



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

KRISTIN GASPAR
Third District

NATHAN FLETCHER
Fourth District

JIM DESMOND
Fifth District

DATE: May 19, 2020

18

TO: Board of Supervisors

SUBJECT

**FISCAL YEAR 2019–20 THIRD QUARTER OPERATIONAL PLAN STATUS REPORT
AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

OVERVIEW

This report summarizes the status of the County's Fiscal Year 2019–20 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 \$88.4 million and \$148.5 million for all budgetary funds combined compared to \$118.0 million and \$175.7 million, respectively, from the Second Quarter projections. These projections reflect the anticipated operating and economic impacts of the COVID-19 pandemic, including spending related to direct response efforts and anticipated shortfall in revenues largely due to anticipated decline in sales tax receipts and impact to property tax collections. The projected fund balance anticipates variances from the Fiscal Year 2019–20 Amended Budget, which assumes that a portion of management reserves are not used, General Purpose Revenue will underperform, and all business groups will produce operating balances except for the Public Safety Group primarily due to shortfalls in sales tax-based revenue sources.

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

In the Public Safety Group (PSG), recommendations include appropriations adjustments for the purchase of Sheriff's vehicles and for COVID-19 pandemic response and recovery related activities.

In Health and Human Services Agency, a recommendation is related to an adjustment to fund ambulance transport services, billing services and the Ground Emergency Medical Transportation Quality Assurance Fee (GEMT QAF) program.

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In the Land Use and Environment Group (LUEG), recommendations include appropriation adjustments for permit fee waiver programs and to support the Multiple Species Conservation Program.

In the Finance and General Government Group (FGG), recommendations include appropriation adjustments for costs related to vehicle repairs and for services provided by the information technology (IT) outsourcer.

In the Capital Program, recommendation includes appropriation adjustments for projects that are anticipated to be completed at the end of the fiscal year.

Additionally, this letter includes recommendations to ensure major maintenance projects that are capital in nature are properly accounted for in accordance with financial reporting requirements.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Accept the Fiscal Year 2019–20 third quarter report on projected year-end results.
2. Pursuant to Administrative Code 31.103, the Board hereby ratifies the actions taken by Chief Administrative Officer to suspend Administrative Code sections 113.2, 113.5(a) and 113.5(b) [May 11, 2020; Exhibit 1]

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds
(Recommendations 3 through 8):**

3. Transfer appropriations of \$70,404 from the Sheriff's Department, Capital Assets Equipment, to the General Fund Contributions to Fleet Internal Service Fund (ISF), Operating Transfers Out, for the purchase of Sheriff's vehicles; *and* establish appropriations of \$70,404 in the Department of General Services Fleet ISF, Fixed Assets Equipment, to provide funding for the purchase of Sheriff's vehicles, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
4. Establish appropriations of \$850,000 in the Office of Emergency Services, Services & Supplies, for the COVID-19 pandemic response and recovery related activities based on available prior year General Fund fund balance. **(4 VOTES)**
5. Establish appropriations of \$200,000 in the County Service Area 69 fund, Services & Supplies, to fund ambulance transport services, billing services and the Ground Emergency Medical Transportation Quality Assurance Fee (GEMT QAF) program based on available prior year County Service Area 69 Fund fund balance. **(4 VOTES)**
6. Establish appropriations of \$300,000 in the Department of General Services Fleet Accident Repair Internal Service Fund (ISF), Services & Supplies, to provide funding for costs related to vehicle repairs based on available prior year Fleet Accident Repair ISF fund balance. **(4 VOTES)**

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7. Establish appropriations of \$8,500,000 in the Information Technology Internal Service Fund, Services & Supplies, to align expenditures by departments to be paid to the IT Outsourcer based on funding from client departments. **(4 VOTES)**
8. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, including ratifications as noted in Appendix D, in the net amount of \$306,512 for major maintenance projects listed in Appendix D that were subsequently reclassified, based on capitalization thresholds, for financial reporting purposes; *and* establish and cancel appropriations, including ratifications, as noted in Appendix D for a net increase of \$306,512 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 9 through 11):**

9. Transfer remaining appropriations of \$49,696 from the Department of Planning & Development Services, to the Department of Environmental Health, Services & Supplies, for permit fee waiver programs to encourage local businesses to partner with agricultural producers to support agritourism.
10. Cancel appropriations of \$6,937 and related Operating Transfer In from the General Fund in the Multiple Species Conservation Program Acquisition Fund to properly record related non-capital pre-acquisition expenses; *and* transfer appropriations of \$6,937 from Contributions to Capital Outlay Fund, Operating Transfers Out, to the Department of Parks and Recreation, Services & Supplies, to properly record related non-capital pre-acquisition expenses.
11. Cancel appropriations and related revenue of up to \$14,953,059.84 as noted in Schedule C for Capital Projects that will be closed by the end of Fiscal Year 2019-20. This is composed of \$14,319,885.18 in the Capital Outlay Fund, \$403,514.42 in the Justice Facility Construction Fund, and \$229,660.24 in the Library Projects Capital Outlay Fund.

FISCAL IMPACT

Funds associated with today's recommendations are partially included in the Fiscal Year 2019-20 Operational Plan. If approved, in the General Fund these actions will result in an increase to the overall budget of \$850,000, transfers between budgetary funds of \$353,521, transfers within budgetary funds of \$56,633 and no cancellation of appropriations. The funding source for the increase is available prior year General Fund fund balance (\$850,000).

In all other funds combined, these actions will result in a net decrease to the overall budget of \$5,583,081, transfers between budgetary funds of \$23,395 and cancellation of appropriations of \$14,959,997. The funding sources for the net decrease are Operating Transfers In from the General fund (\$11,823,079), Proposition 172 Fund (\$2,502,382), federal and State Revenues (\$123,292), APCD Fund (\$102,405), Parkland Dedication Fund (\$96,855), and Miscellaneous Revenues (\$60,867), which are partially offset by increases in IT ISF charges from client departments

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(\$8,500,000), Fleet ISF fund balance (\$300,000), CSA 69 fund balance (\$200,000), and Operating Transfers In from the Purchasing ISF Fund (\$107,000) and the Library Fund (\$18,799).

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

As shown in Schedule A, the General Fund year-end fund balance projection of \$88.4 million is based on the estimate that expenditures will be approximately \$153.3 million less than the Fiscal Year 2019-20 Amended Budget and revenues will be \$64.9 million less than the Fiscal Year 2019-20 Amended Budget. These projections reflect the anticipated operating and economic impacts of COVID-19 pandemic. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus year-to-date changes that have been either approved by your Board or the Deputy Chief Administrative Officer/Chief Financial Officer, when permitted. The projected balance for all other funds combined is \$60.1 million compared to \$57.7 million in the Second Quarter Status Report.

The Public Safety Group (PSG) is projecting an overall negative variance of \$8.8 million in the general fund which reflects overall projected revenue shortfalls of \$33.1 million. This is \$23.4 million lower than the second quarter projection primarily due to declining sales tax revenues. As a result of necessary restrictions during the COVID-19 event, significant economic disruption is resulting in immediate sharp declines in taxable retail sales. PSG departments rely on sales tax-based revenue sources, including Proposition 172 and 2011 Public Safety Realignment, to support core public safety services. Over 24% of the resources supporting PSG department activities rely on sales tax revenues and those revenues are forecasted to decline sharply this fiscal year. Some of the services supported by these revenues include law enforcement, detention, prosecution, probation services for youth in custody and supervision services for youth and adults in the community.

Health and Human Services Agency (HHSA) is projecting an overall positive variance of \$21.3 million in the general fund. This is \$19.2 million lower than the second quarter projection due primarily to the impact of COVID-19 emergency response efforts. While federal relief funds are projected to cover approximately \$43 million of costs, HHSA anticipates significant losses in revenues impacted by the economy including Realignment revenue tied to projected 8% decline in sales tax receipts and Mental Health Services Act (MHSA), as well as decreases in Medi-Cal revenue for behavioral health services tied to a decrease in billable mental health and substance use disorder treatment services. These decreases are partially offset in the forecast with the use of one-time available resources.

The Land Use and Environment Group (LUEG) is projecting an overall positive variance of \$2.8 million in the general fund. This is \$1.1 million lower than the second quarter projection primarily due to the annual food facility health permit fee deferrals. LUEG is projecting a 36% decrease in building permit activity, a 30% decrease or \$8.2 million reduction in gas tax and Senate Bill 1 (SB

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1) funding and an estimated \$0.6 million in park reservation fees will be refunded through the end of this fiscal year.

General Purpose Revenues are projecting an overall net negative variance of \$11.0 million which reflects overall projected revenue shortfalls of property tax related revenues of \$35.7 million. This is \$31.1 million lower than the second quarter projection primarily due to decrease in property tax collection based on a delinquency rate of 3.1%, decrease in penalties and interest revenues assuming fees and penalties will be waived on delinquent taxes for property taxes due on April 2020, decrease on interest revenue based on projected lower average cash on hand and lower interest rate, and decrease in Sales and Use Tax and Transient Occupancy Tax due to the effects of COVID 19 to tourism and overall lower spending.

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

GENERAL FUND EXPENDITURE VARIANCES

The projected lower than budgeted expenditures generating an overall positive expenditure variance of \$153.3 million in the General Fund are primarily attributable to the following:

- \$24.9 million in positive salary and benefit appropriation variance in all groups due to staff turnover and department management of vacancies.
- \$69.9 million in positive appropriation variance in Services & Supplies across the County.
 - In PSG, projected overall positive expenditure variance of \$17.9 million primarily in Probation department due to time required to develop contracts to support persons under supervision in the community and to provide connections to the Drug Medi-Cal Organized Delivery System; in the San Diego County Fire Authority primarily due to unspent funds for the Ember Resistant Vent Program and property mortgage payoff associated with the Julian Cuyamaca Fire Protection District that will be re-budgeted in Fiscal Year 2020-21 CAO Recommended Operational Plan; in the Sheriff's department primarily for one-time costs related to the replacement of the Jail Information Management System that will be re-budgeted in Fiscal Year 2020-21 CAO Recommended Operational Plan; in the Public Safety Group Executive Office due to lower than anticipated costs associated with facility maintenance, contracted services, information technology (IT) and major maintenance projects; in Child Support Services due to lower than anticipated costs in minor equipment and IT services; and in District Attorney due to lower than anticipated facilities maintenance costs.
 - In HHSA, projected overall positive variance of \$4.3 million. A negative variance in Administrative Support, Aging & Independence Services, Public Health Services and Self-Sufficiency Services tied to COVID-19 emergency response efforts is offset by positive variances in Behavioral Health Services associated with mental health programs and substance use disorder treatment programs as efforts continue toward achieving full-system capacity under the second year of the Drug Medi-Cal Organized Delivery System implementation; in Public Health Services

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primarily tied to lower than anticipated costs associated with contracted services and operating costs to align with current spending levels; in Housing & Community Development Services (HCDS) due to multi-year projects; in Self-Sufficiency Services (SSS) primarily due to the implementation of a new centralized statewide automated welfare system; in Child Welfare Services (CWS) primarily tied to lower than anticipated contracted services.

- In LUEG, projected overall positive variance of \$8.5 million primarily in Planning & Development Services as the result of a decrease in consultant costs due to slow-down in land development projects and in re-budgeting multi-year information technology projects; in the Environmental Health related to the Enhanced Beach & Bay project, delayed IT projects and Vector Habitat remediation projects; and in the Parks and Recreation due to delays in multi-year grant funded and major maintenance projects that will be completed next fiscal year and from completed facility improvement projects.
- In FGG, projected positive variance of \$9.1 million primarily in the Assessor/Recorder/County Clerk due to less than anticipated contracted services related to one-time projects on restoration/preservation and redaction of official records, system costs for archive collection management and recorder/county clerk integrated system; in the FGG Executive Office due to information technology projects that are anticipated to span across multiple fiscal years, and in the Department of Human Resources due to reduced workers compensation administration costs.
- In Finance Other (FO), projected positive variance of \$30.1 million is projected primarily due to the Countywide Stabilization used to ensure that the General Fund Reserve is maintained per Administrative Code Section 113.1 General Fund Balances to mitigate volatility in program revenues and other emerging requirements; and multi-year information technology projects that are anticipated to extend beyond the current fiscal year.
- A projected net positive appropriation variance of \$15.9 million in Other Charges reflects variances primarily in HHSA but also in FO. In HHSA, the projected positive variance of \$15.4 million is mainly due to revised estimates of caseload levels and growth trends in the California Work Opportunity and Responsibility to Kids program (SSS), in foster care and adoptions assistance programs (CWS), Multi-Year Projects due to the transition of clients from Continuum of Care (CoC) Tenant Based Rental Assistance (TBRA) to the Section 8 Housing Choice Voucher Program (HCDS), and in California Children's Services (PHS). In FO, the projected positive variance of \$0.5 million is due to lower than anticipated principal and interest payments.
- A projected positive appropriation variance of \$23.6 million in Capital Assets/Land Acquisition primarily in FO due to multi-year capital requirements that will be reflected in the Fiscal Year 2020-21 Operational Plan.
- A projected positive appropriation variance of \$0.8 million in Capital Assets Equipment primarily due to delayed ordering of new vehicles in Child Support Services.
- A projected negative appropriation variance of \$4.5 million in Expenditure Transfer & Reimbursements in Sheriff's department due to the termination of the food services memorandum of agreement between the Sheriff and Probation effective November 2019,

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and lower than anticipated reimbursements to Child Support Services from HHSA for public assistance investigations.

- A projected positive appropriation variance of \$20.8 million in Operating Transfers Out primarily in FO due to lower than anticipated expenses related to capital projects that are closed or being cancelled by the end of the Fiscal Year 2019-20 and in HHSA due to reduced funding needs for In-Home Support Services Public Authority related to lower than anticipated spending in the program, with no impact to services.
- \$2.0 million positive appropriation variance in Management Reserves in FGG that is projected to be unspent at year-end.

GENERAL FUND REVENUE VARIANCES

The projected under realized revenue of \$64.9 million includes positive variances totaling \$2.8 million and negative variances of \$67.7 million.

The projected positive revenue variance of \$2.8 million is attributable to the following categories: Revenue From Use of Money & Property (\$0.5 million) due to higher than expected interest earnings and Miscellaneous Revenues (\$2.3 million) primarily due to the closure of Flex Forfeiture Trust Funds.

The projected negative variance of \$67.7 million is largely related to unprecedented financial impacts resulting from the COVID-19 pandemic, including negative variances in:

- Taxes Current Property (\$21.7 million) primarily from a projected decrease in property tax collections based on a delinquency rate of 3.1%.
- Taxes Other Than Current Secured (\$5.0 million) due to reduced penalty and interest collections assuming penalties will be waived for the rest of the year and lower than anticipated sales tax and hotel tax receipts (Transient Occupancy Tax) as a result of economic impacts caused by the COVID-19 pandemic.
- Fines, Forfeitures & Penalties (\$9.0 million) due to the potential waiving of penalties on delinquent property tax from taxpayers having financial hardship as a result of COVID-19 and from lower than anticipated costs for the Cal-ID program.
- Other Financing Sources (\$24.8 million) primarily due to decrease in projected transfers from Proposition 172 resulting from lower sales tax receipts (\$24.0 million), decreases in transfers from the Inmate Welfare Fund associated with positions that will remain vacant, and from vacant positions associated with the Jail Commissary Enterprise Fund.
- Licenses Permits & Franchises (\$5.5 million) due to a decrease in building plan check and permits impacted by the COVID-19 Public Health Order.
- Intergovernmental Revenues (\$1.4 million) primarily from a negative revenue variance related to the alignment of behavioral health program revenue with anticipated spending in contracted services, revenue losses tied to a decrease in billable mental health and substance use disorder treatment services tied to the pandemic and reduced Realignment revenue tied to sales tax receipts, which is largely offset by anticipated supplemental federal funding for COVID-19 emergency response efforts and by higher than anticipated pass-through distributions and residual balance estimates in Aid from Redevelopment Successor Agencies due to continued growth in the project areas and the decline in the City of San Diego's Recognized Obligation Payment Schedule (ROPS).

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- Charges for Current Services (\$0.3 million) primarily due to decrease in billable activity and park user fees related to the impact of COVID-19 Public Health Order, which is largely offset by one-time Intergovernmental Transfer (IGT) revenues to help cover the estimated program revenue loss in behavioral health services resulting from the pandemic.

ADJUSTMENTS TO THE FISCAL YEAR 2019-20 ADOPTED BUDGET

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

The recommendations for budget adjustments are explained as follows:

Recommendation 2

Today's recommendation will ratify actions taken by Chief Administrative Officer to suspend Administrative Code sections 113.2, 113.5(a) and 113.5(b) of the County's Administrative Code specific to the General Fund Balance and Reserves and Management Practices. The General Fund Balance and Reserves section requires the County to maintain a minimum fund balance equivalent to two months of operating expenses and does not allow for uses of fund balances to be approved if those uses would result in the General Fund Reserve falling below the minimum required balance (Section 113.2). In addition, Management Practices, sections 113.5(a) and 113.5(b), require the County to reinvest general purpose revenues savings generated by maturing debt obligations and/or refinancings to accelerate repayment of outstanding debt obligations and/or to avoid the issuance of new debt obligations by cash financing capital projects and to invest one-time over-realized general purpose revenue generated by greater-than-anticipated assessed value growth to accelerate payment of pension unfunded actuarial accrued liability. Suspension of these financial provisions of the County's Administrative Code will provide the County with financial flexibility to navigate through the economic crisis.

In addition, the Chief Administrative Officer has set forth a broad framework of financial disciplines that are being adhered to as the County moves forward towards developing a budget for the upcoming fiscal year. Unless previously approved by the Board of Supervisors, the core approach to building the budget for non-essential services or programs will assume 1) no new programs, 2) no expansion of existing programs, and 3) no additional staffing. This general approach is intended to prevent increases to avoidable fixed costs such as the implementation or expansion of new, non-mandated programs or services which would further compound the impacts of the economic crisis.

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**Increases to the Overall Budget and/or Transfers Between Budgetary Funds
(Recommendations 3 through 8):**

Recommendation 3

This recommendation will transfer appropriations of \$70,404 from the Sheriff's Department, Capital Assets Equipment, to the General Fund Contributions to Fleet ISF, and establish appropriations in the Department of General Services (DGS) Fleet Services ISF for the purchase of two vehicles to support the Sheriff's Licensing division. The DGS Fleet ISF facilitates procurement, standardization, maintenance, and overall quality control of County vehicles.

Recommendation 4

On February 14, 2020, the San Diego County Public Health Officer issued a Declaration of Local Health Emergency. On the same day the Chief Administrative Officer, serving as the County of San Diego (County) Director of Emergency Services and as the Coordinator of the Unified San Diego County Emergency Services Organization, issued a Proclamation of Local Emergency regarding COVID-19. As a result, the Emergency Operations Center (EOC) was activated at the Office of Emergency Services. The EOC has been in full operation since February 15, 2020 and has incurred unanticipated costs. This recommendation will establish appropriations of \$850,000 in the Office of Emergency Services for the cost of COVID-19 response and recovery activities.

Recommendation 5

This recommendation will establish appropriations of \$200,000 in County Service Area 69 fund, Services & Supplies, to fund ambulance transport services, billing services and Ground Emergency Medical Transportation Quality Assurance Fee (GEMT QAF) program, based on available prior year County Service Area 69 Fund fund balance.

Recommendation 6

This recommendation will establish appropriations of \$300,000 in the Department of General Services Fleet Accident Repair Internal Service Fund (ISF) based on available prior year Fleet Accident Repair ISF fund balance. The projected increase in cost for vehicle repairs is based on projections tied to year-to-date expenditures.

Recommendation 7

This recommendation will establish appropriations of \$8,500,000 in the Information Technology Internal Service Fund (ISF) based on funding from client departments to pay for costs associated with services provided by the IT Outsourcer. The projected increase in costs for departmental information technology projects is based on year-to-date expenditures and projected department spending through the end of the fiscal year. Included in the year-to-date expenditures are prior year one-time enterprise projects to upgrade the County's Enterprise Document Processing Platform, Enterprise Single Sign-on solution, and Business Intelligence platform. These upgrades ensure that the County remains on a current, vendor-supported version of the respective software and hardware.

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Recommendation 8

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

These recommendations will result in a net increase of appropriations in the MMCOF of \$306,512 and reclassification of major maintenance projects which are supported by existing department budgets.

**Transfers Within Budgetary Funds and/or Cancellation of Appropriations
(Recommendations 9 through 11):**

Recommendation 9

This recommendation will transfer appropriations of \$49,696 from the Department of Planning & Development Services (PDS) to the Department of Environmental Health (DEH) to fund previously implemented fee waiver programs intended to encourage local businesses to partner with agricultural producers to support agritourism. On November 14, 2018 (1) the Board approved \$70,000 of Land Use and Environment Group General Fund fund balance to implement these permit fee waiver pilot programs in PDS and DEH. On January 29, 2020 (6), the Board approved the use of remaining appropriations of \$49,696 to fund three DEH agritourism-related fee waiver programs. This recommendation authorizes the transfer of the necessary appropriations from PDS to DEH.

Recommendation 10

This recommendation will cancel appropriations of \$6,937 and the related Operating Transfer In from the General Fund in the Multiple Species Conservation Program (MSCP) Acquisition Fund and transfer these appropriations to the Department of Parks and Recreation, Services & Supplies, to properly incur non-capital expenditures for pre-acquisition costs of due diligence activities related to a property that was not acquired for Capital Project 1021811 Keys Creek Mackey Acquisition. These expenditures do not meet the criteria for capitalization pursuant to County of San Diego Administrative Manual policy 0050-02-01, Control of Capital Assets and Minor Equipment.

Recommendation 11

By the end of Fiscal Year 2019-20, a total of 14 capital projects are anticipated to be completed and capitalized. These projects are listed in Schedule C. Appropriations of up to \$14,953,059.84 related to these projects will be cancelled, of which \$14,319,885.18 is in the Capital Outlay Fund, \$403,514.42 in the Justice Facility Construction Fund, and \$229,660.24 in the Library Projects Capital Outlay Fund. At the end of the fiscal year, remaining appropriations will be cancelled along

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with the revenue related to the respective appropriations and returned in accordance with Board Policy B-37, *Use of the Capital Outlay Funds*, to the original funding sources which include the General Fund, Parkland Dedication Fund, Park Trust Fund, Prop 172 Fund, and federal and State Grant revenues.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the Strategic Initiatives of Building Better Healthy, Living Safely, Sustainable Environments/Thriving and Operational Excellence in the County of San Diego's 2020-2025 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Helen N. Robbins-Meyer".

HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

Schedule A
Schedule B
Notes to Schedules A and B
Schedule C
Appendix D
Exhibit 1

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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: ☒ Yes ☐ No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

☐ Yes ☒ No

PREVIOUS RELEVANT BOARD ACTIONS:

March 10, 2020 (14) Fiscal Year 2019-20 Second Quarter Operational Plan Status Report and Budget Adjustments; December 10, 2019 (23) Fiscal Year 2019-20 First Quarter Operational Plan Status Report and Budget Adjustments; June 25, 2019 (17), County of San Diego Fiscal Year 2019–20 Adopted Budget Resolution for County Family of Funds, Enterprise Funds and Internal Service Funds, and Prior Year Encumbrances

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

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

N/A

ORIGINATING DEPARTMENT: Finance & General Government Group

OTHER CONCURRENCE(S): N/A

CONTACT PERSON(S):

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**FY 2019-2020 3rd Quarter
Projected Year-End Results**
(in thousands)

Schedule A
Page 1

COUNTY SUMMARY

General Fund

| | Expenditure Variance | Revenue Variance | 3rd Quarter FY19-20 Projected Fund Balance |
|--------------------------------|-------------------------|---------------------|---|
| | Favorable/(Unfavorable) | | |
| Public Safety | \$ 24,318 | \$ (33,126) | \$ (8,808) |
| Health & Human Services Agency | 21,594 | (285) | 21,309 |
| Land Use & Environment | 17,508 | (14,646) | 2,862 |
| Finance & General Government | 16,221 | (7,442) | 8,779 |
| Total Agency/Group | 79,640 | (55,498) | 24,142 |
| General Purpose Revenue | 0 | (11,042) | (11,042) |
| Finance Other | 73,670 | 1,593 | 75,263 |
| Total General Fund | \$ 153,310 | \$ (64,947) | \$ 88,364 |

Special Revenue Funds

| | | | |
|------------------------------------|------------------|--------------------|------------------|
| Public Safety | \$ 30,763 | \$ (22,894) | \$ 7,869 |
| Health & Human Services Agency | 10 | 0 | 10 |
| Land Use & Environment | 17,266 | (7,009) | 10,257 |
| Total Special Revenue Funds | \$ 48,039 | \$ (29,903) | \$ 18,136 |

Capital Program

| | | | |
|---------------|--------|-----------|-----------|
| Finance Other | \$ 456 | \$ 10,739 | \$ 11,195 |
|---------------|--------|-----------|-----------|

Internal Service Funds Departments

| | | | |
|-------------------------------------|------------------|-------------------|------------------|
| Land Use & Environment | \$ 2,608 | \$ (40) | \$ 2,569 |
| Finance & General Government | 12,968 | (8,035) | 4,932 |
| Finance Other | 14,958 | 2,501 | 17,459 |
| Total Internal Service Funds | \$ 30,534 | \$ (5,574) | \$ 24,960 |

Enterprise Fund Departments

| | | | |
|-------------------------------|-----------------|-------------------|---------------|
| Public Safety Group | \$ 1,194 | \$ (688) | \$ 506 |
| Land Use & Environment | 2,328 | (2,041) | 287 |
| Total Enterprise Funds | \$ 3,522 | \$ (2,729) | \$ 793 |

Special District Funds Departments

| | | | |
|-------------------------------------|-----------------|-------------------|-----------------|
| Public Safety Group | \$ 0 | \$ 2 | \$ 2 |
| Health & Human Services Agency | 440 | (440) | 0 |
| Land Use & Environment | 5,865 | (1,202) | 4,663 |
| Total Special District Funds | \$ 6,305 | \$ (1,640) | \$ 4,665 |

Other County Funds Departments

| | | | |
|--|-------------|--------------|--------------|
| HHSA - Red./Redev. Successor Agency | \$ 5 | \$ 29 | \$ 34 |
| HHSA - Housing & Community Development | 0 | 0 | 0 |
| Total Other County Funds | \$ 5 | \$ 29 | \$ 34 |

Debt Service - Pension Obligation Bonds

| | | |
|------|--------|--------|
| \$ 0 | \$ 364 | \$ 364 |
|------|--------|--------|

Total County Year-End Operating Balance

| | | |
|-------------------|--------------------|-------------------|
| \$ 242,172 | \$ (93,661) | \$ 148,511 |
|-------------------|--------------------|-------------------|

**FY 2019-2020 3rd Quarter
Projected Year-End Results**

Schedule A
Page 2

(in thousands)

PUBLIC SAFETY GROUP

| Expenditure Variance | Revenue Variance | 3rd Quarter FY19-20 Projected Fund Balance |
|-------------------------|---------------------|---|
| Favorable/(Unfavorable) | | |

General Fund Departments

| | | | |
|---------------------------------|------------------|--------------------|-------------------|
| Animal Services | \$ 261 | \$ (110) | \$ 152 |
| Child Support | 5,890 | (3,318) | 2,571 |
| District Attorney | 1,645 | (3,195) | (1,551) |
| Emergency Services | 594 | (594) | 0 |
| Law Enforcement Review Board | 0 | 0 | 0 |
| Medical Examiner | 302 | (2) | 299 |
| Probation | 6,453 | (6,405) | 48 |
| Public Defender | 147 | (140) | 7 |
| Public Safety Executive Office | 2,739 | 0 | 2,739 |
| San Diego County Fire Authority | 3,789 | (2,165) | 1,623 |
| Sheriff | 2,499 | (17,195) | (14,696) |
| Total General Fund | \$ 24,318 | \$ (33,126) | \$ (8,808) |

Special Revenue Funds Departments

| | | | |
|--|------------------|--------------------|-----------------|
| District Attorney (Asset Forfeiture - State & Federal) | \$ 0 | \$ 0 | \$ 0 |
| Probation - Asset Forfeiture | 0 | 0 | 0 |
| Probation - Inmate Welfare Program | 0 | 0 | 0 |
| Sheriff - Asset Forfeiture | 0 | 1,688 | 1,688 |
| Sheriff - Inmate Welfare Program | 4,549 | (614) | 3,935 |
| Criminal Justice Facility | 0 | 0 | 0 |
| Courthouse | 0 | 0 | 0 |
| Penalty Assessment | 0 | 77 | 77 |
| Public Safety - Proposition 172 | 26,213 | (24,046) | 2,167 |
| Total Special Revenue Funds | \$ 30,763 | \$ (22,894) | \$ 7,869 |

Enterprise Funds

| | | | |
|-------------------------------|-----------------|-----------------|---------------|
| Sheriff | \$ 1,194 | \$ (688) | \$ 506 |
| Total Enterprise Funds | \$ 1,194 | \$ (688) | \$ 506 |

Special District Funds

| | | | |
|-------------------------------------|-------------|-------------|-------------|
| Sheriff (Regional 800 MHz) | \$ 0 | \$ 2 | \$ 2 |
| County Service Areas | 0 | 0 | 0 |
| Community Facilities Districts | 0 | 0 | 0 |
| Total Special District Funds | \$ 0 | \$ 2 | \$ 2 |

Total Public Safety Group

| | | |
|------------------|--------------------|-----------------|
| \$ 56,275 | \$ (56,706) | \$ (431) |
|------------------|--------------------|-----------------|

**FY 2019-2020 3rd Quarter
Projected Year-End Results**

Schedule A
Page 3

(in thousands)

HEALTH & HUMAN SERVICES AGENCY

| Expenditure Variance | Revenue | Variance | 3rd Quarter FY19-20 Projected Fund Balance |
|-------------------------|---------|----------|---|
| Favorable/(Unfavorable) | | | |

General Fund Programs

| | | | |
|--|------------------|-----------------|------------------|
| Administrative Support | \$ (16,796) | \$ 25,115 | \$ 8,319 |
| Aging & Independence Services | 2,664 | 263 | 2,927 |
| Behavioral Health Services | 10,897 | (10,897) | 0 |
| Child Welfare Services | 6,705 | (5,416) | 1,289 |
| Public Health Services | 3,192 | (1,235) | 1,957 |
| Self-Sufficiency Services | 9,896 | (3,078) | 6,818 |
| Housing & Community Development Services | 5,037 | (5,037) | 0 |
| Total General Fund | \$ 21,594 | \$ (285) | \$ 21,309 |

Special Revenue Funds

| | | | |
|------------------------------------|--------------|-------------|--------------|
| Tobacco Securitization Fund | \$ 10 | \$ 0 | \$ 10 |
| Total Special Revenue Funds | \$ 10 | \$ 0 | \$ 10 |

Special District Funds Departments

| | | | |
|-------------------------------------|---------------|-----------------|-------------|
| Ambulance Districts | \$ 440 | \$ (440) | \$ 0 |
| Total Special District Funds | \$ 440 | \$ (440) | \$ 0 |

Other County Funds Departments

| | | | |
|---|-------------|--------------|--------------|
| Housing & Community Development | \$ 0 | \$ 0 | \$ 0 |
| Red. Agency/Redevelopment Successor Agency | 5 | 29 | 34 |
| Total Other County Funds Departments | \$ 5 | \$ 29 | \$ 34 |

| | | | |
|---|------------------|-----------------|------------------|
| Total Health & Human Services Agency | \$ 22,049 | \$ (696) | \$ 21,353 |
|---|------------------|-----------------|------------------|

FY 2019-2020 3rd Quarter
Projected Year-End Results
(in thousands)

LAND USE & ENVIRONMENT GROUP

General Fund Departments

| | Expenditure Variance | Revenue Variance | 3rd Quarter FY19-20 Projected Fund Balance |
|--|-------------------------|---------------------|---|
| | Favorable/(Unfavorable) | | |
| Agriculture, Weights & Measures | \$ 473 | \$ (1) | \$ 472 |
| Environmental Quality | 5,249 | (5,128) | 121 |
| Land Use & Environment Group Exec Office | 510 | 0 | 510 |
| Parks & Recreation | 3,122 | (3,108) | 14 |
| Planning & Development Services | 7,429 | (5,871) | 1,558 |
| Public Works | 724 | (538) | 186 |
| Total General Fund | \$ 17,508 | \$ (14,646) | \$ 2,862 |

Special Revenue Funds/Departments

| | | | |
|--|------------------|-------------------|------------------|
| A,W & M (Grazing and Fish & Game Commission) | \$ 0 | \$ 0 | \$ 0 |
| Parks & Recreation - PLDO | 0 | 2,884 | 2,884 |
| DPW - Aviation Funds | 0 | 0 | 0 |
| DPW - Road Fund | 10,686 | (10,466) | 220 |
| DPW - Survey Monument Preservation | 335 | 0 | 335 |
| DPW - Inactive Waste | 1,143 | (1,143) | 0 |
| DPW - Waste Planning and Recycling | 1,510 | 50 | 1,560 |
| Library Services | 3,593 | 1,665 | 5,258 |
| Total Special Revenue Funds | \$ 17,266 | \$ (7,009) | \$ 10,257 |

Internal Service Funds

| | | | |
|--|-----------------|----------------|-----------------|
| Public Works - DPW Equip. ISF Prg. (35525-35700) | \$ 2,608 | \$ (40) | \$ 2,569 |
| Total Internal Service Funds | \$ 2,608 | \$ (40) | \$ 2,569 |

Enterprise Funds

| | | | |
|---------------------------------------|-----------------|-------------------|---------------|
| Airport Enterprise Fund | \$ 1,514 | \$ (1,430) | \$ 84 |
| Wastewater Management Enterprise Fund | 814 | (610) | 203 |
| Total Enterprise Funds: | \$ 2,328 | \$ (2,041) | \$ 287 |

Special District Funds/Departments

| | | | |
|--|-----------------|-------------------|-----------------|
| Air Pollution Control District | \$ 3,498 | \$ (1,461) | \$ 2,037 |
| Parks and Recreation | 384 | (384) | 0 |
| Parks - Community Facilities Districts | 120 | (98) | 21 |
| DPW - SD County Sanitation District | 1,003 | 670 | 1,673 |
| DPW - Campo WSMD-Zone A (Rancho Del Campo Water) | 3 | 11 | 14 |
| DPW - CWSMD-Zone B (Campo Hills Water) | 2 | 5 | 7 |
| DPW - CSAs | 88 | 3 | 91 |
| DPW - PRDs | 0 | 0 | 0 |
| DPW - Community Facilities Districts | 256 | 0 | 256 |
| DPW - Flood Control | 135 | 52 | 187 |
| DPW - Street Lighting District | 378 | 0 | 378 |
| Total Special Districts Funds: | \$ 5,865 | \$ (1,202) | \$ 4,663 |

Total Land Use & Environment Group

| | | |
|------------------|--------------------|------------------|
| \$ 45,576 | \$ (24,937) | \$ 20,638 |
|------------------|--------------------|------------------|

Numbers may not total due to rounding.

**FY 2019-2020 3rd Quarter
Projected Year-End Results**

Schedule A
Page 5

(in thousands)

**FINANCE & GENERAL GOVERNMENT
GROUP**

| Expenditure Variance | Revenue Variance | 3rd Quarter FY19-20 Projected Fund Balance |
|---------------------------------|-----------------------------|---|
| Favorable/(Unfavorable) | | |

General Fund Departments

| | | | |
|-----------------------------------|------------------|-------------------|-----------------|
| Assessor/Recorder/County Clerk | \$ 5,162 | \$ (3,233) | \$ 1,929 |
| Auditor & Controller | 177 | 128 | 305 |
| Board of Supervisors | 488 | 0 | 488 |
| Chief Administrative Office | 323 | 0 | 323 |
| Civil Service Commission | 58 | 0 | 58 |
| Clerk of the Board of Supervisors | 169 | (156) | 13 |
| County Communications Office | 476 | 1 | 477 |
| County Counsel | 1,811 | (408) | 1,403 |
| County Technology Office | 265 | 0 | 265 |
| Finance & GG Exec Office | 4,411 | 103 | 4,514 |
| General Services | 0 | 0 | 0 |
| Grand Jury | 197 | 0 | 197 |
| Human Resources | 865 | (595) | 270 |
| Purchasing & Contracting | 0 | 0 | 0 |
| Registrar of Voters | 412 | (1,875) | (1,463) |
| Treasurer-Tax Collector | 1,407 | (1,407) | 0 |
| Total General Fund | \$ 16,221 | \$ (7,442) | \$ 8,779 |

Internal Service Funds Departments

| | | | |
|-------------------------------------|------------------|-------------------|-----------------|
| CTO - Information Technology | \$ 0 | \$ 0 | \$ 0 |
| Facilities Management | 3,240 | (1,837) | 1,404 |
| Major Maintenance ISF | 0 | 0 | 0 |
| Fleet Management | 7,575 | (7,309) | 266 |
| Purchasing & Contracting | 2,152 | 1,110 | 3,262 |
| Total Internal Service Funds | \$ 12,968 | \$ (8,035) | \$ 4,932 |

**Total Finance & General
Government Group**

| | | |
|------------------|--------------------|------------------|
| \$ 29,188 | \$ (15,477) | \$ 13,711 |
|------------------|--------------------|------------------|

**FY 2019-2020 3rd Quarter
Projected Year-End Results**

Schedule A
Page 6

(in thousands)

**GENERAL PURPOSE REVENUE &
FINANCE OTHER**

| Expenditure Variance | Revenue Variance | 3rd Quarter FY19-20 Projected Fund Balance |
|-------------------------|---------------------|---|
| Favorable/(Unfavorable) | | |

General Fund

General Purpose Revenue:

| | | | |
|-------------------------------------|------|-------------|-------------|
| All Current Property Taxes | \$ 0 | \$ (21,692) | \$ (21,692) |
| All Other Taxes-Local | 0 | (4,990) | (4,990) |
| Licenses, Permits & Franchises | 0 | 0 | 0 |
| Fines, Forfeitures & Penalties | 0 | (7,611) | (7,611) |
| Revenue for Use of Money & Property | 0 | 598 | 598 |
| Intergovernmental Revenue | 0 | 20,069 | 20,069 |
| Charges for Current Services | 0 | 603 | 603 |
| Miscellaneous Revenue | 0 | 1,980 | 1,980 |

Total General Purpose Revenue

| | | |
|-------------|--------------------|--------------------|
| \$ 0 | \$ (11,042) | \$ (11,042) |
|-------------|--------------------|--------------------|

General County Expenses:

| | | | |
|--|--------|-------|--------|
| Cash Borrowing Program | \$ 0 | \$ 0 | \$ 0 |
| Community Enhancement | 0 | 0 | 0 |
| Contingency Reserve | 0 | 0 | 0 |
| Contribution to County Library | 0 | 0 | 0 |
| Contributions to the Capital Outlay Fund | 19,466 | 0 | 19,466 |
| Lease Payments - Bonds | 517 | 241 | 758 |
| Local Agency Formation Comm Admin | 0 | 0 | 0 |
| Neighborhood Reinvestment Program | 0 | 0 | 0 |
| Countywide Expenses | 53,687 | 1,353 | 55,040 |
| Total Finance Other Expenses | 73,670 | 1,593 | 75,263 |

Total General Fund

| | | |
|------------------|-------------------|------------------|
| \$ 73,670 | \$ (9,449) | \$ 64,221 |
|------------------|-------------------|------------------|

Capital Program Funds

| | | | |
|-----------------|--------|-----------|-----------|
| Capital Program | \$ 456 | \$ 10,739 | \$ 11,195 |
|-----------------|--------|-----------|-----------|

Total Capital Program Funds

| | | |
|---------------|------------------|------------------|
| \$ 456 | \$ 10,739 | \$ 11,195 |
|---------------|------------------|------------------|

Internal Service Funds Departments

| | | | |
|------------------------|----------|-------|----------|
| Workers Compensation | \$ 5,000 | \$ 0 | \$ 5,000 |
| Unemployment Insurance | 0 | 0 | 0 |
| Public Liability | 9,958 | 2,501 | 12,459 |

Total ISF Funds

| | | |
|------------------|-----------------|------------------|
| \$ 14,958 | \$ 2,501 | \$ 17,459 |
|------------------|-----------------|------------------|

Debt Service Funds Departments

| | | | |
|--------------------------|------|--------|--------|
| Pension Obligation Bonds | \$ 0 | \$ 364 | \$ 364 |
|--------------------------|------|--------|--------|

Total Debt Service Funds

| | | |
|-------------|---------------|---------------|
| \$ 0 | \$ 364 | \$ 364 |
|-------------|---------------|---------------|

**Total General Purpose Revenue & Finance
Other**

| | | |
|------------------|-----------------|------------------|
| \$ 89,084 | \$ 4,155 | \$ 93,239 |
|------------------|-----------------|------------------|

Numbers may not total due to rounding.

**FY 2019-2020 3rd Quarter
Projected Year-End Results**
(in thousands)

Schedule B

| Category | Projected Management Reserves | Projected Operating Balances | 3rd Quarter FY19-20 Projected Fund Balance |
|--|-------------------------------|------------------------------|--|
| | Favorable/(Unfavorable) | | |
| General Fund | | | |
| Public Safety | \$ 0 | \$ (8,808) | \$ (8,808) |
| Health and Human Services Agency | 0 | 21,309 | 21,309 |
| Land Use and Environment | 0 | 2,862 | 2,862 |
| Finance & General Government | 1,995 | 6,784 | 8,779 |
| Agency/Group Totals | \$ 1,995 | \$ 22,147 | \$ 24,142 |
| General Purpose Revenue | \$ 0 | \$ (11,042) | \$ (11,042) |
| General County Expenses | 0 | 75,263 | 75,263 |
| Total General Purpose Revenue & General County Expense | \$ 0 | \$ 64,221 | \$ 64,221 |
| Total General Fund | \$ 1,995 | \$ 86,369 | \$ 88,364 |

COUNTY OF SAN DIEGO
NOTES TO SCHEDULES A and B
Fiscal Year 2019-20 3rd Quarter

GENERAL NOTES

Projected Fund Balance

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

Management Reserves

Besides the General Fund Reserve, which is comprised of unassigned General Fund fund balance, County business groups may establish Management Reserves. Management Reserves are appropriations that are established at the group or department level for unanticipated needs or planned future one-time expenses. Schedule B shows a summary of the General Fund's projected fund balance by group/agency that distinguishes between projected management reserve balances and operating balances.

Variance Reporting

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

PUBLIC SAFETY GROUP

General Fund

Public Safety Group Executive Office/Contribution for Trial Courts

A positive variance of \$2.7 million is projected for the Public Safety Group Executive Office.

A positive expenditure variance of \$2.7 million is projected. A positive variance of \$0.6 million in Salaries & Benefits is due to lower than anticipated costs for temporary staff and \$2.1 million in Services & Supplies due to lower than anticipated costs associated with facility maintenance, contracted services, information technology and major maintenance projects.

No revenue variance is projected.

District Attorney

A negative variance of \$1.6 million is projected for the District Attorney's Office.

A positive expenditure variance of \$1.6 million is projected. A positive variance of \$1.3 million in Salaries & Benefits is due to normal attrition, vacant and modified positions and a positive variance of \$0.3 million in Services & Supplies is due to lower than anticipated expenditures in facility maintenance.

A negative revenue variance of \$3.2 million is projected. A positive revenue variance of \$1.6 million in Intergovernmental Revenues is due to unanticipated grant funds from the State of California, Department of Insurance for the insurance fraud grant programs (\$1.0 million) and the California Governor's Office of Emergency Services for Victim Services grant programs (\$0.6 million). A negative revenue variance of \$4.8 million in Other Financing Sources is due to decrease in projected transfers from Proposition 172 resulting from lower sales tax receipts.

Sheriff

A negative variance of \$14.7 million is projected for the Sheriff's Department.

A positive expenditure variance of \$2.5 million is projected. A positive variance of \$2.1 million in Salaries & Benefits is projected due to vacant positions. A positive expenditure variance of \$2.8 million in Services & Supplies is primarily for one-time costs of \$3.6 million that will be rebudgeted in the Fiscal Year 2020-21 CAO Recommended Operational Plan for the replacement of the Jail Information Management System (\$3.3 million) and one-time equipment and migration costs related to the Sheriff's Technology & Information Center (\$0.3 million), \$4.5 million in Professional & Specialized Services, due to project timeline changes for the Regional Communications System (RCS) and Contracted Services related to lower than anticipated costs for the Cal-ID program, lower than anticipated auto maintenance and lease costs due to delays in delivery of vehicles, offset by higher than anticipated costs of \$5.3 million in Food and Household Expense associated with increased contract costs and in Medicines, Drugs & Pharmaceuticals due to more expensive medications for high risk medical and mental health conditions, software associated with increased contract costs and equipment, contract and materials costs related to COVID-19. A negative variance of \$2.4 million is projected in Expenditure Transfer & Reimbursements associated with the termination of a memorandum of agreement with Probation Department effective November 2019.

A negative revenue variance of \$17.2 million is projected. A negative variance of \$18.1 million is projected in Other Financing Sources due to a decrease in projected transfers from Proposition 172 resulting from lower sales tax receipts and decreases in transfers from the Inmate Welfare Fund associated with positions that will remain vacant, and vacant positions associated with the Jail Commissary Enterprise Fund. A negative variance of \$0.4 million is projected in Charges for Current Services due to a decrease in projected Trial Court Security revenue resulting from COVID-19 state and local economic impacts, and lower revenues from various fees and services including civil fees, partially offset by over-realized revenue from contract cities and in Jail Bed Leasing from the City of San Diego. A negative variance of \$1.4 million is projected for Fines, Forfeitures & Penalties due to lower than anticipated costs for the Cal-ID program. A negative variance of \$0.5 million is projected in Miscellaneous Revenues primarily due to project timeline

changes for the RCS. A positive variance of \$3.2 million in Intergovernmental Revenues is due to over-realized revenue in State Aid for reimbursement of costs to provide a jail-based competency treatment program, higher than anticipated revenue from the federal government for the State Criminal Alien Assistance Program (SCAAP), and over-realized revenue for reimbursement of costs from the Fire Management Assistance Grant offset by lower than anticipated revenue in the State Homeland Security Grant Program.

Child Support Services

An overall positive variance of \$2.6 million is projected for the Department of Child Support Services.

A positive expenditure variance of \$5.9 million is projected. A positive variance of \$6.4 million in Salaries & Benefits is due to vacant and modified positions. A positive expenditure variance of \$2.1 million in Services & Supplies is primarily due to lower than anticipated expenses in various accounts supporting operations such as minor equipment and information technology services. A positive expenditure variance of \$0.2 million in Capital Assets Equipment is due to delayed ordering of new vehicles. A negative variance of \$2.8 million in Expenditure Transfer & Reimbursements is due to vacant and modified positions in the Bureau of Public Assistance Investigations for services reimbursed by Health and Human Services.

A negative revenue variance of \$3.3 million is projected. A negative variance of \$2.6 million is projected in Intergovernmental Revenues due to lower than anticipated reimbursements based on the positive expenditure variances noted above, \$0.5 million in Charges for Current Services based on lower than anticipated incentive payments from the California Department of Child Support Services, and \$0.2 million in Miscellaneous Revenues due to lower than anticipated expenses related to Title IV-D Child Support Services digital marketing grant.

Office of Emergency Services

No overall variance is projected for the Office of Emergency Services.

A positive expenditure variance of \$0.6 million is projected. A positive variance of \$0.1 million in Salaries & Benefits is due to vacant positions and \$0.3 million in Services & Supplies is due to lower than anticipated spending in contracted service related to emergency full scale exercise. A positive variance of \$0.2 in Expenditure Transfer & Reimbursement is due to services provided to the Sheriff's Department.

A negative revenue variance of \$0.6 million is projected in Intergovernmental Revenues due to Homeland Security grant-funded positions and decreased contracted services as mentioned above.

Probation

A positive variance of \$0.1 million is projected for the Probation Department.

A positive expenditure variance of \$6.5 million is projected. A positive variance of \$6.5 million is projected in Services & Supplies primarily due to time required to develop contracts to support persons under supervision in the community and to provide connections to the Drug Medi-Cal Organized Delivery System (\$7.5 million), offset by unanticipated COVID-19 costs associated with housing and equipment (\$1.0 million).

A negative revenue variance of \$6.4 million is projected. A negative variance of \$3.2 million is projected in Intergovernmental Revenues due to the sunset of the California Well-Being Project also known as the Title IV-E Waiver (\$2.9 million) as of September 30, 2019, and reductions in funding from the state (\$0.3 million) for the Youth Offender Block Grant. A negative revenue variance of \$0.8 million is projected in Charges for Current Services due to a decrease in Probation work crew charges funded by Caltrans. A negative revenue variance of \$2.4 million is projected in Other Financing Sources due to decrease in projected transfers from Prop 172 resulting from lower sales tax receipts.

San Diego County Fire Authority

A net positive variance of \$1.6 million is projected for the San Diego County Fire Authority.

A positive expenditure variance of \$3.8 million is projected. A positive variance of \$0.4 million in Salaries & Benefits is due to vacant positions and \$3.4 million in Services & Supplies is due to lower than anticipated costs in various accounts supporting operational costs (\$0.1 million) and due to unspent funds in the following programs which will be rebudgeted in the Fiscal Year 2020-21 CAO Recommended Operational Plan for the Fire Authority: Ember Resistant Vent Program (\$1.5 million), purchase and installation of Mobile Data Computers (\$0.2 million) and property mortgage payoff associated with the Julian Cuyamaca Fire Protection District (\$1.6 million).

A negative revenue variance of \$2.2 million is projected. A negative variance of \$0.1 million in Intergovernmental Revenues is due to lower than anticipated Community Development Block Grant reimbursements, \$0.6 million in Charges for Current Services is due to the amendment of the Jamul Indian Village agreement, and \$1.7 million in Miscellaneous Revenue is due to the rebudget of Ember Resistant Vent Program funded by the Firestorm 2007 Trust Fund (\$1.5 million) and the rebudget of the purchase and installation of Mobile Data Computers funded by the San Diego Fire Foundation and Fire Rescue Foundation (\$0.2 million), offset by a positive variance of \$0.2 million in Other Financing Sources due to vehicle trade-in credit.

Special Revenue Funds

Sheriff's Inmate Welfare Fund

A positive variance of \$3.9 million is projected for the Inmate Welfare Fund.

A positive expenditure variance of \$4.5 million is projected. A positive variance of \$3.4 million is projected in Services & Supplies due to savings in professional and specialized services associated with contracts for educational services, including impacts from cancelled classes due to COVID-19, and lower than anticipated expenditure needs

associated with an anticipated negative revenue variance. A positive variance of \$1.1 million is projected in Operating Transfers Out associated with positions in the General Fund that will remain vacant.

A negative revenue variance of \$0.6 million is projected. A negative variance of \$0.6 million is projected in Other Financing Sources due to a decrease in the operating transfers from the Sheriff's Jail Commissary Enterprise Fund for proceeds generated by Commissary sales.

Proposition 172

A positive variance of \$2.2 million is projected in the Proposition 172 Special Revenue Fund.

A positive expenditure variance of \$26.2 million is projected in Operating Transfers Out to departments due to lower anticipated revenue that support these expenditures and the cancellation of East County Regional Center Tenant Improvement.

A negative revenue variance of \$24.0 million is projected in Intergovernmental Revenues due to the projected decline of receipts from sales tax which was impacted by the state of the economy resulting from COVID-19 pandemic.

Proposition 172 (Prop 172) was approved by California voters in 1993 to create a permanent one-half cent sales tax for public safety purposes and was intended to provide funding sources to qualifying public safety programs. Consumers and businesses reacting to the outbreak caused a huge decrease in taxable sales on certain goods and services impacting sales tax revenues dedicated to Prop 172. The revenue assumption used is based on sales tax consultant's projection which is a decline of more than 8% in statewide Fiscal Year 2019-20 Prop 172 receipts compared to Fiscal Year 2018-19.

Sheriff's Asset Forfeiture Program

A positive variance of \$1.7 million is projected in the Sheriff's Asset Forfeiture Program (US Department of Justice and US Treasury Department and State).

No expenditure variance is projected.

A positive revenue variance of \$1.7 million is primarily projected in Revenue From Use of Money & Property (\$0.1 million) due to interest earned from deposits and investment, in Intergovernmental Revenues (\$0.8 million) based on increased asset forfeiture from U.S. Department of Justice seizures, and in Fines, Forfeitures & Penalties (\$0.8 million) due to increased asset forfeiture from State seizures.

Enterprise Fund

Sheriff's Jail Commissary Enterprise Fund

A positive variance of \$0.5 million is projected for the Sheriff's Jail Commissary Enterprise Fund.

A positive expenditure variance of \$1.2 million is projected. A positive variance of \$0.3 million is projected in Services & Supplies due to a decline in inmate sales. A positive variance of \$0.1 million is projected in Capital Assets Equipment due to one-time vehicle purchases that will be re-budgeted in the Fiscal Year 2020-21 CAO Recommended Operational Plan. A positive variance of \$0.8 million is projected in Operating Transfers Out primarily due to a decrease in the transfer of commissary proceeds to the Inmate Welfare Fund resulting from lower than expected revenues.

A negative revenue variance of \$0.7 million is projected in Miscellaneous Revenues due to decreases in projected sales resulting from department policy changes restricting the type of commissary items sold to inmates.

HEALTH AND HUMAN SERVICES AGENCY (HHSA)

General Fund

Administrative Support

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

An overall positive variance of \$8.3 million is projected for Administrative Support.

A negative expenditure variance of \$16.8 million includes a positive variance of \$1.3 million in Salaries & Benefits due to attrition and vacant positions and negative variance of \$18.1 million in Services & Supplies which will be mitigated by repurposing existing appropriations within the Agency. Of the Services & Supplies variance, \$16.5 million is tied to COVID-19 emergency response efforts. A total of \$36.7 million for COVID-19 emergency response costs is projected in Services & Supplies under Administrative Support, of which \$20.2 million was covered by budgeted management reserves. The remaining variance of \$1.6 million is tied to various enterprise wide IT costs.

A positive revenue variance of \$25.1 million is projected and includes a positive variance of \$25.0 million in Intergovernmental Revenue and a positive variance of \$0.1 million in Miscellaneous Revenue tied to additional funding from the Community Services Block Grant Trust Fund for the Live Well Exchange and Gang Prevention contracts. The positive variance of \$25.0 million in Intergovernmental Revenue includes \$37.4 million in anticipated supplemental federal funding for COVID-19 emergency response efforts offset by a net program revenue variance of \$12.4 million to align with spending and anticipated reductions in Realignment revenue based on a projected 8% decline in statewide sales tax receipts dedicated to Health and Human Service programs.

Aging & Independence Services

A positive variance of \$2.9 million is projected for Aging & Independence Services.

A positive expenditure variance of \$2.6 million is projected and includes \$1.5 million in Salaries & Benefits due to attrition and vacant positions, \$1.2 million in Operating Transfers Out due to reduced funding needs for the In-Home Supportive Services (IHSS) Public Authority related to anticipated operational savings in the program with no impact to services, partially offset by a negative variance of \$0.1 million in Expenditure Transfer & Reimbursements tied to the ending of the Victim Services Program. The Services & Supplies (S&S) projection includes \$1.8 million in COVID-19 emergency response efforts for emergency food services to implement the shelter in place effort and a \$1.0 million increase in contracted services supporting programs funded through the Older Americans Act (OAA) providing nutrition and support services. These costs were offset by \$2.8

million in savings due to the updated In-Home supportive services (IHSS) Maintenance of Effort (MOE), resulting in no significant S&S variance.

A positive revenue variance of \$0.3 million is projected and includes a positive variance of \$0.4 million in Intergovernmental Revenues partially offset by a negative variance of \$0.1 million in Fines, Forfeitures & Penalties tied to a decrease of handicap violations due to the State's shelter in place order. The positive variance of \$0.4 million in Intergovernmental Revenues consists of \$1.8 million in anticipated supplemental federal funding for COVID-19 emergency response efforts and \$1.6 million in OAA revenues to align to updated program allocations partially offset by a negative variance of \$3.0 million primarily to align to updated social services administrative allocations, the final IHSS MOE commitment and anticipated reductions in Realignment revenue tied to sales tax receipts.

Behavioral Health Services

No overall variance is projected for Behavioral Health Services (BHS).

A positive expenditure variance of \$10.9 million is projected and includes a positive variance of \$0.3 million in Salaries & Benefits due to attrition and vacant positions, \$9.7 million in Services & Supplies, and \$0.9 million in Expenditure Transfer & Reimbursements associated with costs provided through various Memorandums of Understanding (MOU) to the Probation Department. The positive variance of \$9.7 million in Services & Supplies is primarily in substance use disorder treatment program costs as efforts continue toward achieving full-system capacity under the second year of the Drug Medi-Cal Organized Delivery System (DMC-ODS) implementation.

A negative revenue variance of \$10.9 million is projected and includes a negative variance of \$26.6 million in Intergovernmental Revenues offset by a positive variance of \$15.0 million in Charges for Current Services tied to one-time Intergovernmental Transfer (IGT) revenue to help cover the estimated program revenue loss resulting from the pandemic and \$0.7 million in Miscellaneous Revenues due to recovery of prior year overpayments to contractors. The negative variance of \$26.6 million in Intergovernmental Revenues is due to the alignment of behavioral health program revenue with anticipated spending in contracted services, coupled with projected program revenue losses tied to a decrease in billable mental health and substance use disorder treatment services tied to the pandemic, as well as reductions anticipated in Realignment revenue based on a projected 8% decline in statewide sales tax receipts dedicated to Health and Human Service programs.

County Child Welfare Services

A positive variance of \$1.3 million is projected for County Child Welfare Services.

A positive expenditure variance of \$6.7 million is projected and includes positive variances of \$1.7 million in Salaries & Benefits due to attrition and vacant positions, \$2.4 million in Services & Supplies, and \$2.6 million in Other Charges primarily due to revised estimates of caseload levels and growth trends in foster care assistance programs. The positive variance of \$2.4 million in Services & Supplies is primarily tied to savings in

contracted services associated with updated utilization trends and updated procurement timelines.

A negative revenue variance of \$5.4 million is projected and includes \$5.0 million in Intergovernmental Revenues, \$0.3 million in Revenue From Use of Money & Property to align revenue collection trends for the use of the San Pasqual Academy property and \$0.1 million in Charges for Current Services due to a lower collection estimate for adoption fees. The negative variance of \$5.0 million in Intergovernmental Revenues consists of \$7.6 million in social services administrative revenues to align with anticipated funding including the end of the Title IV-E Waiver/California Well-Being Project, offset by a positive variance of \$2.6 million in federal and State assistance payment revenue to align with projected funding for caseload costs including a temporary increase in the Federal Medical Assistance Percentage (FMAP) provided under the Families First Coronavirus Response Act.

Housing & Community Development Services

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

No overall variance is projected for HCDS.

A positive expenditure variance of \$5.0 million is projected and includes \$0.9 million in Salaries & Benefits due to attrition and vacant positions, \$2.9 million in Services & Supplies, and \$1.3 million in Other Charges, partially offset by a negative variance of \$0.1 million in Expenditure Transfer and Reimbursements primarily tied to the Safe Housing Program to align with the grant ending. The \$2.9 million positive variance in Services & Supplies is related to Multi-Year Projects primarily due to implementation overlap across fiscal years including the updated procurement timelines to align with the State roll-out of funding for the California Emergency Solutions and Housing (CESH) program and SB-2 Building Homes and Jobs Act. The \$1.3 million positive variance in Other Charges is primarily due to the transition of clients from Continuum of Care Tenant Based Rental Assistance (TBRA) to the Section 8 Housing Choice Voucher Program.

A negative revenue variance of \$5.0 million is projected and includes a negative variance of \$6.4 million in Intergovernmental Revenues to align federal and State revenue to the savings in Multi-Year Projects referenced above and offset by a positive variance of \$1.4 million in Miscellaneous Revenues mainly for anticipated loan repayments tied to the Community Development Block Grant (CDBG) projects.

Public Health Services

An overall positive variance of \$2.0 million is projected for Public Health Services (PHS).

A positive expenditure variance of \$3.2 million is projected and includes a negative variance of \$2.2 million in Salaries & Benefits due primarily to increasing overtime costs related to COVID-19 emergency response efforts partially offset by a positive variance of

\$4.5 million in Services & Supplies, and \$0.8 million in Other Charges due to revised estimates of caseload levels in California Children's Services (CCS). The \$4.5 million positive variance in Services & Supplies is primarily tied to lower than anticipated costs associated with contracted services and operating costs to align with current spending levels, partially offset by a negative variance of \$1.1 million for COVID-19 emergency response efforts for increased temporary nursing staff and medical transport. A total of \$1.9 million in COVID-19 emergency efforts is projected in Services & Supplies.

A negative revenue variance of \$1.2 million is projected and includes \$1.6 million in Intergovernmental Revenues, partially offset by \$0.3 million in Charges for Current Services primarily for the Public Health Vital and Health Statistics trust fund revenue to reimburse costs for information technology enhancements and \$0.1 million in Miscellaneous Revenues tied to grant funds received for staff development. The \$1.6 million negative variance in Intergovernmental Revenues consists of \$5.5 million primarily in public health program revenue due to a positive expenditure variance in Services & Supplies as noted above and to align with anticipated reductions in Realignment revenue based on a projected 8% decline in statewide sales tax receipts dedicated to Health and Human Service programs, partially offset by a positive variance of \$2.0 million received from the Emergency Food and Shelter grant covering prior year costs for emergency health screening and coordination services provided to asylum-seeking families and \$1.9 million in anticipated supplemental federal funding for COVID-19 emergency response efforts.

Self-Sufficiency Services

A positive variance of \$6.8 million is projected for Self-Sufficiency Services.

A positive expenditure variance of \$9.9 million is projected and consists of a negative variance of \$3.5 million in Salaries & Benefits due primarily to anticipated increased costs tied to demand in services and lower than anticipated attrition level, a positive variance of \$2.8 million in Services & Supplies and a positive variance of \$10.6 million in Other Charges primarily associated with revised estimates of caseload levels and growth trends in the California Work Opportunity and Responsibility to Kids (CalWORKs) program. The positive variance of \$2.8 million in Services & Supplies is primarily due to a decrease of \$8.5 million related to the new Joint Exercise Powers Agreement (JPA) that will manage the California Work Opportunity and Responsibility to Kids Information Network (CalWIN) consortium contracts, in preparation to implement the California Statewide-Automated Welfare System (CalSAWS), a new centralized statewide automated welfare system, partially offset by \$2.0 million related to Info Line 211 Information and Referral Service for COVID-19 emergency response efforts, \$1.4 million in Welfare to Work (WTW) contracts primarily due to expanding the services in south region, \$1.2 million to align with increased CalWORKs Home Visiting Initiative (HVI) program services provided as a result of increased funding, and \$1.1 million in various operating costs to align with current spending levels .

A negative revenue variance of \$3.1 million is projected and includes a negative variance of \$4.1 million in Intergovernmental Revenues offset by positive variances of \$0.8 million

in Miscellaneous Revenues mainly due to the recoupment of payments in General Relief and contracted services tied to prior year adjustments, \$0.1 million in Revenue From Use of Money & Property to align revenue collection trends and \$0.1 million in Fines, Forfeitures & Penalties based on projected eligible expenditures for the Physician Emergency Services program. The negative variance of \$4.1 million in Intergovernmental Revenues includes negative variances of \$8.5 million in CalWIN revenue tied to the decrease in CalWIN contracts noted above and \$5.6 million in assistance payments revenue primarily due to revised CalWORKs caseload projections. These negative variances are offset by positive variances of \$6.0 million in anticipated increased funding for increased Medi-Cal and CalFresh eligibility activities as a result of the pandemic, \$2.5 million in anticipated supplemental federal funding for COVID-19 emergency response efforts to cover the Info Line 211 Information and Referral Service for COVID-19 emergency response efforts and increases in General Relief due to emergency policy changes in response to COVID-19, and \$1.5 million primarily tied to increased CalWORKs HVI program funding.

LAND USE AND ENVIRONMENT GROUP

General Fund

Land Use and Environment Group Executive Office

A positive variance of \$0.5 million is projected for the Land Use and Environment Group Executive Office.

A positive expenditure variance of \$0.5 million is projected. Savings of \$0.4 million in Salaries & Benefits is due to staff vacancies. A positive variance of \$0.1 million in Services & Supplies is projected due to completion of Information Technology projects that came in under-budget.

No revenue variance is projected.

Agriculture, Weights and Measures

A positive variance of \$0.5 million is projected for the Department of Agriculture, Weights and Measures (AWM), including the University of California Cooperative Extension.

A positive expenditure variance of \$0.5 million is projected. Savings of \$0.1 million in Salaries & Benefits is due to staff vacancies and under-filled positions. A positive variance of \$0.3 million in Services & Supplies is projected due to vehicle and equipment purchases and a Pesticide Regulation Program disposal event that will occur in Fiscal Year 2020-21 and will be re-budgeted in the CAO Recommended Operational Plan.

No revenue variance is projected.

Environmental Health

A positive variance of \$0.1 million is projected for the Department of Environmental Health.

A positive expenditure variance of \$5.2 million is projected. Savings of \$2.9 million in Salaries & Benefits is due to vacancies and under-filled positions. Savings of \$2.2 million in Services & Supplies includes \$0.4 million in costs related to Enhanced Beach & Bay project expensed as a Salaries & Benefits cost and lower than anticipated Hazardous Incident Response Team (HIRT) contract amount, \$0.6 million in delayed Information Technology projects, \$0.6 million in various accounts related to the Vector program including Vector Habitat remediation projects, \$0.4 million in Household Hazardous Waste from contracted services for collection events that will be carried over for Fiscal Year 2020-21, \$0.1 million in fuel and vehicle mileage savings due to COVID-19 Health Order, and \$0.1 million spread over various accounts for books, equipment maintenance, utilities and employee auto reimbursements. Savings of \$0.1 million in Fixed Assets is due to procurement of Vector Disease and Diagnostic Laboratory equipment for less than budgeted.

A negative revenue variance of \$5.1 million is projected. This variance consists of under-realized revenue of \$3.7 million in Licenses, Permits & Franchises as a result of COVID-19 Public Health Order and the March 24, 2020 (22) Board directed permit fee deferrals for the Food and Beverage Industry, \$0.1 million in Fines, Forfeitures & Penalties because no late fees are assessed, \$0.1 million in Intergovernmental Revenue, \$1.2 million in Charges for Current Services related to the Vector Control Trust Fund revenue, which is associated with both Salaries & Benefits and Services & Supplies that correspond with expenditure savings.

Department of Parks and Recreation

No significant net variance is projected for the Department of Parks & Recreation.

A positive expenditure variance of \$3.1 million is projected. Savings of \$1.9 million in Salaries & Benefits is due staff vacancies. Savings of \$1.2 million in Services & Supplies is due to delays in multi-year grant funded and major maintenance projects that will be completed next fiscal year and from completed facility improvement projects.

A negative revenue variance of \$3.1 million is projected. A projected negative variance of \$2.3 million in Charges for Current Services and \$0.2 million in Miscellaneous Revenues is primarily due to refunds of park user fees related to the COVID-19 Public Health Order. A projected negative variance of \$0.2 million in Intergovernmental Revenue is due to delays in multi-year grant funded projects that will be completed next fiscal year. A projected negative variance of \$0.1 million in Revenue from Use of Money & Property is due to the deferral of rent payments on County-owned residential and commercial property as approved by the Board of Supervisors on April 7, 2020 (4). A projected negative variance of \$0.3 million in Other Financing Sources is due to staff vacancies in the County Services Area parks.

Planning & Development Services

A positive variance of \$1.6 million is projected for the Department of Planning & Development Services.

A positive expenditure variance of \$7.4 million is projected. Savings of \$3.1 million is projected in Salaries & Benefits primarily due to staff vacancies and under-filled positions. Savings of \$4.3 million is projected in Services & Supplies as the result of a decrease in consultant costs (\$2.8 million) due to slowdown in land development projects and re-budgeting multi-year one-time only information technology projects in Professional & Specialized Services (\$0.9 million) and Consultant Contracts (\$0.6 million) in Fiscal Year 2020-21.

A negative revenue variance of \$5.9 million is projected. A projected negative variance of \$4.6 million in Charges for Current Services is due to staff vacancies as well as a decrease in billable activity due to the COVID-19 Public Health Order. A projected negative variance of \$1.5 million in Licenses, Permits & Franchises is due to a decrease in building plan check and permits due to the COVID-19 Public Health Order but is

partially offset by a projected positive variance of \$0.2 million in Intergovernmental Revenues due to a higher than anticipated reimbursement from State grants.

Public Works – General Fund

A positive net variance of \$0.2 million is projected for the Department of Public Works General Fund.

A positive expenditure variance of \$0.7 million is projected. Savings of \$0.4 million in Salaries & Benefits is due to staff vacancies and under-filled positions. Savings of \$0.3 million in Services & Supplies is due to lower than anticipated costs related to services provided by other county departments.

A negative revenue variance of \$0.5 million is projected. Under-realized revenue of \$0.4 million in Intergovernmental Revenue is due to a lower than anticipated reimbursements in the Regional Watershed Copermittees and completion of grant funded projects. A negative revenue variance of \$0.1 million in Charges for Current Services is due to \$0.5 million under-realized revenue in Service to Property Owners due to staff allocation from private projects to County projects, partially offset by \$0.4 million over-realized revenue in Charges in Other Funds/Special Districts from unanticipated revenue for watercourse services.

SPECIAL REVENUE FUNDS

Public Works - Road Fund

A positive net variance of \$0.2 million is projected for the Road Fund.

A positive expenditure variance of \$10.7 million is projected. Savings of \$4.2 million in Salaries & Benefits is due to partial year staff vacancies, retirements, and under-filled positions. Savings of \$3.0 million in Services & Supplies is due to construction savings from completion of Lemon Crest Drainage and Winter Garden Drive Traffic Signal projects, and appropriations for Road Resurfacing and Sweetwater Spring Culvert that will be re-budgeted in Fiscal Year 2020-21. Savings of \$3.5 million in Other Charges is due to delays in right-of-way acquisition for Quarry Road, Ashwood St, Cole Grade Widening, and Live Oak Park Bridge.

A negative revenue variance of \$10.5 million is projected. Over-realized revenue of \$1.4 million in Taxes Other Than Current Secured is due to additional TransNet revenue for Road Maintenance projects. Over-realized revenue in Licenses Permits & Franchises of \$0.4 million is due to a higher than anticipated San Diego Gas & Electric franchise fee. Over-realized revenue of \$1.5 million in Revenue from Use of Money & Property is due to higher than anticipated interest earnings. Under-realized revenue of \$11.7 million in Intergovernmental Revenues is due to funding allocation delays and changes in schedule for federal projects (\$3.3 million) and initial estimates for lower than anticipated HUTA and SB1 gas tax earnings due to impact of the COVID-19 Public Health Order (\$8.4 million). Under-realized revenue of \$1.7 million in Charges for Current Services is

projected due to schedule revisions for Airports and Watershed Protection Program projects. Under-realized revenue of \$0.4 million in Miscellaneous Revenues is projected due to traffic signal projects in the Transportation program that were budgeted as Pre-TIF funding but are ineligible. These projects will be funded by available Road Fund fund balance.

Public Works – Inactive Waste Site Management Fund

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

A positive expenditure variance of \$1.1 million is projected. Savings of \$0.2 million in Salaries & Benefits is due to staff vacancies. Savings of \$0.9 million in Services & Supplies is due to the postponement of San Pasqual clean closure major maintenance project to next fiscal year.

A negative revenue variance of \$1.1 million is projected. Under-realized revenue of \$0.4 million in Charges for Current Services is due to less capital transfer from the Environmental Trust Fund based on projected savings in Services & Supplies and due to higher than anticipated revenue reimbursement for work completed for the Permanent Road Division program. Under-realized revenue of \$0.7 million in Intergovernmental Revenue is related to State Aid matching grant for the postponed San Pasqual clean closure project. Funds are transferred from the Environmental Trust Fund to the Inactive Waste Fund on a quarterly basis for operations as needed to maximize interest earnings in the Environmental Trust Fund.

Public Works - Waste Planning & Recycling

A positive variance of \$1.6 million is projected for the Waste Planning and Recycling Fund.

A positive expenditure variance of \$1.5 million is projected. Savings of \$0.2 million in Salaries & Benefits is due to partial year staff vacancies. Savings of \$1.3 million in Services & Supplies is due to lower costs in Professional & Specialized services (\$0.8 million); Publications and Legal Notices (\$0.3 million); Supplies (\$0.1 million) due to project schedule revisions, staff vacancies and suspension of events due to the COVID-19 Public Health Order; and savings in Consultant Contracts related to franchise hauler negotiations (\$0.1 million).

A positive revenue variance of \$0.1 million is projected. Over-realized revenue of \$0.1 million in Fines, Forfeitures & Penalties is due to unanticipated revenue from Construction & Demolition deposit forfeitures.

Park Land Dedication Ordinance

A positive variance of \$2.9 million was realized for the Park Land Dedication Ordinance.

No significant expenditure variance was realized.

A positive revenue variance of \$2.9 million was realized. This variance consisted of over-realized revenue of \$2.7 million in Licenses, Permits, & Franchises due to Park Land Dedication fees and \$0.2 million in Revenue from Use of Money & Property due to over realized interest income.

San Diego County Library

A net positive variance of \$5.3 million is projected for the San Diego County Library.

A positive expenditure variance of \$3.6 million is projected. This variance is a result of projected savings of \$0.3 million in Salaries & Benefits due to staff vacancies. Projected savings of \$2.9 million in Services & Supplies is due to savings in IT related costs (\$1.5 million), utilities costs (\$0.1 million), major maintenance (\$0.6 million), facilities management (\$0.2 million), special departmental expenses (\$0.3 million), and contracted services (\$0.2 million). Also, projected savings of \$0.1 million in Other Charges is due to postponing the procurement of a sprinter van and projected savings of \$0.2 million in Capital Assets Equipment is due to delays in the cashiering system project.

A positive revenue variance of \$1.7 million is projected. Over-realized revenues of \$0.3 million is projected in Taxes Current Property. Over-realized revenue of \$1.9 million in Intergovernmental Revenues from property taxes associated with former redevelopment areas is due to more favorable assessed values than budgeted. Under-realized revenue of \$0.3 million in Miscellaneous Revenues is due to lower than anticipated private donations, \$0.4 million in Aid From Other Governmental Agencies is due to less than expected ERATE reimbursable expenses, and \$0.2 million in Charges for Current Services is due to less than expected demand for public printing and other library services because all library branches are currently closed to the public due to the COVID-19 Public Health Order.

INTERNAL SERVICE FUNDS

Public Works – Internal Service Funds

A positive variance of \$2.6 million is projected for the Department of Public Works Internal Service Funds.

A positive expenditure variance of \$2.6 million is projected primarily from a positive variance of \$1.1 million in Services & Supplies due to lower than budgeted maintenance costs and a decrease in vehicle repairs; \$0.6 million in Other Charges from reduced depreciation expense due to the removal of vehicles from fixed assets inventory; and \$1.0 million in Capital Assets Equipment related to vehicle purchases that will continue into Fiscal Year 2020-21 and will be re-budgeted in the CAO Recommended Operational Plan Fiscal Year 2021-22.

No significant revenue variance is projected.

ENTERPRISE FUNDS

Public Works - Airport Enterprise Fund

A positive variance of \$0.1 million is projected for the Airport Enterprise Fund.

A positive expenditure variance of \$1.5 million is projected. Savings of \$1.1 million is projected in Salaries & Benefits due to partial year staff vacancies. Savings of \$0.3 million is projected in Services & Supplies primarily due to reduced need for Aircraft Rescue and Fire Fighting services until a new airline service is in place, less than anticipated maintenance project costs, less than anticipated need for minor equipment acquisitions, and reduced need for aircraft fuel supply replacement, which is offset by increased consultant, IT, and facilities cleaning services. Savings of \$0.1 million is projected in Capital Assets Equipment due to the deferred Gillespie Field generator acquisition.

A negative revenue variance of \$1.4 million is projected. Under-realized revenue of \$2.7 million is projected in Revenue from Use of Money & Property due to the deferral of rent payments on County-owned residential and commercial property due to the COVID-19 Public Health Order as approved by the Board of Supervisors on April 7, 2020 (4). Over-realized revenue of \$0.1 million is projected in Charges for Current Services due to liquidated damages received for the cancelled sale of Palomar surplus property and over-realized permit and customs fee revenue. Over-realized revenue of \$1.2 million is projected in Residual Equity In/Capital Contribution due to the recording of Palomar surplus property.

Public Works – Wastewater Management Enterprise Fund

A positive variance of \$0.2 million is projected for the Wastewater Enterprise Fund.

A positive expenditure variance of \$0.8 million is projected. Savings of \$0.6 million is projected in Salaries & Benefits due to staff vacancies and under-filled positions. Savings of \$0.2 million in Services & Supplies is mainly due to cost savings in services provided by other County departments and Application Services.

A negative revenue variance of \$0.6 million is projected. Under-realized revenue of \$0.7 million in Charges for Current Services is projected due to reduced work for maintenance in the San Diego County Sanitation District due to staff vacancies and under-filled positions. Over-realized revenue of \$0.1 million in Revenue from Use of Money & Property is due to higher than anticipated interest earnings.

SPECIAL DISTRICT FUNDS

Air Pollution Control District

A positive variance of \$2.0 million is projected for the Air Pollution Control District.

A positive expenditure variance of \$3.5 million is projected. A positive variance of \$1.0 million in Salaries & Benefits is due to staff vacancies and under-filled positions. A positive variance of \$0.4 million in Services & Supplies is primarily associated with schedule

revisions for special projects. A positive variance of \$0.6 million in Capital Assets Equipment is due to schedule revisions for air monitoring equipment and vehicle purchases. A projected positive variance of \$1.5 million in Operating Transfers Out is the result of a \$0.8 million in Operating Transfer Out from the Air Quality Community AB 617 Fund to the Air Pollution District Operations Fund due to lower than anticipated costs for Salaries & Benefits based on the positive expenditure variance noted above and a \$0.7 million in Operating Transfer Out from the Air Pollution District Operations Fund to the Major Maintenance Capital Outlay Fund due to the postponement of a building maintenance project.

A negative revenue variance of \$1.5 million is projected. A negative variance of \$0.7 million in Licenses, Permits & Franchises is primarily related to a reduced caseload in permit applications, which varies depending on economic factors and business activity. A negative variance of \$1.0 million in Intergovernmental Revenues is due to lower than anticipated reimbursement associated with positive expenditure savings in Salaries & Benefits, as noted above. A negative variance of \$0.7 million in Other Financing Sources is due to less grant revenue transferred from the AB 617 grant fund to the APCD Operations Fund due to lower than anticipated staffing costs. These variances are offset by a positive variance of \$0.6 million in Revenue From Use of Money & Property due to higher than anticipated interest earnings in incentive funds, \$0.2 million in Charges for Current Services associated with higher than anticipated collection of asbestos notification fees and \$0.1 million in Fines, Forfeitures & Penalties due to higher than anticipated violation fines.

Public Works - San Diego County Sanitation District

A positive variance of \$1.7 million is projected for the San Diego County Sanitation District.

A positive expenditure variance of \$1.0 million is projected. Savings of \$0.3 million in Services & Supplies is due to staff vacancies, under-filled positions, and associated support costs in the Wastewater Enterprise Fund, which provides staffing for the Sanitation District, and unused contingency of Metro sewer treatment charges. Savings of \$0.2 million in Other Charges is due to lower depreciation charges than anticipated. Savings of \$0.6 million in Capital Assets/Land Acquisition is due to savings and unused contingencies from the completed SCADA Wastewater Upgrade and San Carlos Street Force Main capital projects.

A positive revenue variance of \$0.7 million is projected. Over-realized revenue of \$0.4 million in Revenue from Use of Money & Property is due to higher than anticipated interest earnings. Over-realized revenue of \$0.2 million in Charges for Current Services is due to unanticipated revenue from commercial wastewater discharge permits from Atlas Pumping.

FINANCE AND GENERAL GOVERNMENT GROUP

General Fund

Assessor/Recorder/County Clerk

An overall positive variance of \$1.9 million is projected for the Assessor/Recorder/County Clerk.

A positive expenditure variance of \$5.1 million is projected. Anticipated positive variances of \$0.8 million in Salaries & Benefits due to attrition and departmental vacancies and \$4.3 million in Services & Supplies due to less than anticipated contracted services related to one-time projects on restoration/preservation and redaction of official records, system costs for archive collection management and recorder/county clerk integrated system.

A negative revenue variance of \$3.2 million is projected. Anticipated negative variance of \$0.2 million in Licenses Permits & Franchises due to less than anticipated number of marriage licenses issued. Anticipated negative variance of \$3.0 million in Charges for Current Services include negative variance of \$4.1 million due to the delay in one-time projects noted above to be reimbursed from Recorder Trust Funds and \$1.2 million in Marriage Ceremonies, Vital Certificates, and Duplicating and Filing Documents, partially offset by a positive variance of \$2.3 million mostly due to projected increases in Recording Document Fees, AB2890 Recovered Costs (reimbursement to administer the Supplemental Assessment Program), and Property Tax System Administration Fee.

County Communications Office

An overall positive variance of \$0.5 million is projected for the County Communications Office.

A positive expenditure variance of \$0.5 million is projected in Salaries & Benefits due to normal attrition of staff and departmental vacancies.

No significant revenue variance is projected.

County Counsel

An overall positive variance of \$1.4 million is projected for the Office of County Counsel.

A positive expenditure variance of \$1.8 million is projected. Anticipated positive variances include \$1.6 million in Salaries & Benefits due to attrition and departmental vacancies and \$0.2 million in Services & Supplies due to limited training and staff development opportunities as a result of steady legal services-focused workload.

A negative revenue variance of \$0.4 million is projected in Charges for Current Services due to an anticipated decrease in the billable services related to air quality, purchasing and contracting, and airports related matters.

Department of Human Resources

An overall positive variance of \$0.3 million is projected for the Department of Human Resources.

A positive expenditure variance of \$0.9 million is projected. Anticipated positive variances include \$0.1 million in Salaries & Benefits due to normal attrition of staff and departmental vacancies and \$0.8 million in Services & Supplies primarily due to reduced workers compensation administration costs.

A negative revenue variance of \$0.6 million is projected. Anticipated negative variance include \$0.8 million in Miscellaneous Revenues due to reduced workers compensation administration costs, offset by a projected positive variance of \$0.2 million in Charges for Current Services due to reclassification of revenues related to background investigations and talent development.

Finance and General Government Executive Office

An overall positive variance of \$4.5 million is projected for the Finance and General Government Group Executive Office.

A positive expenditure variance of \$4.4 million is projected. Anticipated positive variances include \$2.4 million in Services & Supplies due to IT projects that are anticipated to span across multiple fiscal years and cancellation of a County Administration Center facilities project and \$2.0 million in Management Reserves held for unanticipated groupwide contingencies, which are not anticipated to be drawn on this year.

A positive revenue variance of \$0.1 million in Charges for Current Services due to increased allocation of administrative revenues.

Registrar of Voters

An overall negative variance of \$1.5 million is projected for the Registrar of Voters.

A positive expenditure variance of \$0.4 million is projected. Anticipated positive variances include \$0.1 million in Services & Supplies due to contracted services in support of election services and \$0.3 million in Capital Asset Equipment primarily due to postponement of equipment procurement.

A negative revenue variance of \$1.9 million is projected. Anticipated negative variance include \$0.9 million in Intergovernmental Revenues due to a short fall in State Voting Modernization Bond Act of 2002 (Prop 41) revenue resulting from delays at the State level for redirection of administrative efforts to COVID-19 emergency and \$1.0 million in Charges for Current Services due to less than anticipated revenue from billable local jurisdictions requesting election related services.

Treasurer-Tax Collector

No significant overall variance is projected for the Treasurer-Tax Collector.

A positive expenditure variance of \$1.4 million is projected. Anticipated positive variance of \$1.0 million in Salaries & Benefits is due to normal attrition of staff and departmental vacancies and \$0.4 million in Services & Supplies is due to delays in one-time information technology (IT) projects.

A negative revenue variance of \$1.4 million is projected in Charges for Current Services due to variance in Banking Services Pooled Revenue as an offset from Salaries & Benefits and delayed IT projects as noted above.

Internal Service Funds

Employee Benefits ISF

An overall positive variance of \$5.0 million is projected for the Employee Benefits ISF.

A positive expenditure variance of \$5.0 million is projected in Contingency Reserve due to anticipated savings as a result of appropriations set aside to address the ISF's unfunded liability over a 10-year period. Unemployment Insurance costs have increased due to an increase in the number of unemployment claims being filed of which the County is responsible for our proportionate share. The increase in these claims have sharply increased since the COVID-19 pandemic started. The projected increased amount in Unemployment Insurance costs through the end of the fiscal year based on data available at the end of April is approximately \$650,000 of which the ISF budget has the ability to absorb these costs during the current fiscal year from projected savings in administrative costs performed by DHR and less than anticipated unemployment insurance costs prior to COVID-19.

No revenue variance is projected.

The Employee Benefits ISF's net position at the beginning of the fiscal year was in a deficit of \$5.6 million. This deficit will be offset by positive operational variances in the fiscal year and will be monitored against the actuarial liability.

Facilities Management ISF

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

A positive expenditure variance of \$3.2 million is projected. Anticipated positive variance include \$2.5 million in Salaries & Benefits due to normal attrition of staff and departmental vacancies, \$0.6 million in Services & Supplies primarily due to lower than anticipated pass through expenses for project management, and \$0.1 million in Other Charges due to lower than anticipated depreciation charges.

A negative revenue variance of \$1.8 million is projected and includes negative variances of \$2.2 million in Charges for Current Services due to lower than anticipated reimbursement for project management and maintenance services related to the expenditure savings mentioned above and \$0.1 million in Revenue From Use of Money & Property due to less than anticipated lease payments, offset by a positive variance of \$0.3 million in Intergovernmental Revenues for payments related to mail services provided to external entities and \$0.2 million in Miscellaneous in Revenues due to over-realized revenue from third parties related to insurance proceeds for the Owner Controlled Insurance Program.

Fleet Management ISF

An overall positive variance of \$0.3 million is projected for the Fleet Management ISF.

A positive expenditure variance of \$7.6 million is projected. Anticipated positive variances of \$0.9 million in Salaries & Benefits is due to normal attrition of staff and departmental vacancies, \$4.4 million in Services & Supplies is primarily due to lower than anticipated fuel and vehicle parts purchases, and \$2.3 million in Other Charges is due to lower than anticipated depreciation charges based on actual timing and value of vehicle and equipment replacement.

A negative revenue variance of \$7.3 million is projected and includes negative variances of \$8.0 million in underrealized revenues in Charges for Current Services due to lower than anticipated reimbursements based on vacant billable positions and decreased expenditures in fuel, parts and depreciation as noted above, and \$0.9 million in Residual Equity Transfers In related to reimbursements for department requested vehicle replacements. These are partially offset by positive variances of \$1.1 million in Other Financing Sources from higher than anticipated auction proceeds, \$0.2 million in Revenue From Use of Money & Property due to higher than expected interest earnings and \$0.3 million in Miscellaneous Revenues due to over-realized revenue from third parties related to insurance proceeds for damaged vehicles.

Public Liability Internal Service Fund

An overall positive variance of \$12.5 million is projected for the Public Liability Internal Service Fund.

A positive expenditure variance of \$10.0 million is projected. Anticipated positive variance of \$0.3 million in Services & Supplies is projected in Inter Departmental Expenses, and a positive variance of \$3.9 million in Other Charges is projected as a result of cases that were delayed through the court system and matters that had favorable resolutions. Additionally, a positive variance of \$5.8 million in Contingency Reserves is projected as its purpose is to address the deficit fund balance of the Fund.

A positive revenue variance of \$2.5 million is projected. A positive variance of \$2.5 million is projected in Recovered Expenditures as a result of a favorable resolution of an insurance-related matter brought on behalf of the County of San Diego.

The Public Liability ISF's net position at the beginning of the fiscal year was in a deficit of \$14.9 million. This deficit will be offset by positive operational variances in the fiscal year and will be monitored against the actuarial liability.

Purchasing and Contracting ISF

An overall positive variance of \$3.3 million is projected for the Purchasing and Contracting ISF.

A positive expenditure variance of \$2.2 million is projected. Anticipated positive variances of \$0.6 million in Salaries & Benefits is due to normal attrition of staff and departmental vacancies, \$1.4 million anticipated in Services & Supplies is primarily due to the delay in completion of information technology projects and anticipated savings in property disposal costs, and \$0.2 million in Other Charges due to depreciation costs tied to delay in completion of information technology projects.

A positive revenue variance of \$1.1 million is projected as the result of \$0.8 million in Charges for Current Services due to higher than expected County spending on contracts and \$0.3 million in Miscellaneous Revenues due to higher than expected proceeds from rebate agreements.

GENERAL PURPOSE REVENUE & COUNTYWIDE EXPENSES

A negative variance of \$11.0 million is projected in General Purpose Revenue (GPR) and a positive variance of \$75.3 million is projected in General County Expenses.

General Purpose Revenue

The County's General Purpose Revenue is directly influenced by the state of the economy. Due to the coronavirus disease (COVID 19) pandemic, economic indicators point to a significant decline comparable to the last great recession or worse. According to The Kiplinger Letter dated April 3, 2020, a possible national GDP decline of 4% is projected which is worse than the great recession; unemployment rate is going to increase to approximately 12% or higher due to layoffs and closing of small businesses; consumer spending is down 30% in 2nd quarter mostly in auto sales and restaurant meals, and spending is not expected to bounce back quickly due to the health risks in dining out, travel, and any sort of entertainment or recreation involving crowds; business investment is down by 20% in the 2nd quarter as inventories are depleted and nonresidential construction slows down dramatically; home sales expected to drop in the spring but are anticipated to recover when health fears subside.

The County's GPR related to property tax revenues are anticipated to experience significant decreases primarily due to the delinquency of Property Tax collections and its effect on the Teeter program. Here are the discussions on significant revenue account variances from budget:

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 result in a negative variance of \$21.7 million.

- *Property Taxes Current Secured*
Current Secured Property Taxes are projected to be \$22.5 million below budget due to a decrease in property tax collection based on a delinquency rate of 3.1% which increased the Teeter program receivable to be collected in future Fiscal Years.
- *Property Taxes - Current Unsecured*
Current Unsecured Property Taxes are projected to be \$2.4 million above budget due to higher than budgeted growth in assessed valuation, primarily driven by the increase in the Consumer Price Index at 2.0%. At the time the budget was prepared, current unsecured property tax revenues were based on the assumption that there would be no growth in the current unsecured roll. Unlike the secured roll, the unsecured roll does not build on a prior year base.

- *Property Taxes Current Supplemental*

Current Supplemental Property Taxes are projected to be \$1.7 million below budget due to a decrease in Supplemental Property Tax collection based on a delinquency rate of 3.1%. The projection for this revenue is based on charges and collections trend estimates related to new construction and anticipated turnover through Fiscal Year 2019-20.

Taxes Other Than Current Secured

Taxes Other Than Current Secured are anticipated to be \$5.0 million below budget.

- *Property Tax Prior Secured Supplemental*

Property Tax Prior Secured Supplemental are projected to be \$0.8 million below budget due to a decrease in Supplemental Property Tax collection based on a delinquency rate of 3.1%. The projection for this revenue is based on charges and collections trend estimates related to new construction and anticipated turnover through Fiscal Year 2019-20.

- *Real Property Transfer Taxes*

Real Property Transfer Taxes are projected to be \$1.0 million higher than budget. This is based on 3 prior year receipts as well as data regarding current year change in ownership and the anticipated level of new construction.

- *Teeter Tax Reserve Excess*

Teeter Tax Reserve Excess is projected to be \$3.2 million below budget. This is based on year to date penalty and interest collections and available data on the outstanding receivables and projections through the end of the fiscal year assuming penalties will be waived for the rest of the year.

- *Other Tax - Aircraft*

No projected variance for Other Tax - Aircraft.

- *Sales and Use Taxes*

Sales and Use Taxes is projected to be \$1.9 million below budget. This is due to the effect of COVID-19 on generating Sales Tax from business categories like restaurants, automobiles, etc. resulting in lower spending from people being laid off and from the extension of tax returns deadline.

- *Transient Occupancy Tax*

Transient Occupancy Tax is projected to be \$1.8 million below budget due to the effect of COVID-19 on the Tourism industry, specifically hotels which generates the revenue for TOT.

- *Property Tax in Lieu of Vehicle License Fees*

Property Tax in Lieu of Vehicle License Fees is projected to be \$1.1 million higher than budget due to higher than budgeted growth in assessed valuation.

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

Teeter Property Tax Prior Year and Cumulative Prior Years are projected to be \$0.6 million higher than budget. The increase is based on higher collection in prior year's Teeter receivables.

Licenses, Permits, and Franchises

No projected variance for Licenses, Permits and Franchise payments.

Fines, Forfeitures and Penalties

Fines, Forfeitures and Penalties are projected to be \$7.6 million below budget due to the potential of waiving penalties on delinquent Property Tax from taxpayers having financial hardship as a result of COVID-19. Revenues in this account reflect the 10% penalty that is assessed on late current secured and unsecured property tax payments.

Revenue from Use of Money & Property

Interest on Deposits is projected to be \$0.6 million above budget. The increase is due higher than expected interest earnings.

Intergovernmental Revenue

A positive variance of \$20.1 million is projected in Intergovernmental Revenue, which includes \$17.8 million due to pass-through distributions, and residual balance estimates in Aid from Redevelopment Successor Agencies. The pass-through distributions are continuing to increase due to continued growth in the project areas. The County of San Diego will receive a higher share of the residual than in the past distributions from the City of San Diego's Successor Agencies due to the decline in the City of San Diego's Recognized Obligation Payment Schedule (ROPS). In addition, \$2.3 million is related to unanticipated receipt of state motor vehicle in-lieu taxes.

Charges for Current Services

Charges for Current Services is projected to be \$0.6 million higher than budget due to higher than expected revenue from A-87 billings to departments.

Miscellaneous Revenue

Miscellaneous Revenue is projected to be \$2.0 million higher than budget due to the closure of Flex Forfeiture Trust Fund 48335 and 48337.

General County Expenses

Countywide Expenses

An overall positive variance of \$55.0 million is projected in Countywide General Expense.

A positive expenditure variance of \$53.7 million is projected. A positive variance of \$30.1 million is projected in Services & Supplies. This includes the Countywide Stabilization (\$25.0 million) which may be used to ensure that the General Fund Reserve is maintained per *Administrative Code Section 113.1 General Fund Balances and Reserves*; one-time items not anticipated to be used, including redistricting costs (\$0.4 million); fee subsidies for countywide expenses in DEH that will be rebudgeted in Fiscal Year 2020-21 (\$0.9 million); information technology projects (\$3.7 million) that are anticipated to extend beyond the current fiscal year; and lower than anticipated costs in Shared Major Maintenance projects (\$0.1 million). A positive variance of \$23.6 million is projected in Capital Assets/Land Acquisition due to amounts for Fiscal Year 2019-20 capital requirements that are not anticipated to be used.

Pension Stabilization resources of \$34.8 million are not projected as an operating variance; these appropriations will be reflected as a restricted balance in the Fiscal Year 2019-20 CAFR as a result of the passage of Measure C Charter Amendment restricting the use of funds appropriated to pension stabilization.

A positive revenue variance of \$1.3 million is projected. The positive variance is comprised of \$0.7 million in Miscellaneous Revenues primarily due to Unclaimed Excess Proceeds from Tax Sales and escheatment revenues, and \$0.6 million in Other Financing Sources due to Gain on Sale of the Dehesa Road Property.

Contributions to Capital

An overall positive variance of \$19.5 million is projected in Contributions to Capital.

A positive expenditure variance of \$19.5 million is projected. This includes a positive variance of \$19.5 million in Operating Transfers Out due to lower than anticipated expenses related to capital projects that are closed or being cancelled by the end of the Fiscal Year 2019-20.

The following capital projects were closed or cancelled (with the amount of related appropriations cancelled):

- Swiss Park Trail Connection and Improvements (\$30,655.84)
- Dos Picos Camping Cabins (\$3,498.62)
- San Dieguito Wedding Pavilion (\$21.43)
- Clemmens Lane Soccer Field and Restroom Improvements (\$8,149.00)
- ECRC Tenant Improvements and Window Replacement (\$10,900,000.00)
- Pine Valley Fire Station (\$340,244.38)
- Waterfront Park Improvements (\$588,900.39)
- Crime Lab (\$68,534.65)

- Imperial Beach Library (\$229,658.99)

Lease Payments – Bonds

An overall positive variance of \$0.8 million is projected for the Lease Payments – Bonds Fund.

A positive expenditure variance of \$0.5 million is projected in Other Charges due to lower than anticipated principal and interest payments. Each outstanding debt (except the 2019 Justice Facility refunding) has a reserve requirement that is invested and deposited in interest-bearing trust funds. The interest that is collected in various funds is used to offset payments to bondholders.

A positive revenue variance of \$0.3 million is projected in Rents and Concessions primarily for payments received from the San Diego Metropolitan Transit System, who share responsibility of the 2011 MTS Tower Refunding Certificates of Participation.

Capital Program Funds

Edgemoor Development Fund

An overall positive variance of \$11.2 million is projected for the Edgemoor Development Fund.

A positive expenditure variance of \$0.5 million is projected in Services and Supplies due to lower than anticipated Internal Service Fund and major maintenance expenditures.

A positive revenue variance of \$10.7 million is projected. A positive variance of \$10.5 million in Other Financing Sources is related to Gain on Sale of Fixed Assets of County-owned surplus property located in Santee that was sold in Fiscal Year 2019-20, \$0.3 million in Revenue From Use of Money & Property is due to unanticipated interest earnings based on the daily average cash fund balances, offset by a negative variance of \$0.1 million in Intergovernmental Revenues due to a reduction in Medi-Cal cases.

SCHEDULE C
Fiscal Year 2019-20 3rd Quarter
Capital Projects Anticipated for Completion/Cancellation

| Oracle Project Number | Account | Project Name | (1) Completed OR (2) Cancelled | Total Budget as of 04-13-20 | Total Expenditures as of 04-13-20 | Amount Capitalized as of 04-13-20 | Minor Equipment & FA | Amount Cancelled |
|--|---------|---|--------------------------------------|--------------------------------|---|---|-------------------------|----------------------|
| ** Capital Outlay Fund (Fund 26000) ** | | | | | | | | |
| 1009268 | 54766 | Otay Valley Regional Park Trail Improvements | 1 | 8,756,366.49 | 8,635,170.00 | 8,635,170.00 | | 121,196.49 |
| 1010431 | 54778 | Otay Valley Regional Park Staging Area | 2 | - | - | - | | - |
| 1014352 | 54202 | Swiss Park Trail Connection & Improvements | 1 | 400,000.00 | 369,344.16 | 369,344.16 | | 30,655.84 |
| 1019566 | 54202 | Dos Picos Camping Cabins | 1 | 760,000.00 | 756,501.38 | - | | 3,498.62 |
| 1020741 | 54202 | San Dieguito ADA & Playground Improvements | 1 | 600,000.00 | 503,145.19 | 503,145.19 | | 96,854.81 |
| 1021154 | 54202 | San Dieguito Wedding Pavilion | 1 | 150,000.00 | 149,978.57 | 140,520.24 | | 21.43 |
| 1021182 | 54202 | Glen Abbey Trail Improvement | 1 | 799,865.00 | 738,998.03 | - | | 60,866.97 |
| 1021272 | 54202 | Clemmens Lane Soccer Field and Restroom Improvements | 1 | 265,232.00 | 254,987.99 | - | | 10,244.01 |
| 1019370 | 54202 | ECRC Tenant Improvements and Window Replacement | 2 | 13,800,000.00 | 732,597.76 | - | | 13,067,402.24 |
| 1020288 | 54202 | Pine Valley Fire Station | 1 | 9,300,000.00 | 8,959,755.62 | 8,818,698.39 | | 340,244.38 |
| 1022065 | 54202 | Waterfront Park Improvements | 1 | 1,750,000.00 | 1,161,099.61 | 1,161,099.61 | | 588,900.39 |
| | | TOTAL | | 36,581,463.49 | 22,261,578.31 | 19,627,977.59 | - | 14,319,885.18 |
| ** Justice Facility Construction Fund (Fund 26050) ** | | | | | | | | |
| 1018895 | 54202 | Crime Lab | 1 | 107,510,000.00 | 104,626,119.25 | 81,039,923.57 | 2,815,346.10 | 68,534.65 |
| 1021133 | 54202 | Sheriffs Quartermaster and Regional Training Facility | 1 | 7,300,000.00 | 6,965,020.23 | 6,965,020.23 | | 334,979.77 |
| | | TOTAL | | 114,810,000.00 | 111,591,139.48 | 88,004,943.80 | 2,815,346.10 | 403,514.42 |
| ** Library Projects Capital Outlay Fund (Fund 26075) ** | | | | | | | | |
| 1018191 | 54202 | Imperial Beach Library | 1 | 9,072,720.00 | 8,843,059.76 | 8,723,059.76 | 120,000.00 | 229,660.24 |
| | | TOTAL | | 9,072,720.00 | 8,843,059.76 | 8,723,059.76 | 120,000.00 | 229,660.24 |
| TOTAL FOR CAPITAL PROJECTS | | | | 160,464,183.49 | 142,695,777.55 | 116,355,981.15 | 2,935,346.10 | 14,953,059.84 |

Note:

- 1 Completed Project**
- 2 Cancelled Project**

Appendix D: Major Maintenance Capital Outlay Fund (MMCOF) Adjustments for Fiscal Year 2019-2020 (3RD QUARTER)

| GROUP | DEPT. | PROJECT NUMBER | PROJECT NAME | FUNDING SOURCE | | | NOTES | DEPARTMENTS (Acct - 56321 Opt Transfer Out) | DEPARTMENTS (Acct - 52XXX Services & Supplies) | MMCOF (Acct -54202 Fixed Asset) | DGS MMISF (Acct - 52XXX Services & Supplies) | RATIFICATION |
|--|-------|----------------|--|----------------|-------|---------|---------------------|--|---|------------------------------------|---|--------------|
| | | | | FUND | ORG | ACCOUNT | 1, 2, 3, 4, 5, 6, 7 | Inc (Dec) | Inc (Dec) | Inc (Dec) | Inc (Dec) | Yes/No |
| Increase (Decrease) of Appropriation | | | | | | | | | | | | |
| PSG | SHF | 1022954 | MMCOF7704 Lemon Grove Sheriff Station Security Upgrade Fencing and Cameras | 10100 | 39884 | 52737 | 3 | 199,845 | (199,845) | 199,845 | N/A | No |
| PSG | OES | 1022032 | MMCOF7668 Sunshine Summit Fire Station Structural Improvements | 10100 | 30230 | 52737 | 3 | 500,000 | (500,000) | 500,000 | N/A | No |
| PSG | OES | 1022032 | MMCOF7668 Sunshine Summit Fire Station Structural Improvements | 10100 | 30230 | 52737 | 3 | 328,115 | (328,115) | 328,115 | N/A | No |
| PSG | OES | 1021948 | MMCOF7612 SD Fire Authority Fire Alarm Sprinkler System | 10100 | 30230 | 52737 | 3 | 56,000 | (56,000) | 56,000 | N/A | No |
| PSG | PRO | 1021946 | MMCOF7610 EMJDF Cameras Phase II | 10100 | 42071 | 52737 | 7 | (209,424) | 209,424 | (209,424) | N/A | No |
| PSG | PRO | 1022073 | MMCOF7673 East Mesa Juvenile Detention Facility Kitchen Renovation | 10100 | 42071 | 52737 | 7 | (333,579) | 333,579 | (333,579) | N/A | No |
| PSG | PRO | 1022074 | MMCOF7674 Kearny Mesa Juvenile Detention Facility Kitchen Renovation | 10100 | 42070 | 52737 | 7 | (15,323) | 15,323 | (15,323) | N/A | No |
| HHS | HHS | 1021935 | MMCOF7599 San Pasqual Academy Lift Station Emergency Generator | 10100 | 45005 | 52737 | 7 | (9,728) | 9,728 | (9,728) | N/A | No |
| LUEG | AWM | 1022052 | MMCOF7653 Pest Detection Trailer | 10100 | 48600 | 52737 | 6 | (140,185) | 140,185 | (140,185) | N/A | No |
| FGG | FGG | 1021923 | MMCOF7587 CAC 4 Standard Size Window Repairs | 10100 | 32156 | 52737 | 7 | (86,072) | 86,072 | (86,072) | N/A | No |
| FGG | FGG | 1021924 | MMCOF7588 CAC Rooms 302 and 358 AV Upgrades | 10100 | 17600 | 52330 | 7 | (6,532) | 6,532 | (6,532) | N/A | No |
| | | | Subtotal-General Fund | | | | | 283,117 | (283,117) | 283,117 | | |
| | | | | | | | | | | | | |
| LUEG | LIB | 1022059 | MMCOF7662 Encinitas 24/7 Library To Go Kiosk | 12200 | 57305 | 52396 | 3 | 18,800 | (18,800) | 18,800 | N/A | Yes |
| LUEG | APC | 1022053 | MMCOF7655 APCD New Air Monitoring Station Trailer | 12050 | 56700 | 52550 | 7 | (102,405) | 102,405 | (102,405) | N/A | No |
| FGG | DPC | 1022069 | MMCOF7672 DPC Front Counter Reception Area Remodel | 35800 | 81645 | 52396 | 3 | 107,000 | (107,000) | 107,000 | N/A | No |
| | | | Subtotal-Other Fund | | | | | 23,395 | (23,395) | 23,395 | | |
| | | | | | | | | | | | | |
| Total Increase (Decrease) of Appropriation | | | | | | | | 306,512 | (306,512) | 306,512 | - | |
| Board Letter Recommendation | | | | | | | | REC #7 | | REC #7 | | |

- NOTES:
- 1

MMCOF Project identified as MMISF (maintenance/not capital)
- 2

MMCOF Project cancelled and funding source returned to Services & Supplies for department's operation
- 3

MMCOF Spending plan increased
- 4

MMCOF Spending plan decreased
- 5

MMISF Project identified as MMCOF
- 6

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

MMCOF Project complete and remaining funds will fall to fund balance



County of San Diego

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May 11, 2020

Pursuant to my authority as Director of Emergency Services under San Diego County Code of Regulatory Ordinances section 31.103, the following regulation shall be in effect for the duration of the local emergency declared on February 14, 2020: Notwithstanding sections 113.2, 113.5(a) and 113.5(b) of the San Diego County Code of Administrative Ordinances or any other provision of local law pertaining to General Fund balance, reserves, commitments, assignments and management practices are hereby suspended.

A handwritten signature in black ink, appearing to read "Helen N. Robbins-Meyer".

HELEN N. ROBBINS-MEYER
Chief Administrative Officer
Director of Emergency Services
County of San Diego