail Commissary Enterprise Fund associated with vacant positions.

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Adjustments to the Fiscal Year 2024-25 Amended Budget

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

The recommendations for budget adjustments are explained as follows:

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds
(Recommendations 2 through 16):**

Recommendation 2

This recommendation will establish appropriations of \$24,500,000 in Sheriff's Office, Salaries & Benefits. During the Fiscal Year 2024-26 Operational Plan budget build, the Sheriff reallocated savings anticipated from vacancies to offset increased operational costs in medical care support for the incarcerated, internal service fund costs such as facilities management, property insurance, and public liability. The vacancy savings have not materialized, so additional appropriations are needed to cover the reallocation of Salaries & Benefits. The increased operational costs in the Sheriff's Office will be resolved with today's recommendations. Ongoing funding strategies for these costs have been identified, and will be included in the upcoming Fiscal Year 2025-26 CAO Recommended Operational Plan. The funding source is based on over-realized General Purpose Revenue.

Recommendation 3

This recommendation will establish appropriations of \$1,800,000 in Public Defenders Office, Salaries & Benefits. During the Fiscal Year 2024-26 Operational Plan budget build, the Public Defender Office reduced Salaries & Benefits costs to fund increased costs in psychiatric evaluations resulting from higher evaluation costs required for these types of evaluations by external consultants, facility management internal services costs and increases in lease space cost. The vacancy savings have not materialized so additional appropriations are needed to cover the reallocation of Salaries & Benefits. The Public Defender's Office originally projected a negative expenditure variance of \$3.9 million in Salaries & Benefits. The adjustment of \$1,800,000 will partially mitigate the shortfall based on over-realized General Purpose Revenue to support Salaries & Benefits costs. The department will continue to monitor salary and benefit costs as well contract costs and case related activities in order to mitigate the remaining negative variance. The increased operational costs in the Public Defender's Office will be resolved with today's recommendations. Ongoing funding strategies for these costs have been identified, and will be included in the upcoming Fiscal Year 2025-26 CAO Recommended Operational Plan. The funding source for the \$1,800,000 is based on over-realized General Purpose Revenue.

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Recommendations 4 & 5

In Fiscal Year 2021-22, the Board approved the reorganization to transfer Emergency Medical Services (EMS) under San Diego County Fire (Public Safety Group) to enhance the alignment of the integrated functions of San Diego County Fire and EMS. These recommendations will transfer the remaining fund balances of \$140,000 from old fund (14065) to new fund (14995) for County Service Area 17 and \$240,000 from old fund (14190) to new fund (14996) for County Service Area 69. The remaining fund balance was generated due to prior year adjustment associated with the reclassification of deferred revenue from the old funds.

Recommendation 6

If approved, this recommendation will establish appropriations of \$5,500,000 in the Department of Public Works (DPW) Internal Service Funds (ISF) Equipment Acquisition Road Fund for the purchase of vehicles and equipment that were not available during the previous budget planning cycle. The funding source is available prior year DPW ISF Equipment Acquisition Road Fund fund balance.

Recommendation 7

If approved, this recommendation will establish appropriations of \$1,500,000 in the DPW ISF Equipment Acquisition Liquid Waste Fund for increased costs of vehicles and purchase of units that were not budgeted due to availability. The funding source is available prior year DPW ISF Equipment Acquisition Liquid Waste Fund fund balance.

Recommendation 8

This recommendation will establish appropriations of \$916,000 in the DPW Road Fund to fund the construction for the Goldentop Road Water Quality Improvement Project. Capital project bid pricing is anticipated to be higher than currently budgeted. If approved, this request will establish the appropriations to ensure funding is available when the construction is anticipated to be awarded. The total estimated project is \$1,962,500 and is anticipated to be completed by October 2025. This funding source is available prior year general fund fund balance from FY 2023-24.

Recommendation 9

On June 24, 2020 (12), the Board of Supervisors adopted a resolution authorizing LUEG departments to apply and accept grant funds for the implementation of projects and programmatic activities in support of the County's vision and strategic initiatives, through the end of Fiscal Year 2024-25. In October 2024, Planning & Development Services received award notification for the SANDAG Housing Acceleration Program (HAP) grant. This recommendation will establish appropriations of \$3,075,000 in the Department to Public Works Road Fund to fund the Final Design and Engineering for the Campo Road Reconfiguration project. If approved, this request will establish the appropriations to ensure funding is available when the design and engineering is anticipated to be awarded. The total estimated project cost is \$3,075,000 and is anticipated to be completed by March 2026. The funding source is grant from the SANDAG HAP (\$2,500,000) and Regional Transportation Congestion Improvement Program (\$575,000).

**SUBJECT: FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS:
ALL)**

Recommendation 10

This recommendation will establish appropriations of \$18,791 in Community Facilities District (CFD) No. 2013-01 Horse Creek Ridge Maintenance - Special Tax C fund, Services & Supplies, based on available prior year CFD No. 2013-01 Horse Creek Ridge Maintenance – Special Tax C fund balance to support personnel and operations costs incurred by the North County Fire Protection District. On February 26, 2014 the Board authorized the levy of a special tax C to pay for associated fire services within CFD No. 2013-01 Horse Creek Ridge Maintenance by the North County Fire Protection District. These costs include engineers’ salaries and benefits and operations costs.

Recommendation 11

This recommendation will establish appropriations of \$15,239 in CFD No. 2019-01 Meadowood Fire – Special Tax C fund, based on available prior year CFD No. 2019-01 Meadowood Fire – Special Tax C fund balance to support personnel and operations costs incurred by the North County Fire Protection District. On April 10, 2019 the Board authorized the levy of a special tax C to pay for associated fire services within CFD No. 2019-01 Meadowood Fire by the North County Fire Protection District. These costs include personnel salaries and benefits and operations costs.

Recommendation 12

This recommendation changes the funding source for Capital Project 1022858 Calavo Park and will cancel appropriations of \$1,301,000 in Parkland Dedication Ordinance (PLDO) Area 20 Spring Valley, establish appropriations of \$1,216,000 in PLDO Spring Valley Improvement Impact Fees, Operating Transfer Out, based on available prior year PLDO Spring Valley Improvement Impact Fees Fund fund balance, and establish appropriations of \$85,000 in PLDO Spring Valley in Lieu Fees, Operating Transfer Out, based on available prior year PLDO Spring Valley in Lieu Fees Fund fund balance. Funding for Capital Project 1022858 Calavo Park is included in FY 2024-25 Operational Plan. This recommendation will add appropriations to the PLD accounts as the funding sources for the project. The estimated total cost of the Capital project is \$19,204,000 and the anticipated completion date is Summer 2025.

Recommendation 13

This recommendation will transfer appropriations of \$30,700 within the Department of Parks and Recreation, Services & Supplies to Operating Transfers Out. This will enable a swap in revenue of \$30,700 in the Capital Outlay Fund for Capital Project 1027068 TJ River Valley Spooners Mesa Stormwater Improvement project (\$17,400), for Capital Project 1026654 Calavo Park Community Garden Project (\$9,000), and for Capital Project 1025464 Collier Park Community Garden Project (\$4,300) from ARPA to Operating Transfer In from the General fund. There is no change to projects total budget This recommendation is needed due to disallowed American Rescue Plan Act (ARPA) costs.

Recommendation 14

This recommendation establishes appropriations of \$14,397 in the Community Enhancement Program budget (\$8,000 for District 1, \$4,584 for District 3, and \$1,813 for District 5 in Org 12900), Contribution to Other Agencies, based on unused portions of prior year allocations that

**SUBJECT: FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS:
ALL)**

were returned in the current fiscal year. This will allow the recently returned funds to be allocated to other projects.

Recommendation 15

On December 20, 2024, the Board of Supervisors was notified that First District Supervisor Nora Vargas would not be assuming her next term, vacating the seat effective January 6, 2025. The San Diego County Charter gives the Board of Supervisors the authority and responsibility to take action to fill the vacant position within thirty days either by appointment, by appointment until a special election, or by calling a special election. On January 14, 2025, the Board of Supervisors voted 4-0 to call a special election for April 8, 2025, and if necessary, a general election for July 1, 2025, to determine the candidate to fill the vacant seat. The proposed appropriation increase will cover the estimated costs of conducting two elections according to the current Vote Center model, and will be based on General Purpose Revenue. The Fiscal Year 2024-25 Operational Plan includes Contingency Reserve appropriations for purposes such as this, and must be approved by a Board of Supervisors four/fifths vote for proposed uses, pursuant to California Government Code section 29125.

Recommendation 16

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 Chief Financial Officer shall make required adjustments to departmental operating budgets and within the Major Maintenance Capital Outlay Fund (MMCOF) or the Major Maintenance Internal Service Fund (MMISF). Due to the emergent nature of some major maintenance projects, some of these adjustments may require ratification by the Board. These recommendations will allow for the accurate financial reporting of major maintenance projects, which are listed in Appendix C along with the related required adjustments.

This recommendation will result in a net decrease of appropriations in the MMCOF of \$1,483,447, which includes a transfer of savings from a nearly completed Parks MMCOF project (in the same area) to the Capital Outlay Fund and reclassification of major maintenance projects which are supported by existing department budgets.

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

Recommendation 17

This recommendation will transfer appropriations of \$500,000 within the Capital Outlay Fund and related Operating Transfer In from the General Fund, to provide funding for Capital Project 1023728 Sweetwater Lane County Park Energy Upgrade, based on the transfer from Capital Project 1023065 Sweetwater Summit Regional Park Campground Expansion Phase II. The estimated total cost of the Sweetwater Lane project is \$2,500,000 and the anticipated completion date is December 2025.

**SUBJECT: FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS:
ALL)**

Recommendation 18

This recommendation will swap in revenues to ensure that all of the proceeds from the 2023 Public Health Lab and Capital Improvements Certificates of Participation (2023 COPs) are used within applicable deadlines related to the tax-exempt status of the 2023 COPs and facilitate accurate financial reporting. All related required adjustments for the two capital projects. \$15,000,000 of existing proceeds from the 2023 COPs will be repurposed for the San Diego County Animal Shelter Project. \$15,000,000 of General Fund fund balance from the San Diego County Animal Shelter Project will be moved to the County Public Health Lab (PHL). There is no change to either capital project total budget.

The PHL currently under construction includes a 52,000 square foot laboratory and parking structure. The new laboratory will feature new and expanded service delivery, including whole genome sequencing, molecular surge, Covid-19 testing services, tuberculosis testing services, and a robust Biosafety Level 3 (BLS-3) program. The PHL will be able to provide laboratory services regionwide, serve the unique needs of a border region, and serve as a potential partnering hub for the California Department of Public Health, Centers for Disease Control and Prevention, and nearby jurisdictions. The parking structure was completed in Fall 2024 and PHL construction is expected to be completed in Spring 2025. The total budget for Capital Project 1024604, County Public Health Laboratory will remain at \$127,000,000.

The San Diego County Animal Shelter project will add a 21,000 square foot facility in Santee to offer animal intake and care during local disaster events, to serve as an emergency response deployment hub, and to facilitate adoptions, spay/neuter efforts, and vaccinations of animals. The total budget for Capital Project 1020254, San Diego County Animal Shelter, will remain at \$37,573,133. Construction for the San Diego Animal Shelter is in progress and is estimated to be completed in Spring 2026.

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 2025-2030 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,



EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

Schedule A
Schedule B

**SUBJECT: FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS:
ALL)**

Notes to Schedules A and B
Appendix C: MMCOF Adjustments (Rec #16)

**FY 2024-25 2nd Quarter
Projected Year-End Results
(in thousands)**

Schedule A

COUNTY SUMMARY

General Fund

| | Expenditure Variance | Revenue Variance | 2nd Quarter FY24-25 Projected Fund Balance | % of Proj FB to Budget |
|--------------------------------|-------------------------|---------------------|---|---------------------------------|
| | Favorable/(Unfavorable) | | | |
| Public Safety | \$ 7,338 | \$ (10,019) | \$ (2,681) | -0.1% |
| Health & Human Services Agency | 61,077 | (47,304) | 13,774 | 0.4% |
| Land Use & Environment | 18,945 | (17,305) | 1,640 | 0.4% |
| Finance & General Government | 14,527 | (11,874) | 2,653 | 0.6% |
| Total Agency/Group | 101,888 | (86,501) | 15,387 | 0.2% |
| General Purpose Revenue | 0 | 6,005 | 6,005 | 0.3% |
| Finance Other | 9,145 | 457 | 9,601 | 1.3% |
| Total General Fund | \$ 111,032 | \$ (80,039) | \$ 30,993 | 0.4% |

Non-General Funds:

Special Revenue Funds

| | | | | |
|------------------------------------|------------------|-----------------|------------------|-------------|
| Public Safety | \$ 687 | \$ 988 | \$ 1,675 | 0.4% |
| Health & Human Services Agency | 0 | 0 | 0 | 0.0% |
| Land Use & Environment | 40,454 | (1,278) | 39,176 | 7.1% |
| Total Special Revenue Funds | \$ 41,142 | \$ (290) | \$ 40,851 | 3.9% |

Capital Program

| | | | | |
|---------------|------|----------|----------|------|
| Finance Other | \$ 0 | \$ 4,045 | \$ 4,045 | 0.5% |
|---------------|------|----------|----------|------|

Internal Service Funds Departments

| | | | | |
|-------------------------------------|--------------------|-----------------|--------------------|--------------|
| Land Use & Environment | \$ 27 | \$ (27) | \$ 0 | 0.0% |
| Finance & General Government | 1,574 | 1,893 | 3,467 | 0.5% |
| Finance Other | (14,942) | 1,453 | (13,489) | -9.2% |
| Total Internal Service Funds | \$ (13,341) | \$ 3,319 | \$ (10,023) | -1.2% |

Enterprise Fund Departments

| | | | | |
|-------------------------------|-----------------|-------------------|---------------|-------------|
| Public Safety Group | \$ (0) | \$ 0 | \$ (0) | 0.0% |
| Land Use & Environment | 1,429 | (1,429) | 0 | 0.0% |
| Total Enterprise Funds | \$ 1,429 | \$ (1,429) | \$ (0) | 0.0% |

Special District Funds Departments

| | | | | |
|-------------------------------------|-----------------|-----------------|-----------------|-------------|
| Public Safety Group | \$ 50 | \$ 1,174 | \$ 1,224 | 2.3% |
| Land Use & Environment | 6,172 | 2,438 | 8,609 | 6.8% |
| Total Special District Funds | \$ 6,222 | \$ 3,612 | \$ 9,833 | 5.5% |

Other County Funds Departments

| | | | | |
|--|-------------|--------------|--------------|-------------|
| HHSA - Red./Redev. Successor Agency | \$ 0 | \$ 0 | \$ 0 | 0.0% |
| HHSA - Housing & Community Development | 0 | 14 | 14 | 50.2% |
| Total Other County Funds | \$ 0 | \$ 14 | \$ 14 | 0.2% |

| | | | | |
|---|------|------|------|------|
| Debt Service - Pension Obligation Bonds | \$ 0 | \$ 0 | \$ 0 | 0.0% |
|---|------|------|------|------|

| | | | | |
|-------------------------------|------------------|-----------------|------------------|-------------|
| Total Non-General Fund | \$ 35,451 | \$ 9,270 | \$ 44,722 | 1.4% |
|-------------------------------|------------------|-----------------|------------------|-------------|

| | | | | |
|--|-------------------|--------------------|------------------|-------------|
| Total County Year-End Operating Balance | \$ 146,484 | \$ (70,769) | \$ 75,715 | 0.7% |
|--|-------------------|--------------------|------------------|-------------|

**FY 2024-25 2nd Quarter
Projected Year-End Results
(in thousands)**

Schedule A

PUBLIC SAFETY GROUP

| Expenditure Variance | Revenue Variance | 2nd Quarter FY24-25 Projected Fund Balance | % of Proj FB to Budget |
|-------------------------|---------------------|---|------------------------------|
| Favorable/(Unfavorable) | | | |

General Fund Departments

| | | | | |
|--------------------------------|-----------------|--------------------|-------------------|--------------|
| Animal Services | \$ 82 | \$ (214) | \$ (133) | -1.2% |
| Child Support | 3,357 | (1,522) | 1,834 | 3.2% |
| District Attorney | 815 | 0 | 815 | 0.3% |
| Emergency Services | 284 | (283) | 1 | 0.0% |
| Medical Examiner | 128 | (52) | 75 | 0.3% |
| Probation | (0) | 0 | 0 | 0.0% |
| Public Defender | (0) | (1,530) | (1,530) | -1.1% |
| Public Safety Executive Office | 251 | (200) | 51 | 0.1% |
| San Diego County Fire | 2,414 | (2,399) | 16 | 0.0% |
| Sheriff | 8 | (3,819) | (3,811) | -0.3% |
| Total General Fund | \$ 7,338 | \$ (10,019) | \$ (2,681) | -0.1% |

Special Revenue Funds Departments

| | | | | |
|--|---------------|---------------|-----------------|-------------|
| District Attorney (Asset Forfeiture - State & Federal) | \$ 0 | \$ 0 | \$ 0 | 0.0% |
| Probation - Asset Forfeiture | 0 | 0 | 0 | 0.0% |
| Probation - Incarcerated Peoples' Welfare Program | 0 | 0 | 0 | 0.0% |
| Sheriff - Asset Forfeiture | (0) | 817 | 817 | 11.9% |
| Sheriff - Incarcerated Peoples' Welfare Program | 687 | 171 | 858 | 10.5% |
| Criminal Justice Facility | 0 | 0 | 0 | 0.0% |
| Courthouse | 0 | 0 | 0 | 0.0% |
| Penalty Assessment | 0 | 0 | 0 | 0.0% |
| Public Safety - Proposition 172 | 0 | 0 | 0 | 0.0% |
| Total Special Revenue Funds | \$ 687 | \$ 988 | \$ 1,675 | 0.4% |

Enterprise Funds

| | | | | |
|---------------------------------|---------------|-------------|---------------|-------------|
| Jail Commissary Enterprise Fund | \$ (0) | \$ 0 | \$ (0) | 0.0% |
| Total Enterprise Funds | \$ (0) | \$ 0 | \$ (0) | 0.0% |

Special District Funds

| | | | | |
|-------------------------------------|--------------|-----------------|-----------------|-------------|
| Sheriff (Regional 800 MHz) | \$ 0 | \$ 1 | \$ 1 | 0.4% |
| County Service Areas | 0 | 1,147 | 1,147 | 6.6% |
| Community Facilities Districts | 50 | (50) | 0 | 0.0% |
| County Service Areas 17 & 69 | (0) | 76 | 76 | 0.2% |
| Total Special District Funds | \$ 50 | \$ 1,174 | \$ 1,224 | 2.3% |

Total Public Safety Group

| | | | |
|-----------------|-------------------|---------------|-------------|
| \$ 8,075 | \$ (7,857) | \$ 218 | 0.0% |
|-----------------|-------------------|---------------|-------------|

**FY 2024-25 2nd Quarter
Projected Year-End Results
(in thousands)**

Schedule A

HEALTH & HUMAN SERVICES AGENCY

| Expenditure Variance | Revenue Variance | 2nd Quarter FY24-25 Projected Fund Balance | % of Proj FB to Budget |
|-------------------------|---------------------|---|------------------------------|
| Favorable/(Unfavorable) | | | |

General Fund Programs

| | | | | |
|--|------------------|--------------------|------------------|-------------|
| Administrative Support | \$ 2,665 | \$ (1,856) | \$ 809 | 0.4% |
| Aging & Independence Services | 4,969 | (4,969) | 0 | 0.0% |
| Behavioral Health Services | 17,833 | (17,833) | 0 | 0.0% |
| Child and Family Well-Being | 8,046 | (7,964) | 82 | 0.0% |
| Public Health Services | 21,842 | (9,029) | 12,813 | 5.3% |
| Regional Operations | - | 0 | - | 0.0% |
| Self-Sufficiency Services | - | 0 | 0 | 0.0% |
| Medical Care Services | 2,614 | (2,614) | (0) | 0.0% |
| Housing & Community Development Services | 647 | (999) | (352) | -0.2% |
| Homeless Solutions and Equitable Communities | 2,462 | (2,040) | 422 | 0.2% |
| Total General Fund | \$ 61,077 | \$ (47,304) | \$ 13,774 | 0.4% |

Special Revenue Funds

| | | | | |
|------------------------------------|-------------|-------------|-------------|-------------|
| Tobacco Securitization Fund | \$ 0 | \$ 0 | \$ 0 | 0.0% |
| Total Special Revenue Funds | \$ 0 | \$ 0 | \$ 0 | 0.0% |

Other County Funds Departments

| | | | | |
|---|-------------|--------------|--------------|-------------|
| Housing & Community Development | \$ 0 | \$ 14 | \$ 14 | 50.2% |
| Red. Agency/Redevelopment Successor Agency | 0 | 0 | 0 | 0.0% |
| Total Other County Funds Departments | \$ 0 | \$ 14 | \$ 14 | 0.2% |

| | | | | |
|---|------------------|--------------------|------------------|-------------|
| Total Health & Human Services Agency | \$ 61,077 | \$ (47,289) | \$ 13,788 | 0.4% |
|---|------------------|--------------------|------------------|-------------|

**FY 2024-25 2nd Quarter
Projected Year-End Results
(in thousands)**

Schedule A

LAND USE & ENVIRONMENT GROUP

General Fund Departments

| | Expenditure Variance | Revenue Variance | 2nd Quarter FY24-25 Projected Fund Balance | % of Proj FB to Budget |
|--|-------------------------|---------------------|---|------------------------------|
| | Favorable/(Unfavorable) | | | |
| Agriculture, Weights & Measures | \$ 1,350 | \$ (849) | \$ 501 | 1.3% |
| Department of Environmental Health and Quality | 3,419 | (2,281) | 1,138 | 1.6% |
| Land Use & Environment Group Exec Office | 2,360 | (2,360) | (0) | 0.0% |
| Parks & Recreation | 0 | 0 | 0 | 0.0% |
| Planning & Development Services | 10,790 | (10,788) | 2 | 0.0% |
| Public Works | 1,027 | (1,027) | 0 | 0.0% |
| Total General Fund | \$ 18,945 | \$ (17,305) | \$ 1,640 | 0.4% |

Special Revenue Funds/Departments

| | | | | |
|---|------------------|-------------------|------------------|-------------|
| Parks & Recreation (Grazing and Fish & Game Commission) | \$ 0 | \$ 77 | \$ 77 | 166.7% |
| Parks & Recreation - PLDO | 0 | 37 | 37 | 0.2% |
| DPW - Aviation Funds | 0 | 0 | 0 | 0.0% |
| DPW - Road Fund | 37,758 | (4,164) | 33,594 | 7.6% |
| DPW - Survey Monument Preservation | 0 | 0 | 0 | 0.0% |
| DPW - Inactive Waste | 118 | (111) | 7 | 0.1% |
| DPW - Waste Planning and Recycling | 1,615 | (104) | 1,511 | 19.8% |
| Library Services | 963 | 2,988 | 3,951 | 5.4% |
| Total Special Revenue Funds | \$ 40,454 | \$ (1,278) | \$ 39,176 | 7.1% |

Internal Service Funds

| | | | | |
|--|--------------|----------------|-------------|-------------|
| Public Works - DPW Equip. ISF Prg. (35525-35700) | \$ 27 | \$ (27) | \$ 0 | 0.0% |
| Total Internal Service Funds | \$ 27 | \$ (27) | \$ 0 | 0.0% |

Enterprise Funds

| | | | | |
|---------------------------------------|-----------------|-------------------|-------------|-------------|
| Airport Enterprise Fund | \$ 0 | \$ 0 | \$ 0 | 0.0% |
| Wastewater Management Enterprise Fund | 1,429 | (1,429) | 0 | 0.0% |
| Total Enterprise Funds: | \$ 1,429 | \$ (1,429) | \$ 0 | 0.0% |

Special District Funds/Departments

| | | | | |
|--|-----------------|-----------------|-----------------|-------------|
| Parks and Recreation | \$ (0) | \$ 16 | \$ 16 | 0.3% |
| Parks - Community Facilities Districts | 0 | 82 | 82 | 3.5% |
| DPW - SD County Sanitation District | 0 | 1,797 | 1,797 | 2.2% |
| DPW - Campo WSMD-Zone A (Rancho Del Campo Water) | 0 | 67 | 67 | 3.5% |
| DPW - CWSMD-Zone B (Campo Hills Water) | 61 | 7 | 68 | 10.9% |
| DPW - Live Oak Springs Water | 237 | 80 | 317 | 9.0% |
| DPW - CSAs | 208 | 12 | 220 | 27.0% |
| DPW - PRDs | 5,063 | 274 | 5,337 | 53.2% |
| DPW - Community Facilities Districts | 209 | (9) | 200 | 15.2% |
| DPW - Flood Control | 0 | 99 | 99 | 0.7% |
| DPW - Street Lighting District | 393 | 14 | 407 | 10.9% |
| Total Special Districts Funds: | \$ 6,172 | \$ 2,438 | \$ 8,609 | 6.8% |

| | | | | |
|---|------------------|--------------------|------------------|-------------|
| Total Land Use & Environment Group | \$ 67,028 | \$ (17,601) | \$ 49,426 | 4.1% |
|---|------------------|--------------------|------------------|-------------|

FY 2024-25 2nd Quarter
Projected Year-End Results
(in thousands)

Schedule A

**FINANCE & GENERAL GOVERNMENT
GROUP**

| Expenditure Variance | Revenue Variance | 2nd Quarter FY24-25 Projected Fund Balance | % of Proj FB to Budget |
|-------------------------|---------------------|---|------------------------------|
| Favorable/(Unfavorable) | | | |

General Fund Departments

| | | | | |
|-----------------------------------|------------------|--------------------|-----------------|-------------|
| Law Enforcement Review Board | \$ 57 | \$ 0 | \$ 57 | 2.8% |
| Assessor/Recorder/County Clerk | 11,051 | (11,051) | (0) | 0.0% |
| Auditor & Controller | 174 | (81) | 93 | 0.2% |
| Board of Supervisors | 1,781 | 0 | 1,781 | 9.6% |
| Chief Administrative Office | 123 | (123) | 0 | 0.0% |
| Civil Service Commission | 8 | (0) | 8 | 1.1% |
| Clerk of the Board of Supervisors | 116 | 82 | 198 | 3.5% |
| County Communications Office | 8 | 0 | 8 | 0.2% |
| County Counsel | 210 | (56) | 155 | 0.3% |
| County Technology Office | 0 | 0 | 0 | 0.0% |
| Finance & GG Exec Office | 190 | (190) | 0 | 0.0% |
| General Services | (0) | 0 | (0) | 0.0% |
| Grand Jury | 19 | 0 | 19 | 2.3% |
| Human Resources | 213 | (383) | (170) | -0.4% |
| Purchasing & Contracting | 0 | 0 | 0 | 0.0% |
| Registrar of Voters | 544 | (138) | 406 | 1.0% |
| Treasurer-Tax Collector | 34 | 65.1 | 99 | 0.4% |
| Total General Fund | \$ 14,527 | \$ (11,874) | \$ 2,653 | 0.6% |

Internal Service Funds Departments

| | | | | |
|-------------------------------------|-----------------|-----------------|-----------------|-------------|
| CTO - Information Technology | \$ (0) | \$ 0 | \$ 0 | 0.0% |
| Facilities Management | 0 | (0) | (0) | 0.0% |
| Major Maintenance ISF | 0 | (0) | 0 | 0.0% |
| Fleet Management | 0 | 0 | 0 | 0.0% |
| Purchasing & Contracting | 1,574 | 1,893 | 3,467 | 14.8% |
| Total Internal Service Funds | \$ 1,574 | \$ 1,893 | \$ 3,467 | 0.5% |

**Total Finance & General Government
Group**

| | | | |
|------------------|-------------------|-----------------|-------------|
| \$ 16,101 | \$ (9,981) | \$ 6,120 | 0.5% |
|------------------|-------------------|-----------------|-------------|

**FY 2024-25 2nd Quarter
Projected Year-End Results
(in thousands)**

Schedule A

**GENERAL PURPOSE REVENUE &
FINANCE OTHER**

| Expenditure Variance | Revenue Variance | 2nd Quarter FY24-25 Projected Fund Balance | % of Proj FB to Budget |
|-------------------------|---------------------|---|------------------------------|
| Favorable/(Unfavorable) | | | |

General Fund

General Purpose Revenue:

| | | | | |
|-------------------------------------|------|----------|----------|--------|
| All Current Property Taxes | \$ 0 | \$ 4,330 | \$ 4,330 | 0.4% |
| All Other Taxes-Local | 0 | 5,352 | 5,352 | 0.8% |
| Licenses, Permits & Franchises | 0 | (197) | (197) | -5.2% |
| Fines, Forfeitures & Penalties | 0 | 0 | 0 | 0.0% |
| Revenue for Use of Money & Property | 0 | (6,831) | (6,831) | -11.0% |
| Intergovernmental Revenue | 0 | 2,176 | 2,176 | 1.1% |
| Charges for Current Services | 0 | 1,174 | 1,174 | 55.9% |
| Miscellaneous Revenue | 0 | 0 | 0 | 0.0% |

Total General Purpose Revenue

| | | | |
|-------------|-----------------|-----------------|-------------|
| \$ 0 | \$ 6,005 | \$ 6,005 | 0.3% |
|-------------|-----------------|-----------------|-------------|

General County Expenses:

| | | | | |
|--|-------|------|-------|--------|
| Cash Borrowing Program | \$ 0 | \$ 0 | \$ 0 | 0.0% |
| Community Enhancement | 0 | 0 | 0 | 0.0% |
| Contribution to County Library | 15 | 0 | 15 | 100.0% |
| Contributions to the Capital Outlay Fund | (0) | 0 | (0) | 0.0% |
| Lease Payments - Bonds | 735 | 8 | 742 | 2.9% |
| Local Agency Formation Comm Admin | 0 | 0 | 0 | 0.0% |
| Neighborhood Reinvestment Program | 0 | 0 | 0 | 0.0% |
| Appropriation for Contingencies | 8,395 | 0 | 8,395 | 45.8% |
| Countywide Expenses | 0 | 449 | 449 | 0.2% |

Total Finance Other Expenses

| | | | |
|-------|-----|-------|------|
| 9,145 | 457 | 9,601 | 1.3% |
|-------|-----|-------|------|

Total General Fund

| | | | |
|-----------------|-----------------|------------------|-------------|
| \$ 9,145 | \$ 6,462 | \$ 15,606 | 2.2% |
|-----------------|-----------------|------------------|-------------|

Capital Program Funds

| | | | | |
|------------------------------------|-------------|-----------------|-----------------|-------------|
| Capital Program | \$ 0 | \$ 4,045 | \$ 4,045 | 0.5% |
| Total Capital Program Funds | \$ 0 | \$ 4,045 | \$ 4,045 | 0.5% |

Internal Service Funds Departments

| | | | | |
|------------------------|--------------------|-----------------|--------------------|--------------|
| Workers Compensation | \$ 1,051 | \$ 13 | \$ 1,063 | 1.8% |
| Unemployment Insurance | 0 | 0 | 0 | 0.0% |
| Insurance ISF | (1,678) | 0 | (1,678) | -16.2% |
| Public Liability | (14,315) | 1,440 | (12,875) | -17.7% |
| Total ISF Funds | \$ (14,942) | \$ 1,453 | \$ (13,489) | -9.2% |

Debt Service Funds Departments

| | | | | |
|---------------------------------|-------------|-------------|-------------|-------------|
| Pension Obligation Bonds | \$ 0 | \$ 0 | \$ 0 | 0.0% |
| Total Debt Service Funds | \$ 0 | \$ 0 | \$ 0 | 0.0% |

**Total General Purpose Revenue & Finance
Other**

| | | | |
|-------------------|------------------|-----------------|-------------|
| \$ (5,797) | \$ 11,960 | \$ 6,162 | 0.3% |
|-------------------|------------------|-----------------|-------------|

**FY 2024-25 2nd Quarter
Projected Year-End Results
(in thousands)**

Schedule A

| Category | Projected Appropriation for Contingencies | Projected Operating Balances | 2nd Quarter FY24-25 Projected Fund Balance |
|---|--|------------------------------------|---|
| | Favorable/(Unfavorable) | | |
| General Fund | | | |
| Public Safety | \$ 0 | \$ (2,681) | \$ (2,681) |
| Health and Human Services Agency | 0 | 13,774 | 13,774 |
| Land Use and Environment | 0 | 1,640 | 1,640 |
| Finance & General Government | 0 | 2,653 | 2,653 |
| Agency/Group Totals | \$ 0 | \$ 15,387 | \$ 15,387 |
| General Purpose Revenue | \$ 0 | \$ 6,005 | \$ 6,005 |
| General County Expenses | 0 | 1,206 | 1,206 |
| Appropriation for Contingencies | 8,395 | 0 | 8,395 |
| Total General Purpose Revenue & General County Expense | \$ 8,395 | \$ 7,211 | \$ 15,606 |
| Total General Fund | \$ 8,395 | \$ 22,598 | \$ 30,993 |

Numbers may not total due to rounding.

COUNTY OF SAN DIEGO
NOTES TO SCHEDULES A and B
Fiscal Year 2024-25 2nd Quarter

GENERAL NOTES

Projected Fund Balance

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

Appropriation for Contingency

The County's General Fund budget includes Appropriation for Contingency 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). Schedule B presents projection of the Appropriation for Contingency.

Management Reserves

Besides the General Fund Reserve, which is comprised of unassigned General Fund fund balance, County business groups may establish Management Reserves. Management Reserves are appropriations that are established at the group or department level for unanticipated needs or planned future one-time expenses. Schedule B shows a summary of the General Fund's projected fund balance by group/agency that distinguishes between projected management reserve balances and operating balances. No Management Reserves were budgeted in Fiscal Year 2024-25.

Variance Reporting

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

2nd Quarter Operational Fund Balance for Fiscal Year 2024-25

Schedule A summarizes the County's Fiscal Year 2024-25 operational results, measured by fund balance from current year operations, excluding anticipated designation of fund balance (restricted, committed, assigned) or final adjustments to take place in the annual comprehensive financial report (ACFR). Projected fund balance for the General Fund is \$31.0 million, and for all budgetary funds combined is projected to be \$75.7 million. In the General Fund, all business groups are projected to produce operating balances except

for Public Safety Group: Health and Human Services Agency (\$13.8 million), Land Use and Environment Group (\$1.6 million), Finance and General Government Group (\$2.6 million) and Finance Other (\$15.6 million); offset by negative fund balance in Public Safety Group (\$2.7 million).

The balance for all other funds combined are projected to be \$44.7 million and consist of positive fund balance in Special Revenue Funds (\$40.9 million), Capital Program (\$4.0 million), Special District Funds (\$9.8 million), and negative fund balance in Internal Service Funds (\$10.0 million).

PUBLIC SAFETY GROUP

The Public Safety Group is projecting a positive overall variance of \$0.2 million, of which \$2.7 million is tied to negative variance in the General Fund and \$2.9 million is tied to positive variances in all other funds combined. The details of these variances are noted below.

General Fund

Animal Services

A negative variance of \$0.1 million is projected for the Department of Animal Services.

A positive expenditure variance of \$0.1 million is projected. A positive variance of \$0.4 million is projected in Salaries & Benefits due to vacancies. A negative variance of \$0.3 million in Services & Supplies is due to higher than anticipated animal inventory resulting in higher costs related to medical supplies, temporary contract staffing, animal care and animal food.

A negative revenue variance of \$0.2 million is projected. A negative variance of \$0.1 million in Licenses Permits & Franchises due to declining dog licensing compliance and \$0.1 million in Charges For Current Services are due to lower revenue from sheltering fees, including fee waived adoption events and reduced fee or fee waived medical procedures such as spay/neuter surgeries and vaccinations.

The department will continue to closely monitor expenditures, and if unable to reduce expenses, the Public Safety Executive Office will transfer available appropriations.

Child Support

A positive variance of \$1.8 million is projected for the Department of Child Support Services.

A positive expenditure variance of \$3.3 million is projected. Positive variances of \$0.9 million in Salaries & Benefits is due to vacancies and modified positions, \$2.2 million in Services & Supplies due to lower expenses than anticipated related to facility projects,

information technology, and contracted services, and \$0.1 million in Capital Assets/Land Acquisition and \$0.1 million in Capital Assets Equipment are due to lower expenses related to facility projects as noted above.

A negative revenue variance of \$1.5 million is projected. A negative variance of \$1.6 million in Intergovernmental Revenues is due to lower than anticipated State and federal reimbursement revenue related to expenditure savings mentioned above, offset by a positive variance of \$0.1 million in Charges For Current Services, due to higher payments from the California Department of Child Support Services.

District Attorney

A positive variance of \$0.8 million is projected for the District Attorney's Office.

A positive expenditure variance of \$0.8 million is projected in Salaries & Benefits due to attrition, vacant and modified positions.

No revenue variance is projected.

Public Defender

A negative variance of \$1.5 million is projected for the Public Defender.

No expenditure variance is projected. Although no variance is projected, the Public Defender's Office originally projected a negative expenditure variance of \$3.9 million in Salaries & Benefits. This projection will be partially mitigated by the transfer of appropriations from Services & Supplies and a 2nd Quarter Status Adjustment that will provide \$1.8 million in appropriations based on over-realized General Purpose Revenue to support Salaries & Benefits costs. The department will continue to monitor salary and benefit costs as well contract costs and case related activities in order to mitigate the remaining negative variance. The increased costs in the Public Defender's Office is a current year issue and will be resolved with the 2nd Quarter Status Adjustment noted above. Ongoing solutions have been identified and will be included in the forthcoming CAO Recommended Operational Plan.

A negative revenue variance of \$1.5 million is projected in Intergovernmental Revenues due to lower than expected eligible case activities funded by CARE Act, and staff attritions during mid-year funded by Justice Assistance Grant and state mandated reimbursements, offset by reimbursements for the Public Defense Pilot Program.

San Diego County Fire

There is no significant overall variance projected for San Diego County Fire.

A positive expenditure variance of \$2.4 million is projected. Positive variances of \$0.1 million in Salaries & Benefits is due to vacancies, \$2.1 million in Services & Supplies is due to lower contracted services resulting from delays in obtaining Environmental

Historical Preservation report approval from FEMA for Home Hardening projects, and \$0.2 million in Other Charges is due to lower payments to reimburse fire agencies managed by County Fire.

A negative revenue variance of \$2.4 million is projected, primarily in Intergovernmental Revenues due to lower grant reimbursements, related to the expenditures mentioned above.

Sheriff

A negative variance of \$3.8 million is projected for the Sheriff's Office.

No expenditure variance is projected. Although no variance is projected, the Sheriff's Office originally projected a negative expenditure variance of \$24.5 million in Salaries & Benefits. The original negative variance was due to increased operational costs that resulted in the reallocation of salaries and benefits appropriations. This variance will be mitigated by a 2nd Quarter Status Adjustment that will provide \$24.5 million in appropriations based on over-realized General Purpose Revenue. The increased costs in the Sheriff's Office is a current year issue and will be resolved with the 2nd Quarter Status Adjustment noted above, and permanent, ongoing solutions will be included in the forthcoming CAO Recommended Operational Plan. This projection also takes into consideration the transfer of \$4.4 million in appropriations from Services & Supplies (\$4.0 million), Other Charges (\$0.3 million) and Capital Assets Equipment (\$0.2 million) to support Salaries & Benefits costs. The positive variances are related to lower costs in various accounts including uniform allowance and one-time software and equipment associated with Cal-ID program and Regional Communication System that will be budgeted in Fiscal Year 2025-26.

A negative revenue variance of \$3.8 million is projected. Projected negative variances of \$3.2 million in Fines, Forfeitures & Penalties due to lower costs for the Cal-ID program as mentioned above, \$1.2 million in Miscellaneous Revenues due to lower expenditures in RCS projects mentioned above, \$0.4 million in Other Financing Sources due to lower transfers from the Incarcerated Peoples' Welfare Fund and Jail Commissary Enterprise Fund associated with vacant positions, and \$0.2 million in Charges For Current Services due to a lower reimbursement for law enforcement services due to vacancies. These are offset by projected positive revenue variances of \$0.7 million in Intergovernmental Revenues due to higher than anticipated State Aid for reimbursement of costs to provide a jail-based competency treatment program, and \$0.5 million in Licenses, Permits and Franchises due to higher collections from license fees.

Special Revenue Funds

Sheriff's Asset Forfeiture Program

A positive variance of \$0.8 million is projected in the Sheriff's Asset Forfeiture Program (US Department of Justice, US Treasury Department and State).

No expenditure variance is projected.

A positive revenue variance of \$0.8 million is projected. A positive variance of \$0.4 million in Intergovernmental Revenues due to increased asset forfeiture from the US Department of Justice, \$0.3 million in Fines, Forfeitures & Penalties based on increased asset forfeiture from State seizures, and \$0.1 million in Revenue from Use of Money & Property for higher interest earnings.

Sheriff's Incarcerated Peoples' Welfare Fund

A positive variance of \$0.9 million is projected for the Incarcerated Peoples' Welfare Fund.

A positive expenditure variance of \$0.7 million is projected. A positive variance of \$0.4 million in Services & Supplies is due to lower operational costs related to scheduling challenges and meeting required facility safety and security protocols for classes provided to incarcerated people. A positive variance of \$0.3 million is projected in Operating Transfers Out associated with vacant positions in the General Fund.

A positive revenue variance of \$0.2 million is projected, in Other Financing Sources due to an increase in operating transfers from the Sheriff's Jail Commissary Enterprise Fund based on higher than anticipated proceeds from the Jail Stores Commissary. Penal Code 4025 requires that all proceeds generated by the Jail Stores Commissary be deposited in the Sheriff's Incarcerated Peoples' Welfare Fund.

Proposition 172

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

No expenditure or revenue variance are projected. There are lower receipts projected for the current fiscal year (\$5.1 million) and over-accrual in the prior year (\$2.0 million). Operating Transfers Out will be requested by General Fund departments as budgeted in Fiscal Year 2024–25. This will result in Prop 172 Special Revenue reimbursements from available Fund Balance to account for the revenue shortfall.

This projection reflects a decrease of \$46.3 million from the First Quarter projection and reflects accurate, updated projections.

Special District Funds

Fire Protection District

A positive variance of \$1.1 million is projected for the San Diego County Fire Protection District.

No expenditure variance is projected.

A positive revenue variance of \$1.1 million is projected. A positive revenue variance of \$1.2 million is projected in Miscellaneous Revenues due to a reimbursement from REV Renewables and Energy Storage for the Otay Mesa Battery Fire incident response, offset by a negative variance of \$0.1 million in Revenue From Use of Money & Property due to a lower interest apportionment.

HEALTH AND HUMAN SERVICES AGENCY (HHSA)

The Health and Human Services Agency is projecting a positive overall variance of \$13.8 million in the General Fund. The details of these variances are noted below.

General Fund

Administrative Support

Administrative Support is projecting an overall positive variance of \$0.8 million.

A positive expenditure variance of \$2.7 million is projected and includes positive variances of \$1.9 million in Salaries & Benefits tied to vacant positions and attrition and \$0.8 million in Services & Supplies primarily due to lower than anticipated IT costs.

A negative revenue variance of \$1.9 million is projected in Intergovernmental Revenues and consists of a negative variance of \$1.7 million in Public Health revenues primarily tied to Future of Public Health (FOPH) revenue aligning with the State's revised allocation, lower-than-anticipated COVID-19 Expanding Laboratory Capacity grant funding offset by the Health Disparities grant to fund staffing costs and mitigate the impact of FOPH revenue loss and a negative variance of \$1.0 million in Realignment to align with spending, offset by a positive variance of \$0.8 million in Federal Emergency Management Agency (FEMA) revenue associated with local health emergency response costs.

Aging & Independence Services

There is no overall variance projected for AIS.

A positive expenditure variance of \$5.0 million is projected and includes a negative variance of \$1.8 million in Salaries & Benefits due to a lower vacancy rate than budgeted, a positive variance of \$5.6 million in Services & Supplies, and a positive variance of \$1.2 million in Operating Transfers Out due to reduced funding needs for the In-Home Support Services (IHSS) Public Authority related to anticipated operational needs in the program with no impact to services. The \$5.6 million positive variance in Services & Supplies is primarily tied to \$3.9 million in contracted services in Home Safe and California Department of Aging (CDA) programs by utilizing internal County staffing to support the programs and the roll out of Modernizing Older California Act (MOCA) programs over

future fiscal years, an adjustment of \$1.7 million to align the budget to the anticipated IHSS Maintenance of Effort (MOE) for IHSS Individual Providers, and \$0.3 million due to the phased implementation needed to accommodate the increasing number of participants in the San Diego Veterans Independence Service at Any Age (SD-VISA) program, partially offset by a \$0.3 million variance from budget in various services and supplies tied to program operational need.

A negative revenue variance of \$5.0 million is projected and includes negative variances of \$4.7 million in Intergovernmental Revenues, \$0.2 million in Other Financing Sources due to Tobacco Securitization Funds reallocated and projected in Behavioral Health Services, and \$0.1 million in Miscellaneous Revenues mainly tied to funding from the U.S. Department of Veterans Affairs due to lesser expenditures in the SD-VISA program as noted above. The negative variance of \$4.7 million in Intergovernmental Revenues includes \$3.8 million in Realignment revenue to align with spending and \$0.9 million in federal and State funding primarily associated with reduced expenditures in IHSS Public Authority program as noted above.

Behavioral Health Services

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

There is no overall variance projected for BHS.

A positive expenditure variance of \$17.8 million is projected and includes a positive variance of \$4.2 million in Salaries & Benefits attributed to longer timeframes to hire staff, hard to recruit classifications, and vacancies due to attrition, and a positive variance of \$13.6 million in Services & Supplies. The positive variance of \$13.6 million in Services & Supplies is driven by a net positive variance of \$15.5 million in operating costs for contracted services associated with a range of mental health (MH) and substance use disorder (SUD) programs to align with anticipated spending which adjusts for contractor staffing vacancies and projected utilization in both MH and SUD residential bed days partially offset by negative variances in one-time IT resource needs and temporary staffing costs at the SDCPH. Additionally, the operating variance is also offset by \$1.9 million for an estimated penalty tied to Incompetent to Stand Trial (IST) determinations. The Welfare & Institutions Code section 4336 establishes a growth cap for each county for felony Incompetent to Stand Trial determinations and includes a county penalty if a county exceeds a growth cap based on Fiscal Year 2021-22 data. The County's growth cap was exceeded in Fiscal Year 2023-24 and \$3.8 million for penalties related to the IST is to be paid to the California Department of State Hospitals (DSH) based on a formula. This penalty is for any county that exceeds its baseline IST determination count regardless of whether the county contracts with DSH for IST community-based restoration or IST diversion. The total penalty is estimated to be \$3.8 million of which \$1.9 million is projected in HHSA and \$1.9 million is projected within the Public Safety Group.

A negative revenue variance of \$17.8 million is projected and includes negative variances of \$13.7 million in Intergovernmental Revenues, \$3.2 million in Charges for Current Services tied to a decrease in Intergovernmental Transfer (IGT) revenue primarily due to decrease in census enrollment days for Medi-Cal, and \$1.1 million in Miscellaneous Revenues due to the recoupment of payments in contracted services from prior year adjustments. This is partially offset by a positive variance of \$0.2 million in Other Financing Sources in Tobacco Securitization Funds due to a reallocation from AIS. The \$13.7 million negative variance in Intergovernmental Revenues is aligned to projected spending and includes reductions in Behavioral Health Realignment and Mental Health Services Act funding offset by increases in federal funding tied to anticipated billable service units under payment reform.

Child and Family Well Being

An overall positive variance of \$0.1 million is projected for Child and Family Well-Being (CFWB).

A positive expenditure variance of \$8.1 million is projected and consists of a positive variance of \$2.0 million in Salaries & Benefits due to vacancies and attrition, a positive variance of \$1.6 million in Services & Supplies, and a positive variance of \$4.5 million in Other Charges mainly to align with revised projected caseloads in assistance programs. The positive variance of \$1.6 million in Services & Supplies is associated with contracted services for transitional housing programs experiencing challenges in the rental market and group home costs as the program continues its transition into an eligible facility.

A negative revenue variance of \$8.0 million is projected in Intergovernmental Revenues and includes negative variances of \$6.0 million in Realignment revenue to align with spending, \$4.3 million in social services administrative revenues to align with anticipated federal and State funding and projected expenditures, partially offset by a positive variance of \$2.3 million in State assistance payment revenues.

Homeless Solutions and Equitable Communities

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

Effective December 13, 2024, HSEC operations have transitioned and integrated under several Agency departments to better streamline services and maximize efficiencies. The following programs are now operationally realigned as follows: OHS is now part of Housing and Community Development Services, OEQ has now joined Administrative Support, and OIRA has joined Self Sufficiency Services. The budget and ongoing financial reporting for HSEC will continue to be reflected under its current financial structure until the end of this fiscal year. As of July 1, 2025, the organizational structure will be fully transitioned to reflect both updated operations and financial reporting.

An overall positive variance of \$0.4 million is projected for Homeless Solutions and Equitable Communities (HSEC).

A positive expenditure variance of \$2.5 million is projected and includes a positive variance of \$3.1 million in Salaries & Benefits due to vacancies and attrition, and a negative variance of \$0.6 million in Services & Supplies. The negative variance of \$0.6 million in Services & Supplies consists of negative variances of \$2.0 million tied to Senate Bill (SB) 109 to support asylum-seeking migrants with their onward travel and \$0.2 million tied to increased IT related costs, partially offset by a positive variance of \$1.6 million primarily to align projected spending for CDC Community Health Worker Resilient grant, projected lower costs tied to the Community Services Block Grant (CSBG) Communities in Action program, and overall contract savings primarily tied to outreach, conflict resolution and refugee support services that were carried forward from the prior year.

A negative revenue variance of \$2.1 million is projected and includes a negative variance of \$2.0 million in Intergovernmental Revenues and a negative variance of \$0.1 million in Charges for Current Services mainly due to revised estimates for dispute resolution fees to align with projected spending on contracted mediation services. The negative variance of \$2.0 million in Intergovernmental Revenues consists of negative variances of \$1.4 million tied to aligning spending with one-time Community Health Workers Resilient grant and Health Disparities grant, \$1.0 million in Realignment revenue to align with spending, \$1.0 million in social services administrative revenues to align with revised allocations, \$0.7 million for the Afghan Refugee Support grant to align with projected contract cost for Afghan Refugee Support Services, \$0.1 million in Medi-Cal Administrative Activities (MAA) revenues based on estimated receipts, and \$0.1 million in CSBG due to projected lower costs as noted above. This is partially offset by positive variances due to additional revenues of \$2.0 million tied to SB109 for supplemental migrant support services and \$0.3 million for the Local Immigrant Integration and Inclusion Grant.

Housing & Community Development Services

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

An overall negative variance of \$0.4 million is projected for HCDS.

A positive expenditure variance of \$0.6 million is projected and includes a positive variance of \$0.3 million in Salaries & Benefits due to attrition and vacant positions, a negative variance of \$0.4 million in Services & Supplies, and a positive variance of \$0.7 million in Other Charges primarily in HOME Tenant Based Rental Assistance (TBRA) due to lower-than-anticipated referrals and a gradual transition in enrolling newly eligible participants under the Transitional Aged Youth (TAY) program. The negative variance in Services & Supplies is tied to \$0.4 million in temporary staff helping to mitigate online

application portal issues that would have impacted the opening of waitlists for three new Project Based Voucher developments.

A negative revenue variance of \$1.0 million is projected in Intergovernmental Revenues mainly associated with federal revenue primarily to align with projected costs associated with the HOME TBRA as noted above.

Medical Care Services

There is no overall variance projected for MCS.

A positive expenditure variance of \$2.6 million is projected and includes \$3.0 million in Salaries & Benefits primarily due to vacancies and a negative variance of \$0.4 million in Services & Supplies primarily for the California Home Visiting Program (CHVP) grant funded costs, such as gift cards, resources for families, and educational supplies to encourage participation in the program.

A negative revenue variance of \$2.6 million is projected and includes a negative variance of \$2.9 million in Intergovernmental Revenues and a positive variance of \$0.3 million in Miscellaneous Revenues for Sharp Rural Health and Pharmacy dispensing fees. The negative variance of \$2.9 million in Intergovernmental Revenues includes a negative variance of \$6.6 million in Realignment due to reallocation to Public Health Services and to align with spending, partially offset by positive variances of \$1.9 million primarily related to additional revenue for the CHVP to support evidenced based home visiting and \$1.8 million for Medi-Cal Administrative Activities revenues based on estimated receipts.

Public Health Services

An overall positive variance of \$12.8 million is projected for Public Health Services (PHS).

A positive expenditure variance of \$21.8 million is projected and includes a positive variance of \$1.8 million in Salaries & Benefits due to vacancies and attrition, a positive variance of \$16.6 million in Services & Supplies, and a positive variance of \$3.4 million in Capital Assets Equipment associated with longer than anticipated delivery of equipment. The positive variance of \$16.6 million in Services & Supplies includes a positive variance of \$10.4 million resulting primarily from procurement delays associated with identification and timing of lab equipment delivery, installation, and validation testing, \$4.6 million for the Immunizations program to align projected spending with the grant resources and workplan, and \$1.6 million in contracted temporary staffing costs associated with the demobilization of COVID-19 associated activities.

A negative revenue variance of \$9.0 million is projected and includes a negative variance of \$9.0 million in Intergovernmental Revenues and a negative variance of \$0.5 million in Charges for Current Services primarily to align projected reimbursements and

fees for Vital Records, offset by a positive variance of \$0.5 million in Miscellaneous Revenues based on an anticipated grant allocation to support the development of Public Health professionals. The negative variance of \$9.0 million in Intergovernmental Revenues is primarily tied to negative variances of \$9.8 million in COVID-19 Expanding Laboratory Capacity and \$6.3 million in COVID Health Disparities grant to align with projected spending noted above, \$3.5 million in Immunization Action Plan grant to align with workplan, \$2.4 million in Future of Public Health due to revised allocation estimate, and \$1.4 million in California Children's Services (CCS) tied to prior year revenue adjustments, offset by a positive variances of \$12.9 million in Federal Emergency Management Agency (FEMA) revenue for prior year expenditures associated with local health emergency response costs, and \$1.5 million in Realignment revenue due to a reallocation from Medical Care Services.

Self-Sufficiency Services

There is no overall variance projected for Self-Sufficiency Services (SSS).

A zero expenditure variance is projected and consists of a positive variance of \$2.9 million in Salaries & Benefits primarily tied to vacancies, a negative variance of \$6.1 million in Services & Supplies, and a positive variance of \$3.2 million in Other Charges. The negative variance of \$6.1 million in Services & Supplies is primarily tied to increases in contracted services based on revised allocations for California Work Opportunity and Responsibility to Kids (CalWORKs) Housing Support Program due to the California Department of Social Services redistribution of unspent prior year funding. The positive variance of \$3.2 million in Other Charges is tied to positive variances of \$11.4 million in the Participant Benefits programs mainly in Child Care Stage 1 due to revised projected caseloads and \$4.5 million in EBT Skimming mainly tied to estimated EBT Fraud payments; partially offset by negative variances of \$7.8 million in the General Relief program based on revised estimated caseload levels and \$4.9 million in the CalWORKs program based on projected case cost and caseload levels.

A zero revenue variance is projected and consists of a negative variance of \$1.2 million in Intergovernmental Revenues offset by a positive variance of \$0.8 million in Miscellaneous Revenues tied to contractor overpayments from Fiscal Year 2023-24, a positive variance of \$0.2 million in Fines, Forfeitures & Penalties based on reimbursement of eligible costs for the Physician Emergency Services program, and a positive variance of \$0.2 million in Revenue from Use of Money and Property tied to unanticipated GASB 87 lease revenue. The negative variance of \$1.2 million in Intergovernmental Revenue aligns social services administrative revenues to final allocations and projected spending.

LAND USE AND ENVIRONMENT GROUP

The Land Use and Environment Group is projecting a positive overall variance of \$49.4 million, of which \$1.6 million is tied to a positive variance in the General Fund and \$47.8 million is tied to positive variances in all other funds combined. The details of these variances are noted below.

General Fund

Land Use and Environment Group (LUEG) Executive Office

No significant variance is projected for the Land Use and Environment Group Executive Office.

A positive expenditure variance of \$2.4 million is projected. A positive variance of \$2.4 million in Services & Supplies is due to grant project related to air purifier that will no longer be managed through the LUEG Executive Office. The grant and program will be managed by the Air Pollution Control District.

A negative revenue variance of \$2.4 million is projected. Negative variances of \$2.2 million in Intergovernmental Revenues and \$0.2 million in Miscellaneous Revenues are due to grant project and associated revenue to be managed by the Air Pollution Control District.

Environmental Health and Quality

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

A positive expenditure variance of \$3.4 million is projected. A positive variance of \$2.6 million in Salaries & Benefits is due to vacancies and under-filled positions. A positive variance of \$0.8 million in Services & Supplies is due to a reduction in contract costs as a result of contracts not being awarded.

A negative revenue variance of \$2.3 million is projected. A negative variance of \$1.5 million in Charges for Current Services due to less than anticipated services requested by customers. A negative variance of \$0.8 million is projected in Licenses, Permits & Franchises due to under-realized permit payment revenue resulting from less staff to perform services.

Agriculture, Weights & Measures

An overall positive variance of \$0.5 million is projected for the Department of Agriculture, Weights & Measures.

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

A negative revenue variance of \$0.8 million is projected. Negative variance of \$1.2 million in Intergovernmental Revenues mainly due to less than anticipated reimbursements related to state contracts. Positive variances of \$0.2 million in Licenses, Permits, & Franchises, \$0.1 million in Charges for Current Services, and \$0.1 million in Miscellaneous Revenues due to higher than anticipated services requested resulting in over-realized revenues in those accounts.

Planning and Development Services

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

A positive expenditure variance of \$10.8 million is projected. A positive variance of \$2.5 million in Salaries & Benefits is due to vacancies and under-filled positions. A positive variance of \$8.3 million in Services & Supplies is primarily due to schedule changes to one-time only information technology (IT) projects, reduced consultant contract spending, and delayed spending related to grants.

A negative revenue variance of \$10.8 million is projected. A negative variance of \$5.6 million in Charges for Current Services is due to a decline in billable activities for land development, project planning, and building projects due to staff vacancies. A negative variance of \$5.2 million in Intergovernmental Revenues is due to delays in grant related projects.

Department of Public Works

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

A positive expenditure variance of \$1.0 million is projected. A positive variance of \$0.7 million in Salaries & Benefits is due to staff vacancies. A positive variance of \$0.3 million in Services & Supplies is due to less than anticipated Fleet ISF cost and contracted landscaping services for Closed Landfills due to County staff performing services.

A negative revenue variance of \$1.0 million is projected. A negative variance of \$0.6 million in Charges for Current Services due to reduced labor charges for land development projects due to staff vacancies. A negative variance of \$0.4 million in Revenue from Use of Money due to less than anticipated cell tower rents and lease revenues in Closed Landfills.

SPECIAL REVENUE FUNDS

Department of Public Works – Road Fund

An overall positive variance of \$33.6 million is projected for the Public Works Road Fund.

A positive expenditure variance of \$37.8 million is projected. A positive variance of \$4.3 million in Salaries & Benefits is due to staff vacancies and under-filled positions. A positive variance of \$32.0 million in Services & Supplies is due to scheduled project changes in Capital Improvement Program (CIP) Detailed Work Plan that will be re-budgeted in Fiscal Year 2025-26 and savings in consultant contracts due to County staff performing services in lieu of consultants and contractors. A positive variance of \$1.5 million in Other Charges is due to right-of-way easement scheduled project changes for Camino del Rey project that will be re-budgeted next fiscal year.

A negative revenue variance of \$4.2 million is projected. A negative variance of \$7.8 million in Intergovernmental Revenues is due to project schedule changes for State and Federal grant funded capital projects (\$9.7M); offset by a positive variance for anticipated increase in State's Gas Tax (\$1.9M). A negative variance of \$2.4 million in Charges for Current Services is due to schedule changes for other County funded capital projects (\$0.5M), reduced labor charges for land development projects (\$0.5M) and due to Helix Water District funding a portion of the cost for Bradley Avenue capital project (\$1.4M). A negative variance of \$1.0 million in Taxes Other than Current Secured is due to TransNet project schedule changes. A positive variance of \$6.0 million in Revenue from Use of Money and Property due to anticipated increase in interest earned. A positive variance of \$1.0 million in Licenses Permits & Franchise due to increase in anticipated SDG&E franchise fees.

Department of Public Works – County Waste Management and Recycling

An overall positive variance of \$1.5 million is projected for County Waste Management and Recycling.

A positive expenditure variance of \$1.6 million is projected. A positive variance of \$0.2 million in Salary & Benefits is due to vacancies. A positive variance of \$1.4 million in Services & Supplies is mostly related to less than anticipated professional & specialized services and consultant contracts due to delays in contract procurement.

A negative revenue variance of \$0.1 million is projected. A negative variance of \$0.2 million in Intergovernmental Revenues due to prior fiscal year deposit correction. A negative variance of \$0.1 million in Charges for Current Services due to anticipated decrease support for other County funds. A positive variance of \$0.2 million in Fines, Forfeitures & Penalties due to increase in Construction & Demolition (C&D) forfeitures.

San Diego County Library

An overall positive variance of \$4.0 million is projected for the San Diego County Library.

A positive expenditure variance of \$1.0 million is projected. A positive variance of \$0.5 million in Salaries & Benefits is due to staff vacancies. A positive variance of \$0.5 million in Service & Supplies is due to lower costs in IT network services, desktop computing, printing, and office expense.

A positive revenue variance of \$3.0 million is projected. A positive variance of \$2.8 million in Taxes Current Property is due to assessed value growth from property taxes. A positive variance of \$0.2 million in Intergovernmental Revenues is due to higher than anticipated funding for the telecommunications and information program.

SPECIAL DISTRICT FUNDS

Department of Public Works - Sanitation Districts

An overall positive variance of \$2.2 million is projected in the Sanitation Districts.

A positive expenditure variance of \$0.3 million is projected. A positive variance of \$0.3 million is projected in Services & Supplies due to less than anticipated cost in major maintenance for Live Oak Springs due to less needed repairs.

A positive revenue variance of \$1.9 million is projected. A positive variance of \$1.9 million is projected in Revenue from Use of Money & Property due to higher than anticipated interest earned.

Department of Public Works – Permanent Roads Divisions

An overall positive variance of \$5.3 million is projected for the Department of Public Works Permanent Road Divisions.

A positive expenditure variance of \$5.0 million is projected in Services & Supplies due to lower than anticipated road maintenance work costs.

A positive revenue variance of \$0.3 million. A positive variance of \$0.2 million in Charges for Current Services due to increase in rates for special assessments. A positive revenue variance of \$0.1 million in Taxes Current Property due to assessed value growth from property taxes.

ENTERPRISE FUNDS

Department of Public Works – Wastewater Management Enterprise Fund

No variance is projected for Wastewater Management Enterprise Fund.

A positive expenditure variance of \$1.4 million is projected. A positive variance of \$0.6 million Salaries & Benefits is due to vacancies. A positive variance of \$0.8 million in Services & Supplies is due to reduced inter-departmental charges from other County departments and contracted services.

A negative revenue variance of \$1.4 million is projected. A negative variance of \$1.4 million in Charges for Current Services is due to reduced billable activities for San Diego County Sanitation District support due to staff vacancies.

FINANCE AND GENERAL GOVERNMENT GROUP

The Finance and General Government Group is projecting a positive overall variance of \$6.1 million, of which \$2.6 million is tied to a positive variance in the General Fund and \$3.5 million is tied to positive variances in all other funds combined. The details of these variances are noted below.

General Fund

Assessor/Recorder/County Clerk

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

A positive expenditure variance of \$11.1 million is projected and includes positive variances of \$8.8 million in Services & Supplies due to delay or cancellation of trust fund funded projects and \$2.3 million in Fixed Assets Equipment due to the postponement of the acquisition of the vitals mobile and the replacement of the fire suppression system in the East County Office (ECO) Archives.

A negative revenue variance of \$11.1 million is projected due to a net negative variance of \$11.1 million in Charges for Current Services, which includes:

- A negative variance of \$9.7 million in Recorder Trust Funds revenues due to delay, cancellation, or postponement of the acquisition of the vitals mobile and the replacement of the fire suppression system in the ECO Archives;
- A negative variance of \$1.0 million AB 2890 Recovered Costs due to less supplemental tax payments than anticipated;
- A negative variance of \$0.3 million Property Tax Administration fees due to less than anticipated fee allocated;
- A negative variance of \$0.2 million in special assessments and notary public fees due to less than anticipated program collections;
- A negative variance of \$0.1 million in Recording Document and Filing Documents due to less than anticipated number of recorded documents because of higher interest rates;
- A positive variance of \$0.1 million Marriage Ceremonies due to higher than anticipated marriage ceremonies performed and duplicating and filing services; and
- A positive variance of \$0.1 million Recording Fees due to higher than anticipated vital certificates issued.

Board of Supervisors

An overall positive variance of \$1.8 million is projected for the Board of Supervisors.

A positive expenditure variance of \$1.8 million is projected and includes \$1.0 million in Salaries & Benefits due to unanticipated staff vacancies and turnover and \$0.8 million in Services & Supplies due to lower than anticipated one-time expenses.

No revenue variance is projected.

County Counsel

An overall positive variance of \$0.2 million is projected for the Office of County Counsel.

A positive expenditure variance of \$0.2 million is projected and includes \$0.6 million in Salaries & Benefits due to staff attrition and departmental vacancies and \$0.4 million in Services & Supplies due to the cancellation of an office construction project. This is offset by a negative \$0.8 million variance in Expenditure Transfer & Reimbursements due to less than anticipated staff cost reimbursements in the health services area.

No significant revenue variance is projected.

Human Resources

An overall negative variance of \$0.2 million is projected for the Department of Human Resources.

A positive expenditure variance of \$0.2 million includes \$0.4 million in Services & Supplies due to lower than anticipated costs for workers compensation services, offset by a \$0.2 million negative variance in Salaries & Benefits due to fewer than anticipated staff vacancies and attrition.

A negative revenue variance of \$0.4 million includes \$0.4 million in Miscellaneous Revenue due to less than anticipated workers compensation services administrative costs charged to the Employee Benefit Internal Service Fund.

Registrar of Voters

An overall positive variance of \$0.4 million is projected for the Registrar of Voters.

A positive expenditure variance of \$0.5 million includes \$1.7 million in Services & Supplies due to delays associated with an IT project for a new voter registration system and lower than anticipated ballot printing costs, and \$0.3 million in Operating Transfers Out from the completion of a Major Maintenance Capital Outlay Fund project for building security and ballot tabulation area expansion. This is partially offset by a \$1.5 negative variance in Expenditure & Transfer Reimbursements tied to the delayed IT project.

A negative revenue variance of \$0.1 million includes \$1.9 million State funding and a \$1.8 million positive variance from the federal Help America Vote Act.

Internal Service Funds (ISF)

Employee Benefits ISF

An overall positive variance of \$1.1 million is projected for the Employee Benefits ISF.

A positive expenditure variance of \$1.1 million is projected in Services & Supplies due to lower than anticipated costs for administration of workers compensation claims.

No revenue variance is projected.

Insurance ISF

An overall negative variance of \$1.7 million is projected for the Insurance ISF.

A negative expenditure variance of \$1.7 million is projected due to an unanticipated increase in the enterprise-wide property insurance policy cost.

No revenue variance is projected.

Staff will monitor the Insurance ISF costs and return to the Board with future recommendations as needed.

Public Liability ISF

An overall negative variance of \$12.9 million is projected for the Public Liability ISF.

A negative expenditure variance of \$14.3 million is projected in Other Charges primarily due to higher than anticipated settlements and resolution of various high liability matters in the current fiscal year.

A positive revenue variance of \$1.4 million is projected and includes a positive variance of \$1.3 million in Interest on Deposits and Investments due to the fund's anticipated interest earnings, and \$0.1 million in Other Miscellaneous revenue due to reimbursement of costs on a litigation matter.

Staff will monitor the Public Liability ISF costs and return to the Board with future recommendations as needed.

Purchasing & Contracting ISF

An overall positive variance of \$3.5 million is projected for the Purchasing & Contracting ISF.

A positive expenditure variance of \$1.6 million is projected and includes a \$0.3 million in Services & Supplies due to lower than anticipated miscellaneous IT and office expenses,

\$0.3 million in Other Charges due to lower than anticipated depreciation cost, and \$1.0 million in Capital Assets/Land Acquisition due to the capitalization of the iValua IT project.

A positive revenue variance of \$1.9 million is projected and includes \$0.1 million in Revenue From Use of Money & Property due to slightly higher than anticipated bank interest earning, \$1.7 million in Charges for Current Services from over-realized ISF revenue, and \$0.1 million Miscellaneous Revenues due to an increase in proceeds from usage rebates.

GENERAL PURPOSE REVENUE & COUNTYWIDE EXPENSES

A positive variance of \$32.3 million is projected in General Purpose Revenue (GPR), however, \$26.3 million will be appropriated in Sheriff's Office (\$24.5 million) and in Public Defender's Office (\$1.8 million) to allocate resources due to increased operational costs that resulted in the reallocation of salaries and benefits appropriations, resulting in adjusted GPR projection of \$6.0 million primarily in higher pass-through distributions and residual balance estimates from Redevelopment Successor Agencies (\$5.5 million), Teeter Taxes (\$2.6 million), Current Secured Property Taxes (\$2.5 million), Current Unsecured Property Taxes (\$1.8 million), Prior Secured Property Taxes (\$1.1 million), Prior Unsecured Supplemental Taxes (\$1.0 million), and other various GPR revenues (\$0.8 million), partially offset by negative variances from lower Interest on Deposit & Investments (\$6.8 million) and in Aid from City of San Diego (\$2.5 million). A positive variance of \$9.6 million is projected in General County Expenses.

General Purpose Revenue

The County's General Purpose Revenue is directly influenced by the economy. Employment showed an overall positive gain from November 2023 to November 2024, with majority of the increase in jobs from Private Education and Health Services by 11,800, Construction by 1,500, Mining, Logging and Construction by 1,400, and Trade, Transportation and Utilities by 1,400 but decreased in Manufacturing by 4,500, Information by 1,100, and Professional and Business Services by 500. Median home prices in San Diego for Single Family Homes were higher by 6.9% and for Existing Attached Homes by 2.5% based on the average from October-November 2024 compared to the same time period last year.

The County's GPR related to property tax revenues improved, supported by the increase in assessed values. For Fiscal Year 2024-25, the economic indicators discussed previously, and the trends summarized below, are followed by a discussion on significant revenue account variances from budget:

- San Diego's monthly unemployment preliminary rate of 4.6% in November 2024, up from 4.3% the year-ago. In comparison, this is below the unemployment rate of 5.3% for California and 4.0% for the nation during the same period.
- Consumer spending, as measured by taxable sales, will increase significantly in the unincorporated area boosted mainly by a state audit correction made to recover previously misallocated revenues. During the 2nd Quarter of 2024-25, unadjusted local point of sales tax revenue increased by 60.12% in the unincorporated area, but decreased by 4.18% in the Southern California Region, 4.18% in the statewide level, and 1.66% in the San Diego regional level, compared to the same time period last year.
- There are positive and negative indicators in the housing market in the County.
 - Increase in median housing prices for Single Family Homes (up 6.9%) and for Existing Attached Homes (up 2.5%) for October-November 2024 average compared to the same time period last year.

- Notices of Default lower by 14% in January-December 2024 compared to the same period in 2023.
- Foreclosure activity higher by 19% in January-December 2024 compared to the same period in 2023.

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 \$4.3 million.

- *Property Taxes Current Secured*

Current Secured Property Taxes are projected to be \$2.5 million higher than budget primarily due to greater than anticipated assessed value (AV) growth.

The budgeted current secured property taxes assumed a local secured assessed value increase of 4.63%, but the actual assessed value (AV) increased by 5.46% (gross less regular exemptions). (Note: The 5.46% increase represents the change in the assessed value for only the secured roll. This is lower than the countywide overall increase published by the Assessor/Recorder/County Clerk on June 30, 2024, of 5.58%, which includes all assessed value components, secured and unsecured.)

- *Property Taxes - Current Unsecured*

Current Unsecured Property Taxes are projected to be \$1.8 million higher than budget due to projected higher revenue based on prior year receipts. At the time the budget was prepared, current unsecured property tax revenues were based on the assumption that there would be no growth in the current unsecured roll. Unlike the secured roll, the unsecured roll does not build on a prior year base.

Taxes Other Than Current Secured

Taxes Other Than Current Secured are anticipated to be \$31.6 million above budget, however, \$26.3 million will be appropriated in Sheriff's Office (\$24.5 million) and in Public Defender's Office (\$1.8 million) for resource allocation due to increased operational costs that resulted in the reallocation of salaries and benefits appropriations, resulting in adjusted higher revenue of \$5.3 million as described below.

- *Property Tax Prior Secured*

Property Tax Prior Secured are projected to be \$1.1 million higher than budget based on year-to-date current year actuals going higher than expected.

- *Property Tax Prior Secured Supplemental*

Property Tax Prior Secured Supplemental are projected to be \$4.2 million higher than budget due to the increase in supplemental billings in Fiscal Year 2024-25 compared to prior year. However, \$0.8 million was appropriated to provide funding for one-time needs (Q1) and \$3.4 million will be appropriated in Sheriff's Office for resource allocation due to increased operational costs that resulted in the reallocation of salaries and benefits appropriations, which will result in adjusted projection of zero variance from budget.

- *Property Tax Prior Year Unsecured Supplemental*

Property Tax Prior Year Unsecured Supplemental are projected to be \$1.0 million higher than budget based on year-to-date current year actuals going higher than expected.

- *Sales & Use Taxes*

Sales & Use Taxes are projected to be \$11.0 million higher than budget. This is mostly boosted by a state audit correction made to recover previously misallocated revenues as well as significant increase in business-industry related revenue. However, \$11.0 million will be appropriated in Sheriff's Office for resource allocation due to increased operational costs that resulted in the reallocation of salaries and benefits appropriations, which will result in adjusted projection of zero variance from budget.

- *Other Tax Aircraft*

Other Tax Aircraft is projected to be \$2.8 million higher than budget based on year-to-date current year actuals going higher than expected. However, \$2.8 million will be appropriated in Sheriff's Office (\$2.6 million) and in Public Defender's Office (\$0.2 million) for resource allocation due to increased operational costs that resulted in the reallocation of salaries and benefits appropriations, which will result in adjusted projection of zero variance from budget.

- *Transient Occupancy Tax*

Transient Occupancy Tax is projected to be \$0.6 million higher than budget. This is based on prior year receipts and continued growth in the hotel industry and tourism as a whole.

- *Documentary Transfer Taxes*

Documentary Transfer Taxes are projected to be \$2.2 million higher than budget due to projected home prices remaining high despite having projected lower sales volume. However, \$2.2 million will be appropriated in Sheriff's Office for resource allocation due to increased operational costs that resulted in the reallocation of salaries and benefits appropriations, which will result in adjusted projection of zero variance from budget.

- *Property Tax in Lieu of Vehicle License Fees*

Property Tax in Lieu of Vehicle License Fees (VLF) are projected to be \$5.3 million higher than budget due to higher than budgeted growth in assessed valuation. However, \$5.3 million will be appropriated in Sheriff's Office for resource allocation due to increased operational costs that resulted in the reallocation of salaries and benefits appropriations, which will result in adjusted projection of zero variance from budget.

- *Teeter Tax Reserve Excess*

Teeter Tax Reserve Excess is projected to be \$1.2 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.

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

Teeter Property Tax Prior Year and Cumulative Prior Years are projected to be \$3.0 million higher than budget. The increase is based on a higher collection of receivables from prior fiscal year. However, \$1.6 million will be appropriated in Public Defender's Office for resource allocation due to increased operational costs that resulted in the reallocation of salaries and benefits appropriations, which will result in adjusted projection of \$1.4 million.

Licenses, Permits, and Franchises

Licenses, Permits and Franchises are projected to be \$0.2 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 \$6.8 million lower than budget. The decrease is due to a lower projected average daily cash balance than what was budgeted which was used to calculate the interest revenue.

Intergovernmental Revenues

Intergovernmental Revenues are projected to be \$2.2 million higher than budget primarily due to pass-through distributions and residual balance estimates in Aid from Redevelopment Successor Agencies (\$5.5 million), offset by lower than budget in Aid from City of San Diego (\$2.5 million), in State Aid for Homeowners Property Tax Relief (HOPTR) (\$0.5 million), and State Aid for Booking Fees (\$0.3 million) due to lower-than-expected payments. 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 \$1.2 million higher than budget due to higher-than-expected revenues received in A-87 Cost Allocation Plan.

General County Expenses

Countywide General Expense

A positive variance of \$0.4 million is projected in Countywide General Expense.

No expenditure variance is projected.

A positive revenue variance of \$0.4 million is projected in Miscellaneous Revenues due to reimbursement from the Small Business Loan Program.

Appropriation for Contingency

Of the \$15.0 million budgeted for Appropriation for Contingency in Fiscal Year 2024-25, \$8.4 million is projected to be unspent at year-end with \$6.6 million projected to be used for the cost of special elections. On January 14, 2025, the Board of Supervisors voted 4-0 to call a special election for April 8, 2025, and if necessary, a general election for July 1, 2025, to determine the candidate to fill the vacant seat of Board of Supervisors First District.

Lease Payments – Bonds

A positive variance of \$0.7 million is projected for the Lease Payments – Bonds Fund.

A positive expenditure variance of \$0.7 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 Youth Transition Campus, Series 2021; County Operations Center Refunding, Series 2016A; Edgemoor Refunding, Series 2014A; Justice Facilities Refunding, Series 2019; and CAC Waterfront Park Refunding, Series 2020.

There is no significant revenue variance projected.

Capital Program Funds

Edgemoor Development Fund

Edgemoor Development Fund is projecting an overall positive variance of \$4.0 million.

No expenditure variance is projected.

A positive revenue variance of \$4.0 million includes a positive variance of \$1.0 million in Revenue Use Money & Property tied to the interest received from the Santee Residential Property 2 installment payment and a \$3.0 million in Other Financing Sources associated with projected payment for Santee Residential Property 1 and Property 2 partially offset by prior year transaction to correct the overstatement of fund balance in FY 2023-24.

Appendix C: Major Maintenance Capital Outlay Fund (MMCOF) Adjustments for Fiscal Year 2024-2025 (2ND QUARTER)

| GROUP | DEPT. | PROJECT NUMBER | PROJECT NAME | FUNDING SOURCE | | | NOTES | DEPARTMENTS (Acct - 56321 Opt Transfer Out) | DEPARTMENTS (Acct - 5XXXX Services & Supplies) or (Acct - 56311 Opt Trx Out) | MMCOF (Acct - 54202 Fixed Asset) | COF (Acct - 54202 Fixed Asset) | RATIFICATION | Description |
|--|-------|----------------|---|----------------|-------------|-------------|-----------|---|--|----------------------------------|--------------------------------|--------------|---|
| | | | | FUND | ORG | ACCOUNT | 1 thru 11 | Inc (Dec) | Inc (Dec) | Inc (Dec) | Inc (Dec) | Yes/No | |
| Increase (Decrease) of Appropriation | | | | | | | | | | | | | |
| PSG | SHF | 1024625 | MMCOF7827 SDCJ Security and Emergency Power Equipment Modernization | 10100 | 39884 | 52737 | 3 | 25,000 | (25,000) | 25,000 | | No | Spending plan amendment |
| LUG | DPR | 1022949 | MMCOF7699 Lindo Lake Playground Structure Replacement | 10100 | 52811 | 52737 | 4 | (96,000) | 96,000 | (96,000) | 96,000 | No | Spending plan amendment; Transferred to COFD CP 1022931 |
| | | | Subtotal General Fund | | | | | (71,000.00) | 71,000.00 | (71,000.00) | 96,000.00 | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| FGG | DGS | 1026824 | MMCOF7998 Energy Measures Implementation at Various RMS Facilities | 37600 | 87875 | 52370 | 3 | 200,000 | (200,000) | 200,000 | | No | Spending plan amendment (DGS Energy) |
| | | | Subtotal Other Funds | | | | | 200,000.00 | (200,000.00) | 200,000.00 | | | |
| | | | | | | | | | | | | | |
| LUG | LIB | 1025466 | MMCOF7875 Rancho San Diego Library Bathroom Remodel and Shade Sail | 12200 | 57330 | 52737 | 5 | (104,176) | 104,176 | (104,176) | | No | Project is complete and can be closed |
| FGG | ROV | 1026091 | MMCOF7933 ROV COC Security Enhancements Ballot Tabulation Expansion and HR Redesign | 10100 | 47484/47481 | 54958/52332 | 5 | (372,193) | 372,193 | (372,193) | | No | Project is complete and can be closed |
| PSG | OES | 1023626 | MMCOF7752 San Pasqual Fire Station Emergency Generator | 10100 | 30231 | 52737 | 5 | (47,202) | 47,202 | (47,202) | | No | Project is complete and can be closed |
| PSG | OES | 1023627 | MMCOF7753 Lake Morena Fire Station Emergency Generator | 10100 | 30231 | 52737 | 5 | (1,235) | 1,235 | (1,235) | | No | Project is complete and can be closed |
| PSG | OES | 1023628 | MMCOF7754 Deerhorn Fire Station Emergency Generator | 10100 | 30231 | 52737 | 5 | (3,973) | 3,973 | (3,973) | | No | Project is complete and can be closed |
| PSG | OES | 1023629 | MMCOF7755 Sunshine Summit Fire Station Emergency Generator | 10100 | 30231 | 52737 | 5 | (8,494) | 8,494 | (8,494) | | No | Project is complete and can be closed |
| PSG | OES | 1024620 | MMCOF7822 Ranchita FS 58 Stormwater Repairs and Paving | 10100 | 30231 | 52737 | 5 | (65,095) | 65,095 | (65,095) | | No | Project is complete and can be closed |
| PSG | DAO | 1025244 | MMCOF7852 El Cajon City Hall 6th Floor Renovation | 10100 | 37475 | 52396 | 5 | (793,128) | 793,128 | (793,128) | | No | Project is complete and can be closed |
| LUG | LIB | 1025444 | MMCOF7872 Ramona Library Moisture Barrier, Shade Sail, Bollards | 12200 | 57330 | 52737 | 8 | (121,032) | 121,032 | (121,032) | | No | Project is cancelled |
| LUG | LIB | 1024591 | MMCOF7810 Crest Library Remodel | 12200 | 57330 | 52737 | 5 | (24,372) | 24,372 | (24,372) | | No | Project is complete and can be closed |
| LUG | LIB | 1026094 | MMCOF7936 Alpine Library Security Cameras Safety Improvement | 12200 | 57330 | 52737 | 8 | (71,547) | 71,547 | (71,547) | | No | Project is cancelled |
| | | | Subtotal Completed/Cancelled Projects | | | | | (1,612,447.37) | 1,612,447.37 | (1,612,447.37) | | | |
| | | | | | | | | | | | | | |
| Total Increase (Decrease) of Appropriation | | | | | | | | (1,483,447) | 1,483,447 | (1,483,447) | 96,000 | | |
| Board Letter Recommendation | | | | | | | | REC #16 | | REC #16 | | | |

- NOTES:

1

MMCOF Project identified as MMISF (maintenance/not capital)

2

MMISF Project identified as MMCOF

3

MMCOF Spending plan increased

4

MMCOF Spending plan decreased

5

MMCOF Project complete and remaining funds are transferred to Dept. Services & Supplies

6

MMCOF Project complete and remaining funds are transferred to an existing MMCOF project
- 7

MMCOF Project complete and remaining funds are transferred to a new MMCOF walk-in project
- 8

MMCOF Project cancelled and funding source returned to Services & Supplies for department's operation
- 9

MMCOF Project cancelled and funding transferred to an existing MMCOF project
- 10

MMCOF Project cancelled and funding transferred to a new MMCOF walk-in project
- 11

Completed MMCOF to MMCOF transfers that have already been processed
- 12

Change in revenue source