



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

PALOMA AGUIRRE
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: May 19, 2026

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TO: Board of Supervisors

SUBJECT

FISCAL YEAR 2025-26 THIRD QUARTER OPERATIONAL PLAN STATUS REPORT, BUDGET ADJUSTMENTS, AND AUTHORITY TO EXECUTE A GRANT AGREEMENT WITH FEEDING SAN DIEGO (DISTRICTS: ALL)

OVERVIEW

This report summarizes the status of the County of San Diego's (County) Fiscal Year 2025-26 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 \$25.2 million (or 0.3% of the General Fund budget). The projected year-end balance for all other funds combined is \$61.3 million (2.0% of the other funds combined budget). For all budgetary funds combined, the projected year-end balance is \$86.5 million (or 0.8% of the overall budget). The projected fund balance anticipates an overall positive expenditure variance and an overall negative revenue variance from the Fiscal Year 2025-26 Amended Budget. The projection assumes General Purpose Revenue (GPR) will perform better than estimated, and business groups will produce operating balances, except for Public Safety Group where a negative variance is projected due to higher than anticipated staffing costs associated with the implementation of Proposition 36 and cost overruns with the current medical contract for offsite hospital care, and revenue variances due to grant funded activities that will be deferred to the next fiscal year.

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

In the Public Safety Group (PSG), recommendations include appropriation and program revenue increases for staffing costs to support Proposition 36 (Prop 36), *The Homelessness, Drug Addiction, and Theft Reduction Act* implementation, information technology modernization projects, tenant improvements for Regional Auto Theft Task Force (RATT), staffing and operational costs related to Consumer Protection activities, staffing and operational costs

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associated with grant programs, County Service Area 69, payment to State Court Facilities Construction Fund, and for contractual psychological services for clients.

In the Land Use and Environment Group (LUEG), recommendations include appropriation adjustments for consultant contracts, road maintenance projects, for the Rainbow Water Quality Improvement Project, and for South Mission Road North Project 1.

In the Finance and General Government Group (FGG), recommendations include appropriation adjustments to recognize interest earned on Tax and Revenue Anticipation Notes (TRANs), one-time IT costs, for returned grant funds from the Community Enhancement and Neighborhood Reinvestment Program to be allocated to new projects, and for the land acquisition of Iron Mountain County Preserve.

Today's action also includes recommendation related to the appropriation of Unlocked Reserves, including:

- The transfer of appropriations for expanded funding of the Innovative Housing Trust Fund and for Feeding San Diego, based on the advice and guidance of the Ad Hoc Subcommittee on Sustainable Fiscal Planning (Subcommittee) per direction given to the Chief Administrative Officer (CAO) during the January 28, 2026 (21) meeting.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Accept the Fiscal Year 2025-26 Third Quarter Report on projected year-end results.

Increases to the Overall Budget and/or Transfers Between Budgetary Funds (Recommendations 2 through 17):

2. Increase the Sheriff's Office budget by \$2,170,000 to support increases in overtime staffing costs due to Proposition 36 implementation and \$2,000,000 in the District Attorney's Office to support information technology modernization projects based on available fund balance from Proposition 172. There will also be an increase to the budget in the Proposition 172 (Prop 172) Special Revenue Fund by \$4,170,000 to support costs in the Sheriff's Office and the District Attorney's Office.

- Establish appropriations of \$4,170,000 in the Proposition 172 Special Revenue Fund, Operating Transfers Out, to the Sheriff's Office for increased staffing costs as a result of Proposition 36, *The Homelessness, Drug Addiction, and Theft Reduction Act* implementation (\$2,170,000) and to support the District Attorney's Office one-time expenses for information technology modernization projects (\$2,000,000), based on available fund balance from the Proposition 172 Special Revenue Fund. **(4 VOTES)**
- Establish appropriations of \$2,170,000 in the Sheriff's Office, Salaries & Benefits, to support increased costs as a result of Proposition 36, *The Homelessness, Drug Addiction,*

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and Theft Reduction Act implementation, based on an Operating Transfers In from the Proposition 172 Special Revenue Fund. **(4 VOTES)**

- Establish appropriations of \$2,000,000 in the District Attorney’s Office, Services & Supplies, for one-time expenses associated with information technology modernization projects, based on an Operating Transfers In from the Proposition 172 Special Revenue Fund. **(4 VOTES)**
3. Increase the District Attorney’s Office budget by \$1,500,000 for one-time expenses for tenant improvements for Regional Auto Theft Task Force (RATT).
 - Establish appropriations of \$1,500,000 in the District Attorney’s Office, Services & Supplies, for one-time expenses associated with tenant improvements of the Regional Auto Theft Task Force (RATT) facility, based on available funds from fees collected pursuant to California Code, Vehicle Code – VEH Section 9250.14. **(4 VOTES)**
 4. Increase the District Attorney’s Office budget by \$1,900,000 for staffing and operational costs related to Consumer Protection activities and investigations based on available current year funds from County Proposition 64 Consumer Fraud Fund.
 - Establish appropriations of \$1,900,000 in the District Attorney’s Office, Salaries & Benefits (\$400,000), Services & Supplies (\$800,000), and Capital Assets (\$700,000) to support Consumer Protection activities and investigations based on available funds from County Proposition 64 Consumer Fraud Fund. **(4 VOTES)**
 5. Increase the District Attorney’s Office budget by \$1,300,000 to support staffing and operational costs associated with grant programs from various State and federal funding sources.
 - Establish appropriations of \$1,300,000 in the District Attorney’s Office, Salaries & Benefits (\$620,000), Services & Supplies (\$680,000), to support provisional help and operational costs associated with competitively awarded grants, based on the State of California, Department of Insurance (\$1,000,000) and Department of Justice, Bureau of Justice Assistance (\$100,000), and Office on Violence Against Women (\$200,000). **(4 VOTES)**
 6. Establish appropriations in County Service Area 69 to transfer available fund balance from County Service Area 69 to the City of Santee and Lakeside Fire Protection District.

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- Establish appropriations of \$500,000 in County Service Area 69, Contributions to Other Agencies, for the transfer of funds to the City of Santee and Lakeside Fire Protection District based on the available fund balance from County Service Area 69. **(4 VOTES)**
7. Increase the Courthouse Construction Special Revenue Fund budget by \$215,000 for fines, forfeitures and penalties that were collected after final Hall of Justice debt service payment and must be remitted to the State Court Facilities Construction Fund.
 - Establish appropriations of \$215,000 in the Courthouse Construction Special Revenue Fund, Other Charges, for payment to State Court Facilities Construction Fund, based on fines, forfeitures and penalties. **(4 VOTES)**
 8. Increase the Office of the Public Defender’s budget by \$168,509 to support its Holistic Service Unit by embedding contracted services for one psychologist within the unit. The psychologist will provide integrated behavioral health services for clients experiencing mental health disorders by working collaboratively with attorneys, investigators, social workers, and substance abuse assessors to provide clinical evaluation, ongoing treatment recommendations, consultation and attorney training; the funding source is a State grant awarded by the Office of the State Public Defender.
 - Establish appropriations of \$168,509 in Services & Supplies, for psychological services based on a State grant awarded by the Office of the State Public Defender on December 18, 2025. **(4 VOTES)**
 9. Increase the budget by \$34,797 in the Alta Loma Permanent Road Division No. 105 for road resurfacing maintenance.
 - Establish appropriations of \$34,797 in the Department of Public Works (DPW) Permanent Road Division (PRD) No. 105 – Alta Loma Drive, Services & Supplies, for road maintenance based on available prior year fund balance within PRD No. 105 – Alta Loma Drive. **(4 VOTES)**
 10. Increase the budget by \$44,751 in the Zone A Alta Loma Permanent Road Division No. 105A for road resurfacing maintenance.
 - Establish appropriations of \$44,751 in the Department of Public Works (DPW) Permanent Road Division (PRD) No. 105A – Zone A Alta Loma Drive, Services & Supplies, for road maintenance based on available prior year fund balance within Zone A Alta Loma Drive. **(4 VOTES)**
 11. Transfer funds from the Department of Public Works (DPW) General Fund to Road Fund in the amount of \$1,506,118 for construction of the Rainbow Water Quality Improvement Project.

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- Transfer appropriations of \$1,506,118 within Department of Public Works General fund, Services & Supplies to Operating Transfers Out; *and* establish appropriations of \$1,506,118 in the Road Fund, Services & Supplies, for the Rainbow Water Quality Improvement Project, based on Operating Transfer In from General Fund. **(4 VOTES)**
12. Transfer funds from the Department of Public Works General Fund to Road Fund in the amount of \$1,157,975 for construction of the South Mission Road North Project 1.
- Transfer appropriations of \$1,157,975 within Department of Public Works General fund, Services & Supplies to Operating Transfers Out; *and* establish appropriations of \$1,157,975 in the Road Fund, Services & Supplies, for the South Mission Road North Project 1, based on an Operating Transfer In from General Fund. **(4 VOTES)**
13. Increase the budget in Finance Other to recognize the interest earned on Tax and Revenue Anticipation Notes (TRANS) funds, which will be applied towards the TRANS obligation payment.
- Establish appropriations of \$7,158,888 in Finance Other, Other Charges, based on unanticipated interest earned and premium received to apply towards the TRANS obligation payment. **(4 VOTES)**
14. Increase the Treasurer-Tax Collector's budget for one-time IT costs related to the decommission of the physical data center.
- Establish appropriations of \$1,600,000 in the Treasurer-Tax Collector's Office, Services & Supplies, based on over-realized Property Tax System Administration (\$1,300,000) and Banking Pool (\$300,000) revenues for one-time IT costs related to the decommission of the physical data center. **(4 VOTES)**
15. Allow returned grant funds of \$8,285 from the Community Enhancement Program and \$65,164 from the Neighborhood Reinvestment Program to be allocated to new projects by establishing appropriations in the respective grant program budgets in the current fiscal year.
- Establish appropriations of \$8,285 in the Community Enhancement Program budget Org 12900 (\$4,930 for District 3, \$3,302 for District 4 and \$53 for District 5), Other Charges, based on unused portions of prior year allocations so the funds can be allocated to other projects. **(4 VOTES)**
 - Establish appropriations of \$65,164 in the Neighborhood Reinvestment Program budget (\$98 for District 1 in Org 15650, \$22,805 for District 2 in Org 15655, \$9,589 for District 3 in Org 15660, \$28,344 for District 4 in Org 15665, and \$4,328 for District 5 in Org

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15670), Other Charges, based on unused portions of prior year allocations so the funds can be allocated to other projects. **(4 VOTES)**

16. This recommendation is a technical adjustment that reclassifies departmental maintenance and capital spending plans based on capitalization thresholds. The result is a net increase of budget in the Major Maintenance Capital Outlay Fund (MMCOF) of \$8,425,399.

- Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, as noted in Appendix D, in the net amount of \$8,425,399 for major maintenance projects listed in Appendix D that were subsequently reclassified, based on capitalization thresholds, for financial reporting purposes; and establish, transfer and cancel appropriations, as noted in Appendix D for a net increase of \$8,425,399. **(4 VOTES)**

17. Transfer funds from Finance Other, which was approved by the Board of Supervisors (Board) on March 3, 2026 (13), to the Multiple Species Conservation Plan (MSCP) Acquisition Fund for the purchase of Iron Mountain County Preserve, approved by the Board on April 22, 2026 (6).

- Transfer appropriations of \$2,000,000 from Finance Other, Services & Supplies, to Contribution to Capital Outlay Fund, Operating Transfers Out; *and* establish appropriations of \$2,000,000 in MSCP, to properly record the purchase of Iron Mountain County Preserve land acquisition, based on an Operating Transfer In from the General Fund from previously approved Unlocked Reserves. **(4 VOTES)**

Transfers Within Budgetary Funds and/or Cancellation of Appropriations (Recommendations 18 through 21):

18. Transfer project costs from the Department of Parks and Recreation to the Department of Public Works for the temporary pipe extension at Saturn Boulevard.

- Transfer appropriations of \$2,500,000 from Department of Parks and Recreation, Services & Supplies, to Department of Public Works, Services & Supplies to fund construction of a temporary pipe extension at Saturn Boulevard, based on previously approved Unlocked Reserves.

19. Transfer appropriations from Finance Other to the Assessor/Recorder/County Clerk (ARCC) to properly record one-time costs related to the County's property tax systems.

- Transfer appropriations of \$12,000,000 from Finance Other, Services & Supplies, to the Assessor/Recorder/County Clerk, Services & Supplies, to properly record one-time costs

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for the County's property tax system based on previously approved use of Unlocked Reserves.

20. Transfer appropriations of \$217,260 from Finance Other to the Department of Parks and Recreation (DPR) for one-time start-up costs for the Bonsall Community Park.
 - Transfer appropriations of \$217,260 from Finance Other, Services & Supplies, to Department of Parks and Recreation, for one-time start-up costs for the Bonsall Community Park based on one-time General Purpose Revenue previously allocated to and no longer needed for other land use projects.
21. Cancel the remaining budget of Capital Projects that are anticipated to be completed or cancelled by the end of the Fiscal Year. The remaining funds will be returned to the original funding sources.
 - Cancel appropriations and related revenue of up to \$3,488,656.08 as noted in Schedule C for Capital Projects that will be completed/cancelled and closed by the end of Fiscal Year 2025-26. This is composed of \$3,488,656.08 in the Capital Outlay Fund.

Recommendation on use of Unlocked Reserves based on advice and guidance of the Ad Hoc Subcommittee on Sustainable Fiscal Planning (Recommendations 22 through 23):

22. Transfer appropriations of \$23,222,944 for the use of Unlocked Reserves in Fiscal Year (FY) 2025-26 based on the advice and guidance of the Ad Hoc Subcommittee on Sustainable Fiscal Planning (Subcommittee) per direction given to the CAO during the January 28, 2026 (21) meeting. This item will transfer appropriations based on operational savings with no impact to existing services or the General Fund.
 - Transfer and allocate appropriations of \$23,222,944 to Housing and Community Development Services, Services & Supplies, for expanded funding of the Innovative Housing Trust Fund (\$22,222,944) including production and preservation of affordable housing and to Self-Sufficiency Services, Services & Supplies for Feeding San Diego (\$1,000,000) to support hunger-relief efforts in San Diego County, based on Unlocked Reserves. This transfer and allocation of appropriations is based on operational savings within Behavioral Health Services, with appropriation capacity and related funding that is not anticipated to be used. As a result, there is no impact to services or the General Fund and no increase in the overall budget. The use of Unlocked Reserves is recommended based on San Diego County Administrative Code Section 113.1 for time-sensitive operational expenditures. This follows Board direction to develop proposals to utilize Unlocked Reserves for FY 2025–26 in coordination with and with the advice and guidance

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of the Ad Hoc Subcommittee on Sustainable Fiscal Planning (Subcommittee), and to present recommended appropriations to the Board for consideration as part of the quarterly budget adjustments.

23. Authorize the Chief Administrative Officer, or designee, upon successful negotiations, to execute a grant agreement with Feeding San Diego in an amount of up to \$1,000,000 to support hunger relief efforts, and find, in accordance with Government Code section 26227, that such program is necessary to meet the social needs of the population.

EQUITY IMPACT STATEMENT

After the Board of Supervisors (Board) adopts the Operational Plan, it is monitored by the departments, Groups, and the Board. Departments are expected to work within their respective budgets. Budgets may, however, be modified during the year as circumstances warrant. In conjunction with the fund balance projection process, the Chief Administrative Officer meets with each Group to review accomplishments, emergent issues, and budget status. Department heads are required to communicate any potential problems or errors to the appropriate authority. Groups complete fund balance projections quarterly providing explanations of significant variances of their budget. The recommended actions are intended to provide resources to address inequities in County of San Diego (County) services and to identify disparities, develop meaningful outcomes, and create a County government culture of equity, belonging, and racial justice.

SUSTAINABILITY IMPACT STATEMENT

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

FISCAL IMPACT

Funds associated with today's recommendations are partially included in the Fiscal Year (FY) 2025-26 Operational Plan. If approved, in the General Fund these actions will result in an increase to the overall budget of \$17,870,846, transfers between budgetary funds of \$10,783,975, transfers within budgetary funds of \$37,940,204, and no cancellation of appropriations. The funding sources for the increases are unanticipated interest earned and premium received on Tax and Revenue Anticipation Notes (TRANS) funds (\$7,158,888), available fund balance from Proposition 172 Special Revenue Fund (\$2,170,000 & \$2,000,000), County Proposition 64 Consumer Fraud Fund (\$1,900,000), over-realized Property Tax System Administration and Banking Pool revenues (\$1,600,000), fees collected pursuant to California Code, Vehicle Code – VEH Section 9250.14 (\$1,500,000), grants from State of California, Department of Insurance, Department of Justice, Bureau of Justice Assistance, and Office on Violence Against Women (\$1,300,000), State grant awarded by the Office of the State Public Defender (\$168,509), unused portions of prior year allocations for Neighborhood Reinvestment Program (\$65,164), and unused portions of prior year

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allocations for Community Enhancement Program (\$8,285). The transfer and allocation of appropriations identified in Recommendation 22 (\$23,222,944) are based on operational savings within Behavioral Health Services and the one-time use of Unlocked Reserves. Based on San Diego County Administrative Code Section 113.1 no more than 25% can be used in one fiscal year which equates to \$95,421,241. In the FY 2025-26 First Quarter Operational Plan Status Report, \$14,248,297 was appropriated for one-time lump sum payments and in the FY 2025-26 Second Quarter Operational Plan Status Report, \$56,150,000 was appropriated for Tijuana River Valley and various appropriations based on the advice and guidance of the Ad Hoc Subcommittee on Sustainable Fiscal Planning (Subcommittee) per direction given to the Chief Administrative Officer during the January 28, 2026 (21) meeting. In Recommendation 22, \$23,222,944 of Unlocked Reserves will be appropriated, which will leave a remaining balance of Unlocked Reserves in FY 2025-26 of \$1,800,000. If approved, Recommendation 23 will result in one-time costs of up to \$1,000,000 to support hunger relief efforts, based on the use of Unlocked Reserves.

In all other funds combined, these actions will result in a net increase to the overall budget of \$14,565,384, transfers between budgetary funds of \$2,305,517, and cancellation of appropriations of \$9,231,876. The funding sources for the increases are Operating Transfer In from the General Fund (\$10,783,975), available fund balance from Proposition 172 Special Revenue Fund (\$4,170,000), Operating Transfers In from various non-General Fund (\$2,305,517), available County Service Area 69 (\$500,000) fund balance, fines, forfeitures and penalties (\$215,000), available prior year PRD No. 105A – Zone A Alta Loma Drive fund balance (\$44,751), and available prior year PRD No. 105 – Alta Loma Drive fund balance (\$34,797). These are offset by decreases in U.S. Environmental Protection Agency grant (\$3,452,972) and General Purpose Revenue (\$35,684).

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 \$25.2 million is based on the estimate that expenditures will be approximately \$130.7 million less than the Fiscal Year (FY) 2025-26 Amended Budget and revenues will be a net \$105.6 million less than the FY 2025-26 Amended Budget. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus approved year-to-date changes. The projected balance for all other funds combined is a net of \$86.5 million.

Attachments to this letter have been included to provide additional detail of these fund balance projections. Schedule A summarizes the fund balance projection by business group, department, and fund category. Schedule B shows the projected General Fund fund balance by business group

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split between operating and reserve balances. The Notes to Schedules A and B explain variances from budget by department, fund and for General Purpose Revenue. The Notes to the General Fund Variances details General Fund Variances by expenditure and revenue are summarized briefly below.

GENERAL FUND EXPENDITURE VARIANCES

The projected third quarter positive expenditure variances in the General Fund of \$130.7 million are due to positive variances in Services & Supplies (\$125.1 million), Other Charges (\$7.9 million), Capital Assets Equipment (\$0.8 million), Capital Assets Software (\$0.5 million), Operating Transfers Out (\$0.1 million), and Capital Assets/Land Acquisition (\$0.1 million), offset by negative variances in Expenditure Transfer & Reimbursements (\$3.4 million) and in Salaries & Benefits (\$0.3 million). Expenditure variances are described in detail in the Notes to the General Fund Variances.

GENERAL FUND REVENUE VARIANCES

The projected third quarter negative revenue variances in the General Fund of \$105.6 million are due to negative variances in Intergovernmental Revenues (\$109.2 million), Charges For Current Services (\$10.8 million), Other Financing Sources (\$10.7 million), Fines, Forfeitures & Penalties (\$4.2 million), Taxes Current Property (\$3.3 million), and Licenses Permits & Franchises (\$1.0 million), offset by positive variances in Taxes Other Than Current Secured (\$23.6 million), Revenue From Use of Money & Property (\$7.1 million) and Miscellaneous Revenues (\$2.8 million). Revenue variances are described in detail in the Notes to the General Fund Variances.

Adjustments to the Fiscal Year 2025-26 Amended Budget

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

The recommendations for budget adjustments are explained as follows:

Increases to the Overall Budget and/or Transfers Between Budgetary Funds (Recommendations 2 through 17):

Recommendation 2

This recommendation will establish appropriations of \$4,170,000 in Operating Transfers Out, of the Proposition 172 Special Revenue Fund and establish appropriations of \$2,170,000 in the Sheriff's Office and \$2,000,000 in the District Attorney's Office, based on available Proposition 172 Special Revenue Fund fund balance. These recommendations will support the District

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Attorney's Office request to fund information technology modernization projects (\$2,000,000) and the Sheriff's Office request for increased staffing costs due to Prop 36 implementation (\$2,170,000) based on Prop 172 fund balance.

The Sheriff's Office will increase Salaries & Benefits by \$2,170,000 to support increased staffing needs due to the increase in average daily jail population, which has risen by approximately 300-500 incarcerated persons as a result of Proposition 36, *The Homelessness, Drug Addiction, and Theft Reduction Act* implementation.

The District Attorney's request for \$2,000,000 in Services & Supplies will provide one-time funding to advance several priority technology modernization projects. These projects respond to increasing operational demands, modern digital evidence management standards, sustainability goals, and the County's strategic commitment to technology driven service delivery.

Recommendation 3

The San Diego County Regional Auto Theft Task Force (RATT) is a multi-agency task force that investigates and prosecutes vehicle theft in the San Diego Region. The County of San Diego (County) is the financial administrator for the task force. On February 10, 2026 (9), the Board authorized an amendment to a lease agreement for the Regional Auto Theft Task Force facility to extend the term of the lease and expand the leased space by 718 square feet. If approved, this request will establish appropriations of \$1,500,000 in Services & Supplies for tenant improvement costs of the facility based on available funds from fees collected pursuant to California Code – VEH Section 9250.14.

Recommendation 4

For decades, the District Attorney's Office (DAO) Economic Crimes Division and Consumer Protection Unit, has been committed to the investigation and prosecution of violations under California's Unfair Competition Law and related consumer protection statutes. The District Attorney convened a countywide stakeholder group comprised of local, state, and federal law enforcement agencies, City Attorney's Office, County Counsel, PSG leadership, consumer advocates, community representatives, and legal experts to assist in formulating a strategic plan to address unmet needs in consumer protection and identify ways to expand the DAO's enforcement of consumer laws. This stakeholder collaboration resulted in recommendations to expand consumer protection activities in the following focus areas: (1) cyber-crime investigations and forensics; (2) unfair competition, deceptive and unlawful business practices; (3) elder financial abuse; (4) additional environmental protection from unfair and unlawful business practices for additional services and law enforcement activities that will reduce the harm experienced by citizens of San Diego. On November 7, 2023 (4), the Board authorized competitive solicitations for the implementation of consumer protection activities. If approved, this request will establish appropriations of \$1,900,000 for Consumer Protection prosecution and investigation activities.

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Recommendation 5

The Board approved applying for and accepting grants from the State of California, Department of Insurance on June 3, 2025 (1), and Department of Justice Bureau of Justice Assistance on April 4, 2023 (2), and Office on Violence Against Women, March 16, 2021 (6) and in subsequent years provided there are no material changes to these grant’s terms, purpose, or funding level. This recommendation will establish appropriations of \$1,300,000 in the District Attorney’s Office, Salaries & Benefits (\$620,000) and Services & Supplies (\$680,000), to support provisional help and operational costs based on the State of California, Department of Insurance (\$1,000,000) and Department of Justice, Bureau of Justice Assistance (\$100,000), and Office on Violence Against Women (\$200,000).

Recommendation 6

On August 30, 2022, the Board authorized the adoption of a property tax exchange resolution relating to the reorganization of County Service Area 69 (CSA 69) with Lakeside Fire Protection District (FPD) and the City of Santee. On October 3, 2022, the Local Agency Formation Commission (LAFCO) proposed the reorganization of CSA 69 and the transfer of emergency medical services from CSA 69 to Lakeside FPD and the City of Santee. On December 20, 2022, the City of Santee, Lakeside FPD, and County Fire signed an agreement for the transfer of property tax and other funds. On January 26, 2023, LAFCO recorded the Certificate of Completion for the CSA 69 reorganization. This request will establish appropriations of \$500,000 in County Service Area 69 to transfer fund balance to City of Santee and Lakeside FPD.

Recommendation 7

This recommendation will establish appropriations of \$215,000 in the Courthouse Construction Special Revenue Fund based on fines, forfeitures and penalties that were collected after the final debt service payment for the Hall of Justice. According to Government Code section 70402(a), these funds can only be used for the Hall of Justice debt service, and any remaining funds must be transferred to the State.

Recommendation 8

Increase the Public Defender’s budget by \$168,509 to support its Holistic Service Unit by embedding contracted services for one psychologist within the unit. The psychologist will provide integrated behavioral health services for clients experiencing mental health disorders by working collaboratively with attorneys, investigators, social workers, and substance abuse assessors to provide clinical evaluation, ongoing treatment recommendations, consultation and attorney training; the funding source is a State grant awarded by the Office of the State Public Defender on December 18, 2025.

Recommendation 9

This recommendation will establish appropriations of \$34,797 in the Permanent Road Division (PRD) No. 105 – Alta Loma Drive for road resurfacing maintenance. This is due to an increase in the estimated road project costs for a slurry project within the PRD. The project remained open for

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one year following its completion to allow staff to review the project work to determine if changes are needed. Once verification was finalized, the project reconciliation and closure process initiated in Fiscal Year 2025-26. The funding source is available prior year fund balance within Permanent Road Division No. 105 – Alta Loma Drive. The total project cost is \$125,000 and the project was completed in July 2024.

Recommendation 10

This recommendation will establish appropriations of \$44,751 in the Department of Public Works (DPW) Permanent Road Division (PRD) No. 105A – Zone A Alta Loma Drive for road resurfacing maintenance. This is due to an increase in the estimated road project costs for a slurry project within the PRD. The project remained open for one year following its completion to allow staff to review the project work to determine if changes are needed. Once verification was finalized, the project reconciliation and closure process initiated in Fiscal Year 2025-26. The funding source is available prior year fund balance within Permanent Road Division No. 105A – Zone A Alta Loma Drive. The total project cost is \$145,000 and the project was completed in July 2024.

Recommendation 11

This recommendation will establish appropriations of \$1,506,118 in the Department of Public Works Road Fund to fund the construction for the Rainbow Water Quality Improvement Project. The funding will cover costs to ensure timely completion for this stormwater compliance project. Cost overruns, including construction engineer inspections and contract management support, were higher than anticipated during this year’s Operational Plan development. The funding source is available prior year General Fund fund balance allocated for planning future stormwater capital projects. The total estimated project is \$16,914,000 and is anticipated to be completed by September 2026.

Recommendation 12

This recommendation will establish appropriations of \$1,157,975 in the Department of Public Works Road Fund to fund the construction for South Mission Road North Project 1. This is an Infrastructure project with Public Works for their Green Streets program. The location of South Mission Road was identified as a top candidate for ARPA funding to reduce pollutants in stormwater. This request will establish appropriations to ensure funding is available for project completion which includes construction engineering inspection and materials laboratory tests associated with the construction of the project. The Board approved an ARPA allocation for Green Streets Infrastructure projects in 2021. To meet the ARPA spending timeline, a smaller portion of an existing Green Streets project was identified. The funding source is available prior year General Fund fund balance allocated for planning future stormwater capital projects. The total estimated project cost is \$4,157,975 and is anticipated to be completed by June 2027.

Recommendation 13

SUBJECT: FISCAL YEAR 2025-26 THIRD QUARTER OPERATIONAL PLAN STATUS REPORT, BUDGET ADJUSTMENTS, AND AUTHORITY TO EXECUTE A GRANT AGREEMENT WITH FEEDING SAN DIEGO (DISTRICTS: ALL)

On June 3, 2025 (22), the Board adopted a resolution approving the issuance and sale of the 2025 Tax and Revenue Anticipation Notes (TRANs) in an aggregate principal amount not to exceed \$200,000,000 to address short-term cash flow requirements in the current fiscal year. TRANs reflects the County's issuance of short-term debt, which is payable within the same fiscal year. In July 2025, the County issued \$200,000,000 in TRANs, and throughout this fiscal year has prudently invested the TRANs proceeds in accordance with approved investment policy and applicable legal guidelines, generating interest earnings. The total obligation payment for the TRANs issuance is \$9,858,888. At the time the TRANs was approved, it was estimated that \$2,700,000 of the obligation payment would be based on General Purpose Revenue, which was included in the Fiscal Year 2025-26 Operational Plan, and \$7,158,888 of interest earnings would be credited toward the remaining balance.

Since then, the County has determined that the full \$9,858,888 obligation payment, including the \$7,158,888 of interest earnings, must be appropriated and recorded for compliance with financial reporting requirements. The request today is to establish appropriations of \$7,158,888 in Finance Other based on interest earnings to allow proper recording of the TRANs obligation payment.

Recommendation 14

The County Technology Office (CTO) is requiring all applications to be moved from the physical data centers to cloud-based platforms to facilitate the procurement and implementation of the new information and telecommunications (IT&T) contract. The new IT&T contract will provide stable and secure operations, continuous improvement, innovation and modernization, and cost optimization. One of the cost avoidance measures under the new IT&T contract will be moving away from the cost of leasing physical data centers and transitioning to available cloud-based solutions and platforms.

The Treasurer-Tax Collector's (TTC) Office has multiple critical systems used for property tax collection, cashiering, mail remittance, and property tax refund that need to be migrated out of the physical data centers. Due to updated projections, TTC was able to identify existing program revenues, including over-realized Property Tax System Administration and Banking Pool revenues to cover the cost of these projects in the current fiscal year. This recommendation will establish one-time appropriations of \$1,600,000 based on Property Tax System Administration (\$1,300,000) and Banking Pool (\$300,000) revenues to complete the decommission of the physical data center prior to the implementation of the new IT&T contract.

Recommendation 15

This recommendation establishes appropriations totaling \$8,285 in the Community Enhancement Program budget Org 12900 (\$4,930 for District 3, \$3,302 for District 4, and \$53 for District 5) based on unused portions of prior year grant allocations that were returned in the current fiscal year. This will allow the recently returned funds to be allocated to other projects.

SUBJECT: FISCAL YEAR 2025-26 THIRD QUARTER OPERATIONAL PLAN STATUS REPORT, BUDGET ADJUSTMENTS, AND AUTHORITY TO EXECUTE A GRANT AGREEMENT WITH FEEDING SAN DIEGO (DISTRICTS: ALL)

This recommendation establishes appropriations totaling \$65,164 in the Neighborhood Reinvestment Program budget (\$98 for District 1 Org 15650, \$22,805 for District 2 Org 15655, \$9,589 for District 3 Org 15660, \$28,344 for District 4 Org 15665 and \$4,328 for District 5 Org 15670) based on unused portions of prior year allocations that were returned in the current fiscal year. This will allow the recently returned funds to be allocated to other projects.

Recommendation 16

This recommendation will result in a net increase of appropriation in the Major Maintenance Capital Outlay Fund (MMCOF) of \$8,425,399, which is supported by existing department budgets. Board Policy B-37, Use of Capital Program Funds, notes that on occasion, due to the nature of major maintenance projects, these projects may be reclassified as an operating or capital expense based on financial reporting requirements. Pursuant to Board Policy B-37, to ensure accuracy in financial reporting, the Chief Financial Officer shall make required adjustments to departmental operating budgets and within the MMCOF or the Major Maintenance Internal Service Fund. 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.

Recommendation 17

This recommendation will allow for a technical adjustment to transfer funding from Finance Other to the Multiple Species Conservation Plan (MSCP) Acquisition Fund for the purchase of Iron Mountain County Preserve. Capital project funding must be maintained separately in alignment to meet the criteria for capitalization. Funds were allocated by the Board of Supervisors for MSCP acquisition on March 3, 2026 (13) from Unlocked Reserves in the amount of \$2,000,000. This action will establish those funds within the appropriate capital fund to facilitate the land purchase.

**Transfers Within Budgetary Funds and/or Cancellation of Appropriations
(Recommendations 18 through 21):**

Recommendation 18

On March 3, 2026 (13), the Board approved the use of \$2,500,000 of Unlocked Reserves to fund the construction of temporary pipe extension at Saturn Boulevard. This recommendation will transfer project costs from the Department of Parks and Recreation to the Department of Public Works for the temporary pipe extension at Saturn Boulevard. After the Second Quarter adjustment, it was determined that DPW is the appropriate lead department due to the project's scope, technical requirements, and construction activities which align directly with DPW's operational responsibilities and expertise. DPR led the preliminary planning for this project. As part of the next phase, work will involve complex infrastructure and engineering elements beyond DPR's functions, prompting the need to realign the project budget with the department that will execute the work. The project will address a part of the Tijuana River sewage crisis including Saturn Boulevard infrastructure. The temporary pipe extension is necessary due to the immediate need to

SUBJECT: FISCAL YEAR 2025-26 THIRD QUARTER OPERATIONAL PLAN STATUS REPORT, BUDGET ADJUSTMENTS, AND AUTHORITY TO EXECUTE A GRANT AGREEMENT WITH FEEDING SAN DIEGO (DISTRICTS: ALL)

alleviate the flows that result in aerosolization of toxic chemicals at the Saturn Boulevard Hotspot.

Recommendation 19

On March 3, 2026 (13), the Board approved the use of \$12,000,000 of Unlocked Reserves to support one-time costs for the County’s property tax systems. These funds will support projects to replace legacy systems used by the Assessor’s Office to mitigate risks associated with outdated IT architecture and to move the systems out of the physical data centers, while allowing research and development on future system improvements and enhancements to continue. Projects include the migration of Mainframe and AS/400 to Mainframe-as-a-Service (MFaaS), migration of Microsoft Access Databases from the Tulsa Datacenter to Amazon Web Services (AWS), decommissioning of SharePoint 2013 servers, and the replacement of ApplicationXtender. Since these projects are centered around applications belonging to the Assessor/Recorder/County Clerk (ARCC), it is recommended that the appropriations be transferred from Finance Other to ARCC where these one-time costs should be recorded.

Recommendation 20

This recommendation will transfer appropriations of \$217,260 from Finance Other to the Department of Parks and Recreation for one-time start-up costs, including purchases of minor equipment, tools, and fleet units for the new Bonsall Community Park facility. Funding for these start-up costs is available from savings in prior year projects in other LUEG departments that were initially funded by one-time use of General Purpose Revenue, including the completed Stormwater Capital Planning project (\$14,000) and Total Maximum Daily Load (TMDL) Monitoring Reporting project (\$7,664). Additional available funding includes the Climate Action Plan (CAP) Bike Lanes project (\$195,596), for which the Department of Public Works will seek alternative funding sources such as grants.

Recommendation 21

By the end of Fiscal Year 2025-26, a total of 3 capital projects are anticipated to be completed and eventually closed and capitalized. These projects are listed in Schedule C. Appropriations of up to \$3,488,656.08 related to these projects will be completed, all of which are in the Capital Outlay Fund. At the end of the fiscal year, remaining appropriations will be cancelled along with the revenue related to the respective appropriations and returned in accordance with Board Policy B-37, Use of the Capital Outlay Funds, to the original funding sources which include, General Purpose Revenue (\$35,684.08) and U.S. Environmental Protection Agency grant (\$3,452,972.00). Capital Project #1025467 Tijuana River Valley Smuggler’s Gulch Dredging was funded by General Purpose Revenue (\$2,867.26) and grant funds from the U.S. Environmental Protection Agency (\$3,452,972.00). For this capital project, the Auditor and Controller’s office determined that the costs are not capitalizable. The project will be cancelled in the Capital Outlay Fund and established in The Department of Parks and Recreation General Fund in the 2026-28 CAO Recommended Operational Plan.

SUBJECT: FISCAL YEAR 2025-26 THIRD QUARTER OPERATIONAL PLAN STATUS REPORT, BUDGET ADJUSTMENTS, AND AUTHORITY TO EXECUTE A GRANT AGREEMENT WITH FEEDING SAN DIEGO (DISTRICTS: ALL)

**Recommendation on use of Unlocked Reserves based on advice and guidance of the Ad Hoc Subcommittee on Sustainable Fiscal Planning
(Recommendations 22 through 23):**

Recommendation 22

On September 9, 2025 (23), the Board adopted updates to the San Diego County Administrative Code relating to General Fund Balances and Reserves. These changes were designed to implement one-time resources to mitigate potential current and future budget impacts. The Board directed the Chief Administrative Officer (CAO) to create a proposed framework for use of these resources, known as Unlocked Reserves. The Administrative Code limits how much of the Unlocked Reserves can be used in a single fiscal year to 25% of the total amount determined at the time the Unlocked Reserves were established, which was \$381,684,964.

On January 28, 2026 (21), the Board further directed the CAO to develop proposals for the use of Unlocked Reserves in FY 2025–26, in coordination with and with the advice and guidance of the Ad Hoc Subcommittee on Sustainable Fiscal Planning. This recommendation implements that direction by proposing appropriations of \$23,222,944 for expanded funding of the Innovative Housing Trust Fund (\$22,222,944) to Housing and Community Development Services and for Feeding San Diego (\$1,000,000) to support hunger-relief efforts in San Diego County to Self-Sufficiency Services; these appropriations are supported by Unlocked Reserves. This recommendation will result in a remaining balance of Unlocked Reserves in FY 2025-26 of \$1,800,000.

This recommendation will transfer and use existing appropriations that are not planned to be used in FY 2025-26, based on operational savings in Behavioral Health Services and have no impact on services or the General Fund. The use of Unlocked Reserves is consistent with San Diego County Administrative Code Section 113.1 and addresses time-sensitive operational needs while advancing Board priorities.

Recommendation 23

This recommendation is to find that the Feeding San Diego grant to support hunger-relief efforts in San Diego is necessary to meet the social needs of the population. In accordance with Government Code section 26227, hunger-relief efforts are necessary to meet the needs of the County’s population in the areas of health and welfare.

This recommendation also authorized the Chief Administrative Officer, upon successful negotiation, to execute the grant agreement with Feeding San Diego to support their hunger relief efforts in an amount not to exceed \$1,000,000.

SUBJECT: FISCAL YEAR 2025-26 THIRD QUARTER OPERATIONAL PLAN STATUS REPORT, BUDGET ADJUSTMENTS, AND AUTHORITY TO EXECUTE A GRANT AGREEMENT WITH FEEDING SAN DIEGO (DISTRICTS: ALL)

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the Strategic Initiatives of Sustainability, Equity, Empower, Community and Justice in the County of San Diego's (County) 2026-2031 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Ebony N. Shelton', followed by the word 'FOR' in blue capital letters.

EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

Note: Due to the size of the attachments, the documents are available online through the Clerk of the Board's website at www.sandiegocounty.gov/content/sdc/cob/bosa.html

Schedules A and B

Notes to Schedules A and B

Notes to the General Fund Variances

Schedule C: Capital Projects for Completion & Cancellation

Appendix D: MMCOF Adjustments

**FY 2025-26 3rd Quarter
Projected Year-End Results
(in thousands)**

COUNTY SUMMARY

	Expenditure Variance	Revenue Variance	3rd Quarter FY25-26 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)			
General Fund				
Public Safety	\$ 11,295	\$ (30,487)	\$ (19,192)	-0.7%
Health & Human Services Agency	81,130	(78,842)	2,288	0.1%
Land Use & Environment	14,083	(10,779)	3,304	0.7%
Finance & General Government	20,018	(17,525)	2,493	0.5%
Total Agency/Group	126,525	(137,633)	(11,108)	-0.2%
General Purpose Revenue	0	31,484	31,484	1.5%
Finance Other	4,220	596	4,815	0.8%
Total General Fund	\$ 130,745	\$ (105,553)	\$ 25,192	0.3%
Non-General Funds:				
Special Revenue Funds				
Public Safety	\$ 1,816	\$ 3,222	\$ 5,038	1.1%
Health & Human Services Agency	10,000	(10,000)	0	0.0%
Land Use & Environment	31,246	(15,078)	16,168	2.7%
Total Special Revenue Funds	\$ 43,061	\$ (21,855)	\$ 21,206	1.9%
Capital Program				
Finance Other	\$ 4,000	\$ (3,651)	\$ 349	0.1%
Internal Service Funds Departments				
Land Use & Environment	\$ 7,019	\$ (1,834)	\$ 5,185	12.3%
Finance & General Government	31,120	(25,325)	5,795	0.8%
Finance Other	12,872	(5,970)	6,903	4.1%
Total Internal Service Funds	\$ 51,011	\$ (33,129)	\$ 17,883	2.0%
Enterprise Fund Departments				
Public Safety Group	\$ 282	\$ 2	\$ 283	3.2%
Land Use & Environment	4,611	(374)	4,236	7.3%
Total Enterprise Funds	\$ 4,892	\$ (373)	\$ 4,520	6.7%
Special District Funds Departments				
Public Safety Group	\$ 5	\$ 2,168	\$ 2,172	3.4%
Land Use & Environment	11,242	3,455	14,697	10.6%
Total Special District Funds	\$ 11,247	\$ 5,623	\$ 16,870	8.3%
Other County Funds Departments				
FGG - Red./Redev. Successor Agency	\$ 0	\$ 62	\$ 62	0.7%
HHS - Housing & Community Development	0	0	0	0.0%
Total Other County Funds	\$ 0	\$ 62	\$ 62	0.7%
Debt Service - Pension Obligation Bonds	\$ 40	\$ 348	\$ 388	0.5%
Total Non-General Fund	\$ 114,252	\$ (52,974)	\$ 61,278	2.0%
Total County Year-End Operating Balance	\$ 244,997	\$ (158,527)	\$ 86,470	0.8%

**FY 2025-26 3rd Quarter
Projected Year-End Results
(in thousands)**

Schedule A

PUBLIC SAFETY GROUP

Expenditure Variance	Revenue Variance	3rd Quarter FY25-26 Projected Fund Balance	% of Proj FB to Budget
Favorable/(Unfavorable)			

General Fund Departments

Animal Services	\$ 343	\$ (311)	\$ 32	0.3%
Child Support	1,323	(583)	740	1.3%
District Attorney	-	0	-	0.0%
Emergency Services	52	(51)	1	0.0%
Medical Examiner	650	(453)	197	0.8%
Probation	5,748	(5,742)	6	0.0%
Public Defender	900	(784)	116	0.1%
Public Safety Executive Office	1,774	(1,509)	265	0.3%
San Diego County Fire	504	(500)	4	0.0%
Sheriff	(0)	(20,553)	(20,553)	-1.4%
Total General Fund	\$ 11,295	\$ (30,487)	\$ (19,192)	-0.7%

Special Revenue Funds Departments

District Attorney (Asset Forfeiture - State & Federal)	\$ 0	\$ 0	\$ 0	0.0%
Probation - Asset Forfeiture	0	0	0	0.0%
Probation - Incarcerated Peoples' Welfare Program	0	0	0	0.0%
Sheriff - Asset Forfeiture	50	2,903	2,953	42.3%
Sheriff - Incarcerated Peoples' Welfare Program	1,766	2	1,767	20.3%
Criminal Justice Facility	0	0	0	0.0%
Courthouse	0	0	0	0.0%
Penalty Assessment	0	0	0	0.0%
Public Safety - Proposition 172	0	318	318	0.1%
Total Special Revenue Funds	\$ 1,816	\$ 3,222	\$ 5,038	1.1%

Enterprise Funds

Jail Commissary Enterprise Fund	\$ 282	\$ 2	\$ 283	3.2%
Total Enterprise Funds	\$ 282	\$ 2	\$ 283	3.2%

Special District Funds

Sheriff (Regional 800 MHz)	\$ 4	\$ 1	\$ 5	1.9%
County Service Areas	1	800	801	2.8%
Community Facilities Districts	-	-	-	0.0%
County Service Areas 17 & 69	0	1,367	1,367	4.1%
Total Special District Funds	\$ 5	\$ 2,168	\$ 2,172	3.4%

Total Public Safety Group

\$ 13,397	\$ (25,095)	\$ (11,698)	-0.4%
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Numbers may not total due to rounding.

**FY 2025-26 3rd Quarter
Projected Year-End Results
(in thousands)**

Schedule A

HEALTH & HUMAN SERVICES AGENCY

	Expenditure Variance	Revenue Variance	3rd Quarter FY25-26 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)			
General Fund Programs				
Administrative Support	\$ 2,170	\$ (2,170)	\$ 0	0.0%
Aging & Independence Services	0	(3,947)	(3,947)	-1.3%
Behavioral Health Services	55,563	(55,563)	(0)	0.0%
Child and Family Well-Being	(0)	0	0	0.0%
Public Health Services	6,039	(6,039)	(0)	0.0%
Regional Operations	-	0	-	—
Self-Sufficiency Services	3,636	2,586	6,221	0.7%
Medical Care Services	-	0	-	—
Housing & Community Development Services	13,722	(13,709)	13	0.0%
Homeless Solutions and Equitable Communities	-	0	-	—
Total General Fund	\$ 81,130	\$ (78,842)	\$ 2,288	0.1%
Special Revenue Funds				
Tobacco Securitization Fund	\$ 10,000	\$ (10,000)	\$ 0	0.0%
Total Special Revenue Funds	\$ 10,000	\$ (10,000)	\$ 0	0.0%
Other County Funds Departments				
Housing & Community Development	\$ 0	\$ 0	\$ 0	0.0%
Total Other County Funds Departments	\$ 0	\$ 0	\$ 0	0.0%
Total Health & Human Services Agency	\$ 91,130	\$ (88,842)	\$ 2,288	0.1%

**FY 2025-26 3rd Quarter
Projected Year-End Results
(in thousands)**

Schedule A

LAND USE & ENVIRONMENT GROUP

	Expenditure Variance	Revenue Variance	3rd Quarter FY25-26 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)			
General Fund Departments				
Agriculture, Weights & Measures	\$ 276	\$ (265)	\$ 11	0.0%
Department of Environmental Health and Quality	4,344	(2,008)	2,336	3.2%
Land Use & Environment Group Exec Office	150	0	150	0.6%
Parks & Recreation	0	0	0	0.0%
Planning & Development Services	6,238	(6,233)	4	0.0%
Public Works	3,075	(2,273)	803	0.9%
Total General Fund	\$ 14,083	\$ (10,779)	\$ 3,304	0.7%
Special Revenue Funds/Departments				
Parks & Recreation (Grazing and Fish & Game Commission)	\$ 0	\$ 0	\$ 0	0.0%
Parks & Recreation - PLDO	0	2,104	2,104	19.7%
DPW - Aviation Funds	0	0	0	0.0%
DPW - Road Fund	27,621	(17,066)	10,555	2.1%
DPW - Survey Monument Preservation	75	(75)	0	0.0%
DPW - Inactive Waste	894	(712)	181	2.2%
DPW - Waste Planning and Recycling	1,275	274	1,550	19.7%
Library Services	1,380	398	1,778	2.3%
Total Special Revenue Funds	\$ 31,246	\$ (15,078)	\$ 16,168	2.7%
Internal Service Funds				
Public Works - DPW Equip. ISF Prg. (35525-35700)	\$ 7,019	\$ (1,834)	\$ 5,185	12.3%
Total Internal Service Funds	\$ 7,019	\$ (1,834)	\$ 5,185	12.3%
Enterprise Funds				
Airport Enterprise Fund	\$ 3,363	\$ 110	\$ 3,473	7.3%
Wastewater Management Enterprise Fund	1,248	(484)	763	7.0%
Total Enterprise Funds:	\$ 4,611	\$ (374)	\$ 4,236	7.3%
Special District Funds/Departments				
Parks and Recreation	\$ (0)	\$ 52	\$ 52	0.9%
Parks - Community Facilities Districts	(0)	149	149	6.1%
DPW - SD County Sanitation Districts	3,809	825	4,634	4.7%
DPW - CSAs	215	17	232	31.6%
DPW - PRDs	6,160	178	6,338	69.2%
DPW - Community Facilities Districts	282	20	302	22.6%
DPW - Flood Control	0	2,150	2,150	12.7%
DPW - Street Lighting District	777	63	840	27.7%
Total Special Districts Funds:	\$ 11,242	\$ 3,455	\$ 14,697	10.6%
Total Land Use & Environment Group	\$ 68,200	\$ (24,609)	\$ 43,591	3.4%

**FY 2025-26 3rd Quarter
Projected Year-End Results
(in thousands)**

Schedule A

**FINANCE & GENERAL
GOVERNMENT GROUP**

	Expenditure Variance	Revenue Variance	3rd Quarter FY25-26 Projected Fund Balance	% of Proj FB to Budget
	Favorable/(Unfavorable)			

General Fund Departments

Law Enforcement Review Board	\$ 269	\$ 7	\$ 276	10.1%
Assessor/Recorder/County Clerk	5,908	(5,908)	(0)	0.0%
Auditor & Controller	0	430	430	0.8%
Board of Supervisors	45	0	45	0.2%
Chief Administrative Office	169	(169)	0	0.0%
Civil Service Commission	5	0	5	0.7%
Clerk of the Board of Supervisors	216	44	259	4.2%
County Communications Office	61	0	62	0.7%
County Counsel	971	(51)	920	1.8%
County Technology Office	0	0	0	0.0%
Finance & GG Exec Office	268	(205)	63	0.1%
General Services	331	0	331	7.1%
Grand Jury	21	0	21	2.6%
Human Resources	1,093	(1,641)	(548)	-1.5%
Purchasing & Contracting	0	0	0	—
Registrar of Voters	10,662	(10,093)	568	1.0%
Treasurer-Tax Collector	0	60.8	61	0.2%
Total General Fund	\$ 20,018	\$ (17,525)	\$ 2,493	0.5%

Internal Service Funds Departments

CTO - Information Technology	\$ 0	\$ 0	\$ 0	0.0%
Facilities Management	24,041	(23,110)	931	0.4%
Major Maintenance ISF	0	(0)	0	0.0%
Fleet Management	6,445	(1,717)	4,728	4.0%
Purchasing & Contracting	634	(498)	136	0.6%
Total Internal Service Funds	\$ 31,120	\$ (25,325)	\$ 5,795	0.8%

Other County Funds Departments

Red. Agency/Redevelopment Successor /	\$ 0	\$ 62	\$ 62	0.7%
Total Other County Funds Departments	\$ 0	\$ 62	\$ 62	0.7%

**Total Finance & General
Government Group**

	\$ 51,137	\$ (42,788)	\$ 8,349	0.7%
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**FY 2025-26 3rd Quarter
Projected Year-End Results
(in thousands)**

Schedule A

**GENERAL PURPOSE REVENUE &
FINANCE OTHER**

Expenditure Variance	Revenue Variance	3rd Quarter FY25-26 Projected Fund Balance	% of Proj FB to Budget
Favorable/(Unfavorable)			

General Fund

General Purpose Revenue:

All Current Property Taxes	\$ 0	\$ (3,269)	\$ (3,269)	-0.3%
All Other Taxes-Local	0	23,623	23,623	3.1%
Licenses, Permits & Franchises	0	(63)	(63)	-1.8%
Fines, Forfeitures & Penalties	0	(398)	(398)	-1.6%
Revenue for Use of Money & Property	0	3,023	3,023	5.6%
Intergovernmental Revenue	0	5,576	5,576	2.6%
Charges for Current Services	0	1,705	1,705	81.2%
Miscellaneous Revenue	0	1,286	1,286	64.3%

Total General Purpose Revenue

\$ 0	\$ 31,484	\$ 31,484	1.5%
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General County Expenses:

Cash Borrowing Program	\$ 0	\$ 2,415	\$ 2,415	89.4%
Community Enhancement	0	0	0	0.0%
Contribution to County Library	0	0	0	—
Contributions to the Capital Outlay Fund	24	0	24	0.0%
Lease Payments - Bonds	762	45	806	3.4%
Local Agency Formation Comm Admin	28	0	28	4.1%
Neighborhood Reinvestment Program	0	0	0	0.0%
Appropriation for Contingencies	0	0	0	—
Countywide Expenses	3,406	(1,864)	1,542	0.6%

Total Finance Other Expenses

4,220	596	4,815	0.8%
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Total General Fund

\$ 4,220	\$ 32,080	\$ 36,300	6.2%
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Capital Program Funds

Capital Program	\$ 4,000	\$ (3,651)	\$ 349	0.1%
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Total Capital Program Funds

\$ 4,000	\$ (3,651)	\$ 349	0.1%
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Internal Service Funds Departments

Workers Compensation	\$ 1,848	\$ 47	\$ 1,895	3.0%
Unemployment Insurance	0	0	0	0.0%
Insurance ISF	11,025	(6,753)	4,272	28.6%
Public Liability	0	736	736	0.8%

Total ISF Funds

\$ 12,872	\$ (5,970)	\$ 6,903	4.1%
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Debt Service Funds Departments

Pension Obligation Bonds	\$ 40	\$ 348	\$ 388	0.5%
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Total Debt Service Funds

\$ 40	\$ 348	\$ 388	0.5%
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Total General Purpose Revenue & Finance

Other

\$ 21,132	\$ 22,808	\$ 43,940	3.0%
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**FY 2025-26 3rd Quarter
Projected Year-End Results
(in thousands)**

Category	Projected Appropriation for Contingencies	Projected Operating Balances	3rd Quarter FY25-26 Projected Fund Balance
	Favorable/(Unfavorable)		
General Fund			
Public Safety	\$ 0	\$ (19,192)	\$ (19,192)
Health and Human Services Agency	0	2,288	2,288
Land Use and Environment	0	3,304	3,304
Finance & General Government	0	2,493	2,493
Agency/Group Totals	\$ 0	\$ (11,108)	\$ (11,108)
General Purpose Revenue	\$ 0	\$ 31,484	\$ 31,484
General County Expenses	0	4,815	4,815
Appropriation for Contingencies	0	0	0
Total General Purpose Revenue & General County Expense	\$ 0	\$ 36,300	\$ 36,300
Total General Fund	\$ 0	\$ 25,192	\$ 25,192

**COUNTY OF SAN DIEGO
NOTES TO SCHEDULES A and B
Fiscal Year 2025-26 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 and assigned (Unrestricted) General Fund fund balance, County business groups may establish Management Reserves. Management Reserves are appropriations that are established at the group or department level for unanticipated needs or planned future one-time expenses. Schedule B shows a summary of the General Fund's projected fund balance by group/agency that distinguishes between projected management reserve balances and operating balances. No Management Reserves were budgeted in Fiscal Year 2025-26.

Variance Reporting

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

3rd Quarter Operational Fund Balance for Fiscal Year 2025-26

Schedule A summarizes the County's Fiscal Year 2025-26 operational results, measured by fund balance from current year operations, excluding anticipated designation of fund balance (restricted, committed, assigned) or final adjustments to take place in the annual comprehensive financial report (ACFR). Projected fund balance for the General Fund is \$25.2 million, and for all budgetary funds combined is projected to be \$86.5 million. In the General Fund, all business groups are projected to produce operating balances except for the Public Safety Group as follows: Land Use and Environment Group (\$3.3 million), Finance and General Government Group (\$2.5 million), Health and Human Services Agency (\$2.2 million) and Finance Other (\$36.3 million), offset by a negative fund balance in the Public Safety Group (\$19.2 million).

The balance for all other funds combined are projected to be \$61.2 million and consist of positive fund balances in Special Revenue Funds (\$21.2 million), Internal Service Funds (\$17.9 million), Special District Funds (\$16.9 million), Enterprise Funds (\$4.5 million),

Debt Service – Pension Obligation Bond (\$0.4 million), and Capital Program (\$0.3 million).

PUBLIC SAFETY GROUP

The Public Safety Group is projecting a negative overall variance of \$11.7 million, of which \$19.2 million is tied to negative variance in the General Fund and \$7.5 million is tied to positive variances in all other funds combined. The details of these variances are noted below.

General Fund

Child Support Services

A positive variance of \$0.7 million is projected for the Department of Child Support Services.

A positive expenditure variance of \$1.3 million is projected. A positive variance of \$0.8 million in Salaries & Benefits is due to vacant and modified positions, \$1.2 million in Services & Supplies is due to lower expenses related to information technology and contracted services, and \$0.1 million in Capital Assets/Land Acquisition due to the reclassification of a facility project cost to Minor Equipment, offset by a negative variance of \$0.8 million in Expenditure Transfer & Reimbursements due to lower than anticipated expenditures in the Bureau of Public Assistance Investigations for cost of staffing and services reimbursed by Health and Human Services Agency.

A negative revenue variance of \$0.6 million is projected. A negative variance of \$0.5 million in Intergovernmental Revenues is due to lower than anticipated State and federal reimbursement revenue related to the expenditure savings mentioned above, and a negative variance of \$0.1 million in Charges For Current Services due to lower incentive payments from the California Department of Child Support Services.

Medical Examiner

A positive variance of \$0.2 million is projected for the Medical Examiner.

A positive expenditure variance of \$0.6 million is projected. A positive variance of \$0.3 million in Salaries & Benefits is due to vacant positions. A positive variance of \$0.3 million in Services & Supplies due to lower than anticipated facility management costs and consultant services related to the toxicology laboratory.

A negative revenue variance of \$0.4 million is projected. A negative variance of \$0.3 million in Intergovernmental Revenues is due to lower than anticipated costs as mentioned above funded by the California Highway Patrol Cannabis Tax Fund Grant Program. A negative variance of \$0.1 million in Miscellaneous Revenues is due to lower than anticipated Salaries & Benefits reimbursements from Opioid Settlement Funds.

Probation

No significant variance is projected for the Probation Department.

A positive expenditure variance of \$5.7 million is projected. A positive variance of \$5.8 million in Services & Supplies is due to lower than anticipated costs related to interim housing and residential treatment programs as a result of less referrals and a temporary reduction in the number of providers, offset by a negative variance of \$0.1 million in Expenditure Transfer & Reimbursements due to a reduction in the agreement for services provided to Health & Human Services Agency.

A negative revenue variance of \$5.7 million is projected. A negative variance of \$5.9 million in Intergovernmental Revenues is due to lower contracted services mentioned above funded by Community Corrections Subaccount, Pretrial Services and Community Corrections Performance Incentives Act partially offset by a positive variance of \$0.2 million in Charges For Current Services related to the Work Furlough program expenditures.

Public Defender

A positive variance of \$0.1 million is projected for the Public Defender.

A positive expenditure variance of \$0.9 million is projected. A positive variance of \$0.2 million in Salaries & Benefits is primarily due to vacant and modified positions, \$0.3 million in Services & Supplies due to lower than anticipated information technology Internal Service Fund costs, and \$0.4 million in Expenditure Transfer & Reimbursements due to the extension of the Memorandum of Understanding for staffing costs reimbursed by Health and Human Services Agency.

A negative revenue variance of \$0.8 million is projected in Intergovernmental Revenues primarily due to lower reimbursements for eligible expenditures from Community Assistance, Recovery, and Empowerment (CARE) Court (\$0.7 million) and in Edward Byrne Memorial Justice Assistance Grant (JAG) (\$0.7 million), partially offset by unanticipated reimbursements from prior years state mandated program, Sexually Violent Predators claims (\$0.6 million).

Public Safety Group Executive Office/Contribution for Trial Courts

A positive variance of \$0.3 million is projected for the Public Safety Group Executive Office including Contribution for Trial Courts.

Public Safety Executive Office

A positive variance of \$0.1 million is projected for the Public Safety Executive Office.

A positive expenditure variance of \$1.6 million is projected in Services & Supplies primarily due to revising the program structure of the resource and reentry hub.

A negative revenue variance of \$1.5 million is projected in Intergovernmental Revenues primarily due to lower than anticipated expenditures mentioned above funded by the Community Corrections Subaccount.

Contribution for Trial Courts

A positive variance of \$0.2 million is projected for Contribution for Trial Courts.

A positive expenditure variance of \$0.2 million is projected in Other Charges due to lower than anticipated Enhanced Collection costs.

No revenue variance is projected.

San Diego County Fire

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

A positive expenditure variance of \$0.5 million is projected in Services & Supplies due to lower than anticipated Home Hardening contracted services cost.

A negative revenue variance of \$0.5 million is projected in Intergovernmental Revenues due to lower than anticipated costs as mentioned above funded by the Hazard Mitigation grant.

Sheriff

An overall negative variance of \$20.5 million is projected for the Sheriff's Office.

No net expenditure variance is projected. Expenditure variances include:

- A negative variance of \$13.9 million in Salaries & Benefits is projected primarily due to a \$14.2 million increase in costs associated with an average daily population which has risen by approximately 300-500 incarcerated persons as a result of Proposition 36, *The Homelessness, Drug Addiction, and Theft Reduction Act* implementation (Prop 36), which is partially offset by a \$0.3 million positive variance for one-time overtime costs supported by grant revenues that will be deferred to the next fiscal year.
- A positive variance of \$31.8 million is projected in Services & Supplies due to \$18.0 million of mitigation strategies and cost reductions in various accounts including property insurance, software, safety devices, travel and training, uniform allowance, professional & specialized services, contracted services, fuel and facilities management costs, and cancelled and deferred major maintenance projects. The positive variance also includes \$18.5 million of one-time software, professional & specialized services, minor equipment, and major maintenance supported by grant revenues that will be deferred to the next fiscal

year. These are offset by \$4.7 million in higher than anticipated costs in replacement vehicle payments and cost of food.

- A negative variance of \$18.6 million is projected in Other Charges due to higher than anticipated costs for medical and mental health services contracts for the incarcerated population, including impacts due to Prop 36 implementation.
- A positive variance of \$0.5 million is projected in Capital Assets Software for one-time costs supported by grant revenues that will be deferred to the next fiscal year.
- A positive variance of \$0.1 million is projected in Capital Assets Equipment due to lower than anticipated expenditures for communication equipment.
- A positive variance of \$0.1 million is projected in Expenditure Transfer & Reimbursements associated with higher reimbursement for toxicology testing.

A net negative revenue variance of \$20.5 million is projected. Revenue variances include:

- A negative variance of \$17.7 million in Intergovernmental Revenues is projected due to \$20.5 million lower than anticipated costs for Community Corrections Subaccount, State and federal homeland security initiatives, Byrne Justice Assistance Grant, Community Project Funding, Domestic Cannabis Eradication and Suppression Program grants, and Medi-Cal Transformation PATH, which is offset by \$2.7 million higher than anticipated revenue from an agreement for Computer and Technology Crime High Tech Response Team (CATCH), revenue for State mandates, and a greater allocation of booking fees revenue due to the completion of debt service payments for justice facilities.
- A negative variance of \$3.9 million is projected in Fines, Forfeitures & Penalties due to lower than anticipated costs for the Cal-ID program.
- A negative variance of \$0.7 million is projected in Other Financing Sources due to a decrease in transfers from the Incarcerated Peoples' Welfare Fund and Jail Stores Enterprise Fund associated with vacant positions, and from the Asset Forfeiture Fund for lower than anticipated expenditures on investigative expenses.
- A negative variance of \$1.0 million in Charges For Current Services is from lower reimbursement for law enforcement services and contract cities due to vacancies, and from the Trial Court Security Subaccount, which is offset by jail bed leasing and other services to government revenues including prior year amounts owed.
- A positive variance of \$2.1 million in Miscellaneous Revenues due to an increase of \$3.4 million of Opioid Settlement Funds for medical costs associated with the Medication Assisted Treatment (MAT) program for the incarcerated population, which is offset by \$1.3 million lower than anticipated costs for the Regional Communications System program.
- A positive variance of \$0.7 million in Licenses Permits & Franchises is due to higher collections from license fees.

The Sheriff's Office has already started and continues to implement several mitigation actions to address the expected overage, including the reutilization and repurposing of existing positions for the highest of priorities; operational efficiencies including reducing overtime and temporary help when possible, limiting non-essential travel, training and recruiting events and contracts, exploring the elimination of phone lines and reducing radios in use, take home vehicles and vehicle idling to conserve fuel and maintenance; maximizing other resources including volunteer staff, pursuing grant funding and donations; deferring planned projects, repairs and purchases that have not yet started and cancelling encumbrances when possible, and exploring fees and revenues that can be increased. Discussions and further actions continue to be explored to minimize expenditures and maximize revenues between the Sheriff's Office, Public Safety Executive Office, and the Chief Financial Office.

Special Revenue Funds

Sheriff's Asset Forfeiture Program

A positive variance of \$3.0 million is projected in the Sheriff's Asset Forfeiture Program (US Department of Justice, US Treasury Department and State).

A positive expenditure variance of \$0.1 million is projected in Operating Transfers Out due to a decrease in expenditures to be reimbursed to the General Fund.

A positive revenue variance of \$2.9 million is projected. A positive variance of \$2.3 million in Intergovernmental Revenues is due to increased asset forfeiture from the US Department of Justice and US Treasury Department, \$0.4 million in Fines, Forfeitures & Penalties based on increased asset forfeiture from State seizures and \$0.2 million in Revenue From Use of Money & Property from higher interest earnings.

Sheriff's Incarcerated Peoples' Welfare Fund

A positive variance of \$1.8 million is projected in the Incarcerated Peoples' Welfare Fund.

A positive expenditure variance of \$1.8 million is projected. A positive variance of \$1.3 million is projected in Services & Supplies due to lower operational costs related to psychosocial services from changes in programming format, a shift of certain services to be provided under a different program outside the fund, and lower expenditures for transportation due to a shift in funding. A positive variance of \$0.1 million is projected in Capital Assets Equipment for lower costs associated with farm equipment used for educational programs. A positive variance of \$0.4 million is projected in Operating Transfers Out associated with vacant positions in the General Fund.

No significant revenue variance is projected.

Proposition 172

A positive variance of \$0.3 million is projected in Proposition 172 (Prop 172) Special Revenue Fund.

No expenditure variance is projected.

A positive revenue variance of \$0.3 million is projected in Intergovernmental Revenues due to lower than expected receipts in the current fiscal year (\$1.6 million) and an under-accrual in the prior year (\$1.9 million).

Special District Funds

San Diego County – Ambulance District

A positive variance of \$1.4 million is projected for San Diego County – Ambulance District.

No expenditure variance is projected.

A positive revenue variance of \$1.4 million is projected in Charges For Current Services due to higher than anticipated ambulance transport collections.

San Diego County Fire Protection District

A positive variance of \$0.8 million is projected for San Diego County Fire Protection District.

No expenditure variance is projected.

A positive revenue variance of \$0.8 million is projected in Charges For Current Services due to wildfire incident response reimbursements received through Assistance-by-Hire agreement.

HEALTH AND HUMAN SERVICES AGENCY (HHSA)

The Health and Human Services Agency is projecting a positive overall variance of \$2.3 million, tied to a positive variance in the General Fund. The details of these variance are noted below.

General Fund

Administrative Support

A zero overall variance is projected for Administrative Support.

A positive expenditure variance of \$2.2 million is projected and consists of a positive variance of \$3.2 million in Salaries and Benefits tied to vacant positions and attrition partially offset by a negative variance of \$1.0 million in Services and Supplies. The \$1.0 million in Services and Supplies is driven by higher than anticipated operating costs from the Facilities Internal Service Fund (ISF), including utilities, mailing and other facility-related costs, offset by lower than anticipated IT costs based on current spending trends.

A negative revenue variance of \$2.2 million is projected and includes negative variances of \$2.4 million in Intergovernmental Revenues primarily tied to realignment to align with spending and \$0.1 million in Charges for Current Services resulting from lower than anticipated Coast2coast claimable revenue partially offset by \$0.3 million positive variance in Miscellaneous Revenue associated with the additional Health Career Connection Grant.

Aging & Independence Services

An overall negative variance of \$4.0 million is projected for Aging & Independence Services (AIS).

A zero expenditure variance is projected and includes a negative variance of \$1.9 million in Salaries & Benefits due to a lower vacancy rate than budgeted, a positive variance of \$1.4 million in Services & Supplies, and a positive variance of \$0.5 million in Operating Transfers Out due to reduced funding needs for the In-Home Supportive Services (IHSS) Public Authority related to anticipated operational needs in the program with no impact to services. The positive variance of \$1.4 million in Services & Supplies is due to \$3.3 million in contracted services driven by deferred Modernization of Older Californians Act (MOCA) Nutrition activities that will be used in future years to meet increased demand for meals in the California Department of Aging (CDA) Older Californians Nutrition Program, helping reduce waitlists and maintain service levels for vulnerable older adults, the conclusion of Supplemental Nutrition Assistance Program Education (SNAP-Ed) funding, completion of one-time allocations, carryover encumbrances from prior years that are no longer needed, and lower participation in the Multipurpose Senior Services Program (MSSP); \$0.2 million in operating costs to align with current spending; and \$2.1 million projected amounts in Housing and Community Development Services (HCDS) to mitigate

the S&B and S&S negative variance. These are partially offset by negative variances of \$2.9 million from an adjustment to the IHSS Maintenance of Effort (MOE) resulting from an approved wage increase negotiated with the United Domestic Workers and \$1.3 million tied to increase in allocations for participants in the San Diego Veterans Independence Service at Any Age (SD-VISA) program. A negative variance of \$0.7 million would have been projected in Services & Supplies, but \$2.1 million is now projected in HCDS to utilize available appropriation capacity and maintain a zero overall expenditure variance for AIS, pending the transfer of appropriation.

A negative revenue variance of \$4.0 million is projected and includes a negative variance of \$5.7 million in Intergovernmental Revenues, positive variance of \$1.5 million in Miscellaneous Revenues mainly tied to the SD-VISA program and positive variance of \$0.2 million in Revenue from Use of Money & Property due to unanticipated revenue for Public Administrator and Public Guardian interest earned through the Treasury Office investment pool. The negative variance of \$5.7 million in Intergovernmental Revenues consists of negative variances of \$2.1 million associated with pending appropriation adjustments from HCDS to mitigate appropriation impacts, \$1.8 million tied to deferred funding for MOCA nutrition, \$1.2 million tied to lower participation than anticipated in the MSSP program, \$1.1 million due to the SNAP-Ed federal funding ending, and \$1.1 million to align budget with the completion of one-time, multi-year funding and carryover encumbrances from prior years that are no longer needed as mentioned above, partially offset by positive variances of \$1.1 million in additional CDA revenue mainly tied to a time extension for State General Fund nutrition program utilization, \$0.4 million primarily in social services administrative revenues to align with allocations and projected spending, and \$0.1 million from an augmentation in IHSS Public Authority administrative funding.

Behavioral Health Services

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

A zero overall variance is projected for BHS.

A positive expenditure variance of \$55.6 million is projected and includes a positive variance of \$59.1 million in Services & Supplies partially offset by a negative variance of \$0.7 million in Salaries & Benefits tied to overtime costs in Edgemoor Hospital and SDCPH and \$2.8 million negative variance in Expenditure Transfer & Reimbursements due to the conclusion of a Public Safety Group agreement, with efforts being redirected to support the Department of Health Care Services mandated outpatient treatment services under the Next Move Program. The positive variance of \$59.1 million in Services & Supplies is driven by operating costs primarily for the alignment of contracted services associated with a range of mental health and substance use disorder programs with anticipated spending by adjusting for contractor staffing vacancies and projected

utilization in residential bed days, offset by negative variances in one-time IT resource needs and temporary staffing costs at the SDCPH.

A negative revenue variance of \$55.6 million is projected and includes negative variances of \$46.0 million in Intergovernmental Revenues, \$1.6 million in Miscellaneous Revenues due to the recouplement of payments in contracted services from prior year adjustments and \$10.0 million in Securitized Tobacco tied to delays on Behavioral Health Workforce development that will be re-budgeted in FY 26-27, partially offset by \$1.1 million in Revenue From Use of Money & Property for interest posted and \$0.9 million in Charges for Current Services tied to an increase in Intergovernmental Transfer (IGT) revenue primarily due to a new rate increase in census enrollment days for Medi-Cal. The \$46.0 million negative variances in Intergovernmental Revenues include \$27.9 million in realignment revenue to align with spending, and \$18.1 million to align federal and State funding to anticipated billable service units and aligning grant funding with overall anticipated expenditures.

Child and Family Well Being

A zero overall variance is projected for Child and Family Well-Being (CFWB).

A zero expenditure variance is projected and includes a negative variance of \$5.2 million in Salaries & Benefits tied to a lower vacancy rate than budgeted as well as overtime costs, offset by positive variances of \$4.7 million in Services and Supplies primarily driven by projected amounts in Housing and Community Development Services (HCDS) to mitigate the S&B negative variance and lower than anticipated operating costs associated with travel, transportation and utilities ISFs, and \$0.5 million in Other Charges mainly to align with the revised projected caseloads in assistance programs. A positive variance of \$2.0 million would have shown in Services & Supplies but \$2.7 million is now projected in HCDS to utilize available appropriation capacity and maintain a zero overall expenditure variance for CFWB, pending the transfer of appropriation.

A zero revenue variance is projected and includes a zero variance in Intergovernmental Revenues which consists of negative variances of \$2.7 million associated with pending appropriation adjustments from HCDS to mitigate appropriation impacts offset by positive variances of \$2.3 million in State assistance payment revenues associated with revised caseload projections and \$0.4 million primarily in social services administrative revenues to align with anticipated federal and state funding and projected expenditures mentioned above.

Housing & Community Development Services

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

A zero overall variance is projected for HCDS.

A positive expenditure variance of \$13.7 million is projected and includes a positive variance of \$2.3 million in Salaries & Benefits due to attrition and vacant positions, a positive variance of \$13.5 million in Services & Supplies and a negative variance of \$2.1 million in Other Charges. The positive variance of \$13.5 million in Services & Supplies consists of \$12.5 million in No Place Like Home (NPLH) due to the grant being fully utilized and no further projects planned and \$5.8 million associated with the fully grant-funded carry forward prior year encumbrances that are no longer needed after aligning the expenditure with the current funding allocation, with no impact to service or to local funds. The operating variance is partially offset by \$4.8 million for projected expenditures tied to Aging & Independence Services (AIS) and Child and Family Well-Being (CFWB) to mitigate appropriation impacts which will be resolved with a budget transfer. The positive variance of \$2.1 million in Other charges is primarily due to \$1.5 million for the projected repayment of Emergency Rental Assistance Program (ERAP) funds to the Federal Treasury, resulting from ineligible awards identified by the County, \$0.4 million primarily in Housing Opportunities for Persons With AIDS (HOPWA) Tenant Based Rental Assistance (TBRA) with higher than anticipated expenditures due to program growth and rent increase in the region, and \$0.2 million in Community Development Block Grant (CDBG) Home Repair loans.

A negative revenue variance of \$13.7 million in Intergovernmental Revenue is projected due to unobligated NPLH projects, and prior year encumbrances, offset by increased revenue associated with HOPWA and CDBG, and \$4.8 million in funding associated with pending appropriations adjustments for AIS and CFWB, as noted above.

Public Health Services

A zero overall variance projected for Public Health Services (PHS).

A positive expenditure variance of \$6.0 million is projected and includes a positive variance of \$9.2 million in Salaries & Benefits due to vacancies, attrition and a reduced hiring activity in response to reductions in federal and State funding across multiple programs, a negative variance of \$2.2 million in Services & Supplies due to primarily due to the implementation of the Electronic Health Record system and IT projects required to bring legacy systems into compliance with updated policy and security standards, a negative variance of \$1.6 million in Other Charges primarily due to higher than anticipated transitory mandatory care needs in California Children's Services (CCS), a positive variance of \$0.5 million in Capital Assets Equipment primarily due to the termination of the mobile health lab contract and the elimination of planned equipment purchases for the lab due to the anticipated conclusion of the Epidemiology & Laboratory Capacity Enhancing Detection Expansion grant, and a positive variance of \$0.1 million in Expenditure Transfer & Reimbursements resulting from fee payments for water testing.

A negative revenue variance of \$6.0 million is projected and includes negative variances of \$6.0 million in Intergovernmental Revenues and \$0.9 million in Charges for Current Services primarily to align projected reimbursements and fees in Vital Records, offset by a positive variance of \$0.9 million in Miscellaneous Revenues based on an unanticipated grant allocation to support the development of Public Health professionals. The negative variance of \$6.0 million in Intergovernmental Revenues is primarily driven by revised estimates for PHS grant revenues, including adjustments to the Immunization Action Plan grant funding to align with the workplan, updated COVID-19 Expanding Laboratory Capacity funding, and changes in CCS based on actual State allocation, along with realignment revenues to align with spending noted above.

Self-Sufficiency Services

An overall positive variance of \$6.2 million is projected for Self-Sufficiency Services (SSS).

A positive expenditure variance of \$3.6 million is projected and includes negative variances of \$13.3 million in Salaries & Benefits primarily attributed to salaries & benefit costs exceeding the projected appropriation capacity available to absorb the impact of the new labor agreement and due to higher than budgeted overtime, and \$8.6 million in Services & Supplies and a positive variance of \$25.5 million in Other Charges. The negative variance of \$8.6 million in Services & Supplies is primarily tied to increases in contracted services based on revised allocations for the CalWORKs Housing Support Program associated with California Department of Social Services redistribution of unspent prior year funding. The positive variance of \$25.5 million in Other Charges consists of \$24.6 million in CalWORKs programs and \$0.9 million in the General Relief program primarily due to lower than budgeted caseload levels.

A positive revenue variance of \$2.6 million is projected and consists of positive variances of \$2.0 million in Intergovernmental Revenues, \$0.4 million in Revenue from Use of Money and Property tied to unanticipated GASB 87 lease revenue, \$0.1 million in Fines, Forfeitures, and Penalties based on reimbursement of eligible costs for the Physician Emergency Services program, and \$0.1 million in Miscellaneous Revenues tied to contractor overpayments from Fiscal Year 2024-25. The positive variance of \$2.0 million in Intergovernmental Revenues consists of a positive variance of \$12.4 million in social services administrative revenues to align with allocations and expenditures and \$5.9 million in Medi-Cal funding tied to a one-time payment for the State's closeout process, partially offset by a negative variance of \$16.3 million in assistance payment revenue.

Special Revenue Funds

Tobacco Securitization Fund

A zero overall variance is projected for Tobacco Securitization Fund.

A positive variance of \$10.0 million is projected due to delays in Behavioral Health Workforce development that was re-budgeted in the Fiscal Year 2026-27 CAO Recommended Operational Plan and will be available for use next fiscal year.

A negative variance of \$10.0 million is projected in Use of Fund Balance to align with projected spending, as noted above.

LAND USE AND ENVIRONMENT GROUP

The Land Use and Environment Group is projecting a positive overall variance of \$43.6 million, of which \$3.3 million is tied to a positive variance in the General Fund and \$40.3 million is tied to positive variances in all other funds combined. The details of these variances are noted below.

General Fund

Agriculture, Weights & Measures (AWM)

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

A positive expenditure variance of \$0.3 million is projected. A positive variance of \$0.3 million in Salaries & Benefits is due to vacancies, retirements and under-filled positions. A positive variance of \$0.7 million in Services & Supplies is due to reclassification of funding from a cancelled major maintenance capital project, offset by a negative variance of \$0.7 million in Operating Transfers Out due to an unanticipated major maintenance capital project related to Heating, Ventilation, and Air Conditioning (HVAC) system replacement.

A negative revenue variance of \$0.3 million is projected. A negative variance of \$0.4 million in Intergovernmental Revenues due to less than anticipated state contract reimbursements. A negative variance of \$0.1 million in Charges For Current Services is due to lower than anticipated service requests from non-General Fund County departments. A positive variance of \$0.2 million in Miscellaneous Revenues is due to unanticipated reimbursements for pesticide regulation outreach and hazardous material disposal event, and cost recovery/settlement payments.

Environmental Health and Quality

A positive variance of \$2.3 million is projected for the Department of Environmental Health and Quality.

A positive expenditure variance of \$4.3 million is projected. A positive variance of \$3.2 million in Salaries & Benefits is due to vacancies and under-filled positions. A positive variance of \$1.0 million in Services & Supplies is mostly due to a \$0.9 million reduction in Special Department Expense for reduced larvicide purchases for Vector Control Program and \$0.1 million in Consultant Contracts for reduced consultant services needed. A positive variance of \$0.1 million in Expenditure Transfer & Reimbursements is due to an increase in services requested by other General Fund departments.

A negative revenue variance of \$2.0 million is projected. A negative variance of \$1.4 million is projected in Licenses, Permits & Franchises is due to a lower volume of permit renewals. A negative variance of \$0.6 million is projected in Charges for Current Services

due to the Voluntary Assistance Program (VAP) program transition to the state to operate. The state will provide guidance and expert review to support safe, efficient, and cost-effective hazardous material cleanup.

Planning and Development Services (PDS)

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

A positive expenditure variance of \$6.2 million is projected. A positive variance of \$5.8 million in Salaries & Benefits is projected due to vacancies and under-filled positions.

A positive variance of \$0.6 million in Services & Supplies is projected primarily due to schedule changes to one-time projects and reduced consultant contract spending. A negative variance of \$0.2 million in Expenditure Transfer & Reimbursements is due to a decrease in services rendered to other General Fund departments.

A negative revenue variance of \$6.2 million is projected. A negative variance of \$4.2 million is projected in Charges for Current Services due to a decline in billable activities for land development, project planning, and building projects due to staff vacancies and a projected negative variance of \$2.0 million in Intergovernmental Revenue due to delays in grant related projects.

Department of Public Works (DPW)

A positive variance of \$0.8 million is projected for the Department of Public Works – General Fund.

A positive expenditure variance of \$3.0 million is projected. A positive variance of \$0.8 million in Salaries & Benefits is due to vacancies. A positive variance of \$2.2 million is projected in Services & Supplies due to lower than anticipated use of equipment rental in Closed Landfill (\$1.1 million), completion of stormwater projects (\$0.7 million), reduced fleet cost (\$0.2 million), and less support cost from other County departments (\$0.2 million).

A negative revenue variance of \$2.2 million is projected. A negative variance of \$1.1 million in Charges For Current Services due to reduced labor charges for land development projects and other County funded projects. A negative variance of \$1.1 million in Miscellaneous Revenues is due to less than anticipated transfers from the Environmental Trust Fund as a result of lower expenditures noted above.

Special Revenue Funds

Department of Public Works – Road Fund

A positive variance of \$10.6 million is projected for the Department of Public Works Road Fund.

A positive expenditure variance of \$27.6 million is projected. A positive variance of \$2.3 million in Salaries & Benefits is due to staff vacancies and under-filled positions. A positive variance of \$23.8 million in Services & Supplies is due to scheduled project changes in Capital Improvement Program (CIP) Detailed Work Plan and lower consultant contract costs due to County staff performing services in lieu of consultants and contractors. A positive variance of \$1.5 million in Other Charges due to delays in right-of-way easement projects that are expected to occur in Fiscal Year 2026-27.

A negative revenue variance of \$17.0 million is projected. A negative variance of \$11.8 million in Taxes Other than Current Secured is due to TransNet funded capital project schedule changes. A negative variance of \$5.3 million in Charges for Current Services is due to reduced support to other County departments and project schedule changes for Flood Control District and Sanitation District funded projects (\$1.4 million), less than anticipated revenue in Survey Remonument Fund (\$0.1 million), project schedule changes for road infrastructure (J-25) funded projects for Buena Creek Road and Monte Vista Drive Traffic Signal (\$0.3 million), and Regional Transportation Congestion Improvement Program (RTCIP) funded projects (\$3.4 million), less than anticipated revenue in Transportation Impact Fee (TIF) funded capital projects due to delays in Right of Way acquisitions and construction for Woodside, Riverford Road and South Santa Fe at Buena Creek (\$0.6 million), less than anticipated staff support for General Fund green street projects (\$0.5 million); partially offset by increases of staff charges in Palomar and Fallbrook airports in the Airport Enterprise Fund (\$0.4 million), Inactive Waste Fund (\$0.4 million), Internal Service Fund (\$0.1 million), and unanticipated revenue from SDG&E's share of construction costs for Alta Road project in Engineering Services Other Government (\$0.1 million). A negative variance of \$1.2 million in Intergovernmental Revenues is due to project schedule changes for State and Federal grant funded capital projects (\$4.2 million); partially offset by anticipated increases in State Gas Tax (\$3.0 million). A negative variance of \$0.5 million in Other Financing Sources is due to lower than anticipated costs in General Fund funded capital projects. A positive variance of \$1.7 million in Revenue from Use of Money & Property is due to higher than anticipated interest earned. A positive variance of \$0.1 million in Miscellaneous Revenues is due to sale of mitigation credits.

Department of Parks and Recreation - Parkland Dedication Fund

A positive variance of \$2.1 million is projected for the Parkland Dedication Fund.

No expenditure variance is projected.

A positive revenue variance of \$2.1 million is projected. A positive variance of \$1.8 million is projected in Licenses, Permits & Franchises due to higher than anticipated land development activity resulting in additional revenue from Park Land Dedication fees. A positive variance of \$0.3 million in Revenue from Use of Money & Property is due to higher than anticipated interest earned.

San Diego County Library

A positive variance of \$1.8 million is projected for the San Diego County Library.

A positive expenditure variance of \$1.4 million is projected. A positive variance of \$0.4 million in Salaries & Benefits is due to staff vacancies. A positive variance of \$1.0 million in Services & Supplies is due to lower than anticipated costs in information technology for network services, and in minor equipment due to fewer furniture replacements.

A positive revenue variance of \$0.4 million is projected. A positive variance of \$0.4 million in Taxes Current Property is due to an increase in property tax revenue. A positive variance of \$0.2 million in Revenue from Use of Money & Property is due to an increase in interest earnings. This was partially offset by a negative variance of \$0.1 million in Miscellaneous Revenues due to less than anticipated public donations and negative variance of \$0.1 million in Intergovernmental Revenues due to the Federal Communications Commission (FCC) cancellation of the E-Rate grant program for public wireless internet devices and services.

Public Works – County Waste Management and Recycling

A positive variance of \$1.5 million is projected for the Department of Public Works County Waste Management and Recycling.

A positive expenditure variance of \$1.3 million is projected. A positive variance of \$0.2 million in Salaries & Benefits is due to vacancies. A positive variance of \$1.1 million in Services & Supplies is due to delayed contract procurements for services related to surplus food donations, household chemicals/hazardous product collection, and recycling contamination reduction.

A positive revenue variance of \$0.2 million is projected. A positive variance of \$0.1 million in Revenue From Use of Money & Property is due to higher than anticipated interest earned. A positive variance of \$0.1 million in Charges For Current Services is due to unanticipated increase in franchise hauler fees and support for other County Funds.

Public Works – Inactive Waste Site Management

A positive variance of \$0.2 million is projected for the Inactive Waste Site Management Fund.

A positive expenditure variance of \$0.9 million is projected. A positive variance of \$0.9 million in Services & Supplies is due to a reduction in professional and specialized contract costs (\$0.7 million) and consultant contracts (\$0.2 million) related to one-time landfill projects.

A negative revenue variance of \$0.7 million is projected. A negative variance of \$0.7 million in Miscellaneous Revenues is due to less than anticipated transfers from the Environmental Trust Fund as a result of reduced project cost noted above.

Special District Funds

Department of Public Works – Flood Control District

A positive variance of \$2.1 million is projected for Flood Control District.

No expenditure variance is projected.

A positive revenue variance of \$2.1 million is projected. A positive variance of \$1.9 million in Intergovernmental Revenues is due to unanticipated grant revenue related to the January 2024 Winter Storm disaster. A positive variance of \$0.2 million from Use of Money & Property is due to higher than anticipated interest earned.

Department of Public Works -Sanitation Districts

A positive variance of \$4.6 million is projected for the Sanitation Districts.

A positive expenditure variance of \$3.8 million is projected. A positive variance of \$2.6 million in Services & Supplies is due to lower than anticipated costs for equipment maintenance and routine maintenance of structures, resulting from fewer required repairs. A positive variance of \$1.2 million in Operating Transfers Out is due to one-time vehicle purchases originally planned but no longer required for the current fiscal year.

A positive revenue variance of \$0.8 million is projected. A positive variance of \$0.4 million from use of Money & Property is due to a higher than anticipated interest earned. A positive variance of \$0.3 million in Other Financing Sources is due to a fund transfer from General Fund for the Sewer Replacement San Diego River Basin capital project. A positive variance of \$0.1 in Charges for Current Services is from annexation fees.

Department of Public Works – Street Lighting Districts

A positive variance of \$0.8 million is projected for the Street Lighting District.

A positive expenditure variance of \$0.8 million is projected in Services & Supplies due to lower than anticipated expenses for as-needed contracting services for maintenance and repairs of streetlights.

No significant revenue variance is projected.

Department of Public Works – Permanent Roads Divisions

A positive variance of \$6.3 million is projected for the Permanent Road Divisions.

A positive expenditure variance of \$6.1 million is projected in Services & Supplies due to lower than anticipated road maintenance work.

A positive revenue variance of \$0.2 million is projected. A positive variance of \$0.1 million in Revenue From Use of Money & Property is due to higher than anticipated interest earned. A positive revenue variance of \$0.1 million in Charges for Current Services is due to higher than anticipated revenue from special assessments.

Internal Service Funds

Department of Public Works – Internal Service Fund (ISF)

A positive variance of \$5.2 million is projected for the Internal Service Funds (ISF).

A positive expenditure variance of \$7.0 million is projected. A positive variance of \$1.3 million in Services & Supplies is due to lower than anticipated costs for vehicle maintenance, asset management, and staff support. A positive variance of \$1.1 million in Other Charges is due to less than anticipated depreciation expenses. A positive variance of \$4.6 million in Capital Assets Equipment due to less than anticipated vehicle purchases that are no longer needed.

A negative revenue variance of \$1.8 million is projected. A negative variance of \$ 2.2 million from Revenue from Use of Money is primarily due to lower than anticipated vehicle usage collections (\$3.0 million); partially offset by higher than anticipated interest earned (\$0.8 million). A positive variance of \$0.4 million from Other Financing Sources is composed of \$1.4 million in funding for one-time new vehicle purchases and \$0.2 million proceeds from the sale of vehicles; partially offset by \$1.2 million decrease in fund transfer from Sanitation District due to cancellation of new vehicle purchases.

Enterprise Funds

Department of Public Works – Wastewater Management Enterprise Fund

A positive variance of \$0.7 million is projected for the Wastewater Management Enterprise Fund.

A positive expenditure variance of \$1.2 million is projected. A positive variance of \$0.7 million in Salaries & Benefits is due to staff vacancies. A positive variance of \$0.4 million in Services & Supplies is due to sewer maintenance contract transferred to Sanitation District and less than anticipated vehicle usage cost. A positive variance of \$0.1 million in

Operating Transfers Out is due to one-time vehicle purchases originally planned but no longer required for the current fiscal year.

A negative revenue variance of \$0.5 million is projected. A negative variance of \$0.5 million in Charges for Current Services is due to reduced billable activities for support provided to the San Diego Sanitation District, resulting from staff vacancies.

Department of Public Works – Airport Enterprise Fund

A positive variance of \$3.5 million is projected for the Airport Enterprise Fund.

A positive expenditure variance of \$3.4 million is projected. A positive variance of \$0.4 million in Salaries & Benefits is due to staff vacancies. A positive variance of \$1.9 million in Services & Supplies resulting from the transfer of security services to Department of General Services. A positive variance of \$1.3 million in Capital Assets/Land Acquisition is due to the completion of Gillespie Field Runway 27-R Rehabilitation project. A negative variance of \$0.2 million in Capital Assets Equipment due to the higher than anticipated purchase cost of fixed asset equipment.

A positive revenue variance of \$0.1 million is projected. A positive variance of \$0.3 million in Licenses Permits & Franchises is due to unanticipated revenue from a new American Airlines lease for flights out of Palomar Airport. A positive variance of \$0.6 million in Revenue from Use of Money & Property is due to increased parking and landing fee revenue. A negative variance of \$0.8 million in Intergovernmental Revenues is due to the completion of the Gillespie Field Runway 27-R Rehabilitation project and capital projects schedule changes.

FINANCE AND GENERAL GOVERNMENT GROUP

The Finance and General Group is projecting a positive overall variance of \$8.3 million, of which \$2.5 million is tied to a positive variance in the General Fund and \$5.8 million is tied to positive variances in all other funds combined. The details of these variances are noted below.

General Fund

Assessor/Recorder/County Clerk

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

A positive expenditure variance of \$5.9 million is due to variances of \$1.2 million in Salaries & Benefits due to vacancies and staff attrition and a net \$4.7 million in Services & Supplies related to delays of the Archives Collection Management System and the procurement of a cloud-based integrated Recorder/County Clerk Vital Records system, offset by increased software costs associated with Mainframe roadmap projects and maintenance of the Assessor's legacy IT systems.

A negative revenue variance of \$5.9 million is due to variances of \$5.6 million in Charges for Current Services and \$0.3 million in Licenses Permits & Franchises due to fewer than anticipated marriage licenses issued. The negative variance in Charges for Current Services includes variances of \$8.0 million from Recorder trust fund revenues due to delays of the Archives Collection Management System and procurement of a cloud-based integrated Recorder/County Clerk Vital Records system, and legislative change limiting the use of these funds for the County Recorder Archives and trusted systems; \$0.5 million in AB 2890 Recovered Costs due to less than anticipated supplemental property tax revenues due to few property sales than anticipated; and \$0.1 million in Marriage Ceremony Fee due to fewer than anticipated marriage ceremonies performed. These are partially offset by positive variances of \$2.2 million in Property Tax System Administrative Fee due to higher than anticipated property tax revenue based on the region's assessed value, \$0.4 million in Recording Document revenue due to an estimated slight increase in the number of documents recorded, and \$0.4 million Recording Fees due to estimated slight increase in vital records.

County Counsel

A positive variance of \$0.9 million is projected for the Office of County Counsel.

A positive expenditure variance of \$1.0 million includes \$1.2 million in Services & Supplies primarily due to delays in technology projects relating to the replacement of the department's case management system, offset by a negative \$0.2 million in Expenditure Transfer & Reimbursements due to less than anticipated staff cost reimbursements in the health services area.

A negative revenue variance of \$0.1 million in Charges for Current Services is due to a decrease in legal services provided within the public administrator-estates area.

Human Resources

An overall negative variance of \$0.5 million is projected for the Department of Human Resources.

A positive expenditure variance of \$1.1 million primarily in Services & Supplies is due to lower than anticipated costs related to pre-employment medical screenings needed and information technology costs that are charged to the Employee Benefits ISF, and contracted services related to miscellaneous insurance costs.

A negative revenue variance of \$1.6 million is due to \$2.0 million in Miscellaneous Revenues which includes \$1.7 million from lower than anticipated costs related to pre-employment medical screenings and information technology costs that are charged to the Employee Benefits ISF, and \$0.3 million due to unrealized revenue related to miscellaneous insurance costs, partially offset by a positive variance of \$0.4 million in Charges for Current Services due to increased services to employees and customers.

Registrar of Voters

A positive variance of \$0.6 million is projected in the Registrar of Voters.

A positive expenditure variance of \$10.7 million is projected and includes \$6.7 million in Salaries & Benefits due to a reduction in the number of Vote Centers required for the November 4, 2025 Special Statewide Election and \$4.0 million in Services & Supplies due to delays with the replacement of the election management system and the reduction in the number of Vote Centers.

A negative revenue variance of \$10.1 million is projected and includes \$9.6 million in Intergovernmental Revenues due to reimbursable costs tied to both the replacement of the election management system and reduced number of Vote Centers noted above, and \$0.5 million in Charges for Current Services due to lower than anticipated reimbursements from local jurisdictions for their share of election costs.

Internal Service Funds (ISF)

Facilities Management ISF

An overall positive variance of \$0.9 million is projected in the Facilities Management ISF.

A positive expenditure variance of \$24.0 million includes \$4.8 million in Salaries & Benefits due to vacant positions as a result of restructuring efforts, attrition of staff, and lower than projected overtime costs; \$19.0 million in Services & Supplies due to lower than anticipated pass-through expenses related to departmental requests for maintenance and contracted services, utilities, contracted consultant services, and mail services that were lower than budgeted; and \$0.2 million in Other Charges due to lower than anticipated depreciation charges.

A negative revenue variance of \$23.1 million includes \$24.6 million in Charges for Current Services due to lower than anticipated reimbursement related to the expenditure variances mentioned above and \$1.6 million in Other Financing Sources due to lower than projected reimbursements from Strategic Facilities Planning and Major Maintenance ISF projects, partially offset by positive variances of \$1.8 million in Miscellaneous Revenue due to higher than anticipated lease commission payments for renegotiated lease renewals and \$1.3 million in Intergovernmental Revenues due to State reimbursement for court facility maintenance.

Major Maintenance ISF

There is no overall variance projected in the Major Maintenance ISF.

No significant expenditure variance is projected.

No significant revenue variance is projected. Positive variances of \$0.5 million in Charges for Current Services and \$0.3 million in Other Financing Sources are due to higher than anticipated reimbursement by operating departments from unanticipated work, offset by a negative variance of \$0.8 million in Intergovernmental Revenues due to lower than anticipated State reimbursement for major maintenance projects.

Fleet Management ISF

An overall positive variance of \$4.7 million is projected in the Fleet Management ISF.

A positive expenditure variance of \$6.4 million includes \$0.7 million in Salaries & Benefits due to departmental vacancies and \$5.7 million in Services & Supplies due to lower than anticipated pass-through expenses related to fuel, parts, and commercial repair.

A negative revenue variance of \$1.7 million includes \$3.3 million in Charges for Current Services due to lower than anticipated reimbursement related to the expenditure variances mentioned above and \$0.6 million in Other Financing Sources due to lower

than anticipated reimbursements from departments for Fleet vehicles, partially offset by positive revenue variances of \$1.2 million in Residual Equity Transfers In due to higher than anticipated reimbursements for department requested vehicle orders, \$0.7 million in Revenue From Use of Money & Property due to higher than expected interest earnings, and \$0.3 million in Miscellaneous Revenues due to higher than expected third party recoveries.

Purchasing and Contracting

An overall positive variance of \$0.1 million is projected in the Purchasing and Contracting ISF.

A positive expenditure variance of \$0.6 million is primarily in Services & Supplies mainly due to delays in IT projects and lower than anticipated expenditures on various operational and support costs.

A negative revenue variance of \$0.5 million includes \$0.8 million in Charges for Current Services due to lower than anticipated reimbursement related to the expenditure variance mentioned above, partially offset by a positive variance of \$0.3 million in Miscellaneous Revenue due to an increase in proceeds from usage rebates.

Employee Benefits ISF

A positive variance of \$1.9 million is projected in the Employee Benefits ISF.

A positive expenditure variance of \$1.8 million is due to \$2.2 million in Services & Supplies which consists of \$1.7 million from lower than anticipated workers compensation claims related to pre-employment medical screening and information technology costs that are charged to DHR's General Fund, \$0.3 million in workers compensation excess insurance premium, and \$0.2 million lower than anticipated workers compensation costs from Other County departments, partially offset by a negative variance of \$0.4 million in Other Charges mostly due to updated actuarial estimates of long-term liability.

A positive revenue variance of \$0.1 million is due to a positive variance of \$1.7 million in Miscellaneous Revenues due to unanticipated reimbursement from Public Risk Innovation, Solution, and Management (PRISM) related to past COVID claims, partially offset by a negative variance of \$1.6 million in Charges for Current Services due to lower than anticipated workers compensation claims.

Insurance ISF

A positive variance of \$4.3 million is projected in the Insurance ISF.

A positive expenditure variance of \$11.0 million is in Services & Supplies mainly due to an adjustment in the payment cycle of the Countywide property insurance premiums.

Payments based on the new cycle will be budgeted accordingly in future Operational Plans.

A negative revenue variance of \$6.7 million includes \$6.9 million in Charges for Current Services due to less collections from departments tied to the change in payment cycle noted above, offset by positive variances of \$0.1 million in Revenue Use Money & Property due to over realized interest earned and \$0.1 million Miscellaneous Revenue due to an unanticipated credit received for the aviation insurance premium.

Public Liability ISF

A positive variance of \$0.7 million is projected in the Insurance ISF.

No significant expenditure variance is projected.

A positive revenue variance of \$0.7 million is in Revenue from Use of Money & Property due to over realized interest earnings. The Public Liability ISF's net position at the beginning of the fiscal year was in a deficit of \$9.0 million and the projected positive variance will help address a portion of the shortfall.

GENERAL PURPOSE REVENUE & GENERAL COUNTY EXPENSES

A positive variance of \$31.5 million is projected in General Purpose Revenue (GPR) primarily in:

- \$9.2 million - Sales & Use Tax
- \$6.8 million - Redevelopment Successor Agency
- \$5.3 million - Teeter Tax Reserve Excess
- \$3.0 million – Interest on Deposits
- \$2.5 million – Documentary Transfer Tax
- \$2.2 million - Transit Occupancy Tax
- \$1.8 million - Aircraft Unsecured Tax
- \$1.7 million - A-87 Cost Allocation
- \$1.0 million – Prior Secured Property Taxes
- \$0.9 million – Teeter Tax Prior Years
- \$0.9 million - Other Miscellaneous
- \$0.7 million – State Motor Vehicle In-lieu Tax
- \$0.4 million – Flex-Plan Forfeitures
- \$0.4 million – Cannabis Tax
- (\$0.8 million) – Current Secured Supplemental Property Taxes
- (\$1.8 million) – Booking Fees
- (\$2.6 million) – Current Secured Property Taxes

A positive variance of \$4.8 million is projected in General County Expenses primarily in:

- \$4.0 million – Countywide General Expenses
- \$0.8 million – Lease Payments – Bonds

General Purpose Revenue

The County's General Purpose Revenue is directly influenced by the economy. For Fiscal Year 2025-26, the economic indicators and trends used for projection are summarized below followed by a discussion on significant revenue account variances from budget:

- San Diego's monthly unemployment preliminary rate of 4.3% in March 2026, unchanged from 4.3% the year-ago. In comparison, this is below the unemployment rate of 5.2% for California and similar rate of 4.3% for the nation during the same period.
- Taxable sales based on consumer spending will increase in the unincorporated area boosted mainly by steady allocation from business-industry fulfillment centers and modest growth from countywide use tax pools. During the 3rd Quarter of 2025-26, unadjusted local point of sales tax revenue increased by 8.23% in the unincorporated area, 2.58% in the Southern California Region and 2.49% in the statewide level, but a decrease of 0.04% in the San Diego regional level, compared to the same time period last year.
- There are positive and negative indicators in the housing market in the County.

- Median housing prices for Single Family Homes (up 1.5%) and for Existing Attached Homes (down 3.5%) for January-February 2026 average compared to the same time period last year.
- Notice of Default was higher by 3% in January-March 2026 compared to the same period in 2025.
- Foreclosure activity was higher by 6% in January-March 2026 compared to the same period in 2025.

Current Property Taxes All Categories

The four categories of Current Property Taxes (i.e., Property Taxes Current Secured, Property Taxes Current Secured Supplemental, Property Taxes Current Unsecured, and Property Taxes Current Unsecured Supplemental) combined are estimated to show a net negative variance to budget of \$3.3 million.

- *Property Taxes Current Secured*

Current Secured Property Taxes are projected to be \$2.6 million lower than budget primarily due to factoring in anticipated assessed value (AV) growth once the roll was closed.

The budgeted current secured property taxes assumed a local secured assessed value increase of 5.00%, but the actual assessed value (AV) increased by 4.89% (gross less regular exemptions). (Note: The 4.89% increase represents the change in the assessed value for only the secured roll. This is lower than the countywide overall increase published by the Assessor/Recorder/County Clerk of 4.95%, which includes all assessed value components, secured and unsecured.)

- *Property Taxes Current Secured Supplemental*

Property Tax Current Secured Supplemental are projected to be \$0.8 million lower than budget due to the decrease in supplemental billings in Fiscal Year 2025-26.

- *Property Taxes - Current Unsecured*

Current Unsecured Property Taxes are projected to be \$0.8 million higher than budget due to projected higher revenue based on prior year receipts. However, \$0.8 million was appropriated in Q1 to provide funding for one-time needs. 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 Unsecured Supplemental*

Property Tax Current Unsecured Supplemental are projected to be \$0.1 million higher than budget due to the increase in supplemental billings in Fiscal Year 2025-26.

Taxes Other Than Current Secured

Taxes Other Than Current Secured are anticipated to be \$23.6 million above budget.

- *Property Tax Prior Secured*

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

- *Property Tax Prior Secured Supplemental*

Property Tax Prior Secured Supplemental are projected to be \$0.3 million higher than budget based on year-to-date current year actuals going higher than expected.

- *Property Tax Prior Unsecured*

Property Tax Prior Unsecured are projected to be \$0.1 million lower than budget based on year-to-date current year actuals going lower than expected.

- *Property Tax Prior Year Unsecured Supplemental*

Property Tax Prior Year Unsecured Supplemental are projected to be \$0.6 million higher than budget based on year-to-date current year actuals going higher than expected.

- *Sales & Use Taxes*

Sales & Use Taxes are projected to be \$9.2 million higher than budget. This projection assumes steady allocation from business-industry fulfillment centers and modest growth from countywide use tax pools largely due to continued strength in online sales.

- *Other Tax Aircraft*

Other Tax Aircraft is projected to be \$1.8 million higher than budget based on year-to-date current year actuals going higher than expected.

- *Transient Occupancy Tax*

Transient Occupancy Tax is projected to be \$2.2 million higher than budget. This is based on prior year receipts and continued growth in the hotel industry and tourism as a whole.

- *Documentary Transfer Taxes*

Documentary Transfer Taxes are projected to be \$2.5 million higher than budget due to projected home prices remaining high with projection of a slight increase in sales volume.

- *Property Tax in Lieu of Vehicle License Fees*

Property Tax in Lieu of Vehicle License Fees (VLF) are projected to be \$0.4 million lower than budget due to lower than budgeted growth in assessed valuation.

- *Cannabis Tax*

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

- *Teeter Tax Reserve Excess*

Teeter Tax Reserve Excess is projected to be \$5.3 million higher than budget. This is based on returned excess Teeter Tax Reserve requirement, current penalty and interest collections and available data on the outstanding receivables and projections through the end of the fiscal year.

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

Teeter Property Tax Prior Year and Cumulative Prior Years are projected to be \$0.9 million higher than budget. The increase is based on a higher collection of receivables from prior fiscal year.

Licenses, Permits, and Franchises

Licenses, Permits and Franchises are projected to be \$0.1 million lower than budget due to lower-than-expected payments from Franchise Fees.

Fines, Forfeitures and Penalties

Fines, Forfeitures and Penalties are projected to be \$0.4 million lower than budget due to lower than budgeted growth in assessed valuation. Revenues in this account reflect the 10% penalty that is assessed on late current secured and unsecured property tax payments

Revenue from Use of Money & Property

Revenue from Use of Money & Property are projected to be \$3.0 million higher than budget. The increase is due to a slightly higher interest rate than what was budgeted as the market effectively pushed out expectations for Federal Reserve rate cuts for the foreseeable future.

Intergovernmental Revenues

Intergovernmental Revenues are projected to be \$8.1 million higher than budget primarily due to pass-through distributions and residual balance estimates in Aid from

Redevelopment Successor Agencies (\$6.8 million) and in State Motor Vehicle In-lieu (\$3.2 million), offset by lower that budget in Booking Fees (\$1.8 million) and in State Aid for Homeowners Property Tax Relief (HOPTR) (\$0.5 million). The pass-through distributions continue to increase due to continued growth in the project areas. In addition, residual balance estimates tied to Redevelopment Successor Agencies continue to increase. However, \$2.5 million was transferred to the Office of Emergency Services in Q2 to fund the procurement of infrastructure mapping of the unincorporated area's most vulnerable infrastructure, resulting in an adjusted Intergovernmental Revenue of \$5.6 million as described above.

Charges for Current Services

Charges for Current Services are projected to be \$1.7 million higher than budget due to higher-than-expected revenues received in A-87 Cost Allocation Plan.

Miscellaneous Revenues

Miscellaneous Revenues are projected to be \$1.3 million higher than budget due to closure of Flex Forfeitures Trust Funds (\$0.4 million) and one-time unanticipated Port Payment for the Chula Vista Bayfront Project (\$0.9 million).

General County Expenses

Countywide General Expense

A positive variance of \$4.0 million is projected in Countywide General Expense.

A positive expenditure variance of \$3.4 million is projected in Other Charges due to a disallowance in Small Business Stimulus Grant (SBSG) program costs originally funded by American Rescue Plan Act (ARPA) revenue. The SBSG appropriations were budgeted based on the use of General Fund fund balance to allow for the swap of funding source for the disallowed SBSG program costs.

A positive revenue variance of \$0.6 million is projected and includes variances of \$2.4 million in Revenue From Use of Money & Property due to excess earnings from Tax and Revenue Anticipation Notes (TRANS) due to favorable market rates, and \$1.6 million in Miscellaneous Revenues due to reimbursement from the Small Business Loan Program and various departmental escheatment. These are offset by a negative variance of \$3.4 million due to disallowance of prior fiscal year ARPA revenues for the SBSG program as noted above.

Lease Payments – Bonds

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

A positive expenditure variance of \$0.8 million is projected in Other Charges due to lower than anticipated principal and interest payments. The annual lease payments from the County are budgeted and paid for from this fund in an amount sufficient to satisfy the principal and interest payments due to the bondholders of the County's outstanding Certificates of Participation and Lease Revenue Bonds. Amounts invested in these interest-bearing trust accounts generate additional funds which can be used to offset payments to bondholders. The interest recognized is related to the outstanding debt for the Youth Transition Campus, Series 2021; County Operations Center Refunding, Series 2016A; Edgemoor Refunding, Series 2024; Justice Facilities Refunding, Series 2019; and CAC Waterfront Park Refunding, Series 2020.

There is no significant revenue variance projected.

Capital Program Funds

Capital Outlay Fund

There is zero variance projected for the Capital Outlay Fund.

A positive expenditure variance of \$3.5 million is projected. A projected positive variance in Capital Assets/Land Acquisition is due to lower than anticipated expenses related to the following capital projects that will be closed or cancelled and are listed on Schedule C: Valley Center Park Improvements, Tijuana River Valley Smugglers Gulch Dredging, and Palomar Fire Station.

A negative revenue variance of \$3.5 million is projected. A negative variance in Intergovernmental Revenue and Other Financing Sources of \$3.5 million is due to the closure or cancellation of the capital projects listed above.

Justice Facility Construction Capital Outlay Fund

There is zero variance projected for the Justice Facility Construction Capital Outlay Fund.

A positive expenditure variance of \$0.5 million is projected. A projected positive variance in Capital Assets/Land Acquisition is due to lower than anticipated expenses related to the Youth Transition Campus that will be closed or cancelled based on Schedule C.

A negative revenue variance of \$0.5 million is projected. A negative variance in Other Financing Sources is due to the closure or cancellation of the capital project listed above.

Edgemoor Development Fund

An overall positive variance of \$0.3 million is projected for the Edgemoor Development Fund.

There is no expenditure variance projected.

A positive revenue variance of \$0.3 million is projected primarily tied to \$0.7 million in Other Financing Sources based on the latest revenue projection for gain on sale related to the Santee Residential Property 1, offset by \$0.4 million in Intergovernmental Revenue tied to SB1128 Medi-Cal based on the latest FY23-24 audit report data.

Debt Service Funds

Pension Obligation Bonds (POBs)

A positive variance of \$0.4 million is projected in the Pension Obligation Bonds.

No significant expenditure variance is projected.

A positive revenue variance of \$0.4 million is projected. This includes a positive variance of \$0.4 million in higher than anticipated interest earnings due to a higher investment interest rate environment.

**COUNTY OF SAN DIEGO
GENERAL FUND VARIANCES
Fiscal Year 2025-26 3rd Quarter**

GENERAL FUND EXPENDITURE VARIANCES

The projected lower than budgeted expenditures generating an overall positive expenditure variance of \$130.7 million in the General Fund are primarily attributable to the following:

Salaries & Benefits

\$0.3 million in projected overall Salaries & Benefits negative appropriation variance. As of April 1, 2026, the vacancy rate (including newly added positions) was 5.8% (1,169 of 20,285 positions).

Public Safety Group

In PSG, the projected overall negative expenditure variance is \$12.5 million. This is primarily due to costs associated with an average daily population which has risen by approximately 300-500 incarcerated persons as a result of Proposition 36, *The Homelessness, Drug Addiction, and Theft Reduction Act implementation* (Prop 36).

Health and Human Services Agency

In HHSA, the projected overall negative expenditure variance of \$6.2 million is attributed primarily to salaries & benefit costs exceeding the projected appropriation capacity available to absorb the impact of the new labor agreement and due to higher than budgeted overtime and lower vacancy rate than budgeted as well as overtime costs.

Land Use and Environment Group

In LUEG, the projected overall positive expenditure variance of \$10.1 million is primarily due to vacancies and under-filled positions.

Finance and General Government Group

In FGG, the projected overall positive expenditure variance of \$8.2 million is primarily due to a reduction in the number of Vote Centers required for the November 4, 2025 Special Statewide Election.

Services & Supplies

\$125.1 million in projected positive appropriation variance in Services & Supplies across the County.

Public Safety Group

In PSG, projected overall positive expenditure variance of \$41.7 million is due to mitigation strategies and cost reductions in various accounts including property insurance, software, safety devices, travel and training, uniform allowance, professional & specialized services, contracted services, fuel and facilities management costs, and cancelled and deferred major maintenance projects in the Sheriff's Office, lower than anticipated costs related to interim housing and residential treatment programs as a result of less referrals and a temporary reduction in the number of providers in the Probation Department, in Public Safety Executive Office due to revising the program structure of the resource and reentry hub, and lower expenses related to information technology and contracted services in the Department of Child Support Services.

Health and Human Services Agency

In HHSA, projected overall positive variance of \$66.9 million is in various departments, which consists of positive variances in:

- Behavioral Health Services (BHS) is driven by operating costs primarily for contracted services associated with a range of mental health and substance use disorder programs to align with anticipated spending which adjusts for contractor staffing vacancies and projected utilization in residential bed days, offset by negative variances in one-time IT resource needs and temporary staffing costs at the San Diego County Psychiatric Hospital (SDCPH).
- Housing and Community Development Services (HCDS) in No Place Like Home (NPLH) due to the grant being fully utilized and no further projects planned, fully grant-funded carry forward prior year encumbrances that are no longer needed after aligning the expenditure with the current funding allocation, with no impact to service or to local funds, partially offset by projected expenditures tied to Aging and Independence Services (AIS) and Child and Family Well-Being (CFWB) to mitigate appropriation impacts which will be resolved with a budget transfer.
- Child and Family Well Being (CFWB) is primarily driven by projected amounts in HHCDs to mitigate the S&B negative variance and lower than anticipated operating costs associated with travel, transportation and utilities ISFs.
- Aging and Independence Services (AIS) is primarily due to contracted services driven by deferred Modernizing Older Californians Act (MOCA) Nutrition activities that will be used in future years to meet increased demand for meals in the California Department of Aging (CDA) Older Californians Nutrition Program, helping reduce waitlists and maintain service levels for vulnerable older adults, the conclusion of Supplemental Nutrition Assistance Program Education (SNAP-Ed) funding, completion of one-time allocations, carryover encumbrances from prior years that are no longer needed, and lower participation in the Multipurpose Senior Services Program (MSSP); operating costs to align with current spending; and in HCDS to mitigate the S&B and S&S

negative variance. These are partially offset by negative variances from an adjustment to the In-Home Supportive Service (IHSS) Maintenance of Effort (MOE) resulting from an approved wage increase negotiated with the United Domestic Workers and an increase in allocations for participants in the San Diego Veterans Independence Service at Any Age (SD-VISA) program. A negative variance would have been projected in Services & Supplies, but appropriation capacity is available in HCDS maintain a zero overall expenditure variance for AIS, pending the transfer of appropriation.

These are offset by negative variance in Self-Sufficiency Services primarily tied to increases in contracted services based on revised allocations for CalWORKs Housing Support Program associated with California Department of Social Services redistribution of unspent prior year funding, in Public Health Services due to various operating cost to align with spending trends, and in Administrative Support driven by higher than anticipated operating costs associated with Facilities Internal Service Fund (ISF), including utilities, mailing and other facility-related costs, offset by lower than anticipated IT costs based on current spending trends.

Land Use and Environment Group

In LUEG, projected overall positive variance of \$4.8 million primarily in Department of Public Works due to lower than anticipated use of equipment rental in Closed Landfill, completion of stormwater projects, reduced fleet cost, and less support from other County departments, in the Department of Environmental Health and Quality due to a reduction in Special Department Expense for reduced larvicide purchases for Vector Control Program and reduced consultant services needed, in Agriculture, Weights and Measures due to reclassification of funding from a cancelled major maintenance capital project, and in Planning and Development Services due to schedule changes to one-time projects and reduced consultant contract spending.

Finance and General Government Group

In FGG, projected overall positive variance of \$11.7 million is primarily in Assessor/Recorder/County Clerk related to delays of the Archives Collection Management System and the procurement of a cloud-based integrated Recorder/County Clerk Vital Records system, offset by increased software costs associated with Mainframe roadmap projects and maintenance of the Assessor's legacy IT systems, in Registrar of voters due to delays with the replacement of the election management system and the reduction in the number of Vote Centers, in County Counsel due to delays in technology projects relating to the replacement of the department's case management system, and in Human Resources due to lower than anticipated costs related to pre-employment medical screenings and information technology costs that are charged to the Employee Benefits ISF, and contracted services related to miscellaneous insurance costs.

Other Charges

A projected positive appropriation variance of \$7.9 million in Other Charges is primarily in Self-Sufficiency Services due to CalWORKs programs and in the General Relief program primarily due to lower than budgeted caseload levels, and in Countywide General Expense due to disallowance in the Small Business Stimulus Grant (SBSG) program costs originally funded by American Rescue Plan Act (ARPA) revenue. These are offset by higher than anticipated costs for medical and mental health services contracts for the incarcerated population, including impacts due to Prop 36 implementation.

Capital Assets Equipment

A projected positive appropriation variance of \$0.8 million in Capital Assets Equipment is in HHSA primarily in PHS due to the termination of the mobile health lab contract and the elimination of planned equipment purchases for the lab due to the anticipated conclusion of the Epidemiology & Laboratory Capacity Enhancing Detection Expansion grant.

Capital Assets Software

A projected positive appropriation variance of \$0.5 million in Capital Assets Software is in the Sheriff's Office due to one-time costs supported by grant revenues that will be deferred to the next fiscal year.

Expenditure Transfer & Reimbursements

A projected negative appropriation variance of \$3.4 million in Expenditure Transfer & Reimbursements primarily in Behavioral Health Services due to the conclusion of a Public Safety Group agreement, with efforts being redirected to support the Department of Health Care Services mandated outpatient treatment services under the Next Move Program and in Child Support Services due to lower than anticipated expenditures in the Bureau of Public Assistance Investigations for cost of staffing and services reimbursed by Health and Human Services Agency.

GENERAL FUND REVENUE VARIANCES

The projected under-realized revenue of \$105.6 million includes positive variances totaling \$33.6 million and negative variances of \$139.1 million. In many instances, the negative revenue variances are directly associated with the positive expenditure variances described above, that is, the County does not receive the supporting revenue when a cost is not incurred.

*The projected **positive revenue variance** of \$33.6 million is primarily attributable to the following categories:*

Taxes Other Than Current Secured

Taxes Other Than Current Secured are anticipated to be \$23.6 million above budget.

The revenue variances in Taxes Other Than Current Secured are mainly in Sales and Use Taxes which assumes steady allocation from business-industry fulfillment centers and modest growth from countywide use tax pools largely due to continued strength in online sales, in Teeter Tax Reserve Excess based on returned excess Teeter Tax Reserve requirement on current penalty and interest collections and available data on the outstanding receivables and projections through the end of the fiscal year, in Documentary Transfer Tax due to projected home prices remaining high with projection of a slight increase in sales volume, in Transit Occupancy Tax based on prior year receipts and continued growth in the hotel industry and tourism as a whole, in Aircraft Unsecured Tax projected to be higher than budget based on year-to-date current year actuals going higher than expected, Teeter Property Tax Cumulative Prior Years due to higher collection of receivables from prior fiscal year.

Revenue from Use of Money & Property

Revenue from Use of Money & Property (\$7.1 million) is positive in General Purpose Revenue due to a slightly higher interest rate than what was budgeted as the market effectively pushed out expectations for Federal Reserve rate cuts for the foreseeable future and in Behavioral Health Services for interest posted.

Miscellaneous Revenues

Miscellaneous Revenues (\$2.8 million) variance is primarily due to an increase of Opioid Settlement Funds for medical costs associated with the Medication Assisted Treatment (MAT) program for the incarcerated population, lower than anticipated costs related to pre-employment medical screenings and information technology costs that are charged to the Employee Benefits ISF, recoupment of payments in contracted services from prior year adjustments, less than anticipated transfers from the Environmental Trust Fund as a result of lower expenditures offset by a reimbursement from the Small Business Loan Program and various departmental escheatment, closure of Flex Forfeitures Trust Funds

and one-time unanticipated Port Payment for the Chula Vista Bayfront Project, and the SD-VISA program.

*The projected **negative revenue variance** of \$139.1 million is primarily attributed to:*

Intergovernmental Revenues

\$109.2 million in projected negative revenue variance in Intergovernmental Revenues across the County.

Public Safety Group

In PSG (\$27.6 million), the variance is primarily due to lower than anticipated costs for Community Corrections Subaccount, State and federal homeland security initiatives, Byrne Justice Assistance Grant, Community Project Funding, Domestic Cannabis Eradication and Suppression Program grants, lower reimbursements for eligible expenditures from Community Assistance, Recovery, and Empowerment (CARE) Court and in Edward Byrne Memorial Justice Assistance Grant (JAG), lower than anticipated State and federal reimbursement revenue related to the expenditure savings in the Bureau of Public Assistance Investigations for cost of staffing and services, and lower than anticipated costs funded by Hazard Mitigation grant .

Health and Human Services Agency

In HHSA (\$71.8 million), the variance is in various departments. This consists of negative variances primarily in:

- Behavioral Health Services (BHS) primarily tied to realignment revenue to align with spending and to align federal and State funding to anticipated billable service units and aligning grant funding with overall anticipated expenditures.
- Housing & Community Development Services (HCDS) primarily due to unobligated No Place Like Home (NPLH) projects, and prior year encumbrances, offset by increased revenue associated with Housing Opportunities for Persons with AIDS (HOPWA) and Community Development Block Grant (CDBG), and funding associated with pending appropriations adjustments for Aging and Independence Service (AIS) and Child and Family Well-Being (CFWB).
- Public Health Services (PHS) primarily driven by revised estimates for PHS grant revenues, including adjustments to the Immunization Action Plan grant funding to align with the workplan, updated COVID-19 Expanding Laboratory Capacity funding, and changes in California Children's Services (CCS) based on actual State allocation, along with realignment revenues to align with spending.
- Aging and Independence Services (AIS) due to appropriation adjustments from HCDS to mitigate appropriation impacts, deferred funding for MOCA nutrition, lower participation than anticipated in the MSSP program, SNAP-Ed federal funding ending, and to align budget with the completion of one-time, multi-year funding and carryover encumbrances from prior years that are no longer needed, partially offset by positive

variances in additional CDA revenue mainly tied to a time extension for State General Fund nutrition program utilization, in social services administrative revenues to align with allocations and projected spending, and from an augmentation in IHSS Public Authority administrative funding.

Land Use and Environment Group

In LUEG (\$2.4 million), the variance is primarily due to delays in grant related projects.

Finance and General Government Group

In FGG (\$9.6 million), the variance is primarily due to reimbursable costs tied to the replacement of the election management system and reduced number of Vote Centers for the November 4, 2025 Special Statewide Election.

Finance Other

In Finance Other, a positive variance of \$2.2 million is primarily due to pass-through distributions and residual balance estimates in Aid from Redevelopment Successor Agencies offset by a disallowance of prior fiscal year ARPA revenues for the Small Business Stimulus Grant (SBSG) program.

Charges for Current Services

Charges for Current Services (\$10.8 million) is due primarily in Recorder trust fund revenues due to delays of the Archives Collection Management System and procurement of a cloud-based integrated Recorder/County Clerk Vital Records system, and legislative change limiting the use of these funds for the County Recorder Archives and trusted systems; in AB 2890 Recovered Costs due to less than anticipated supplemental property tax revenues due to few property sales than anticipated; and in Marriage Ceremony Fee due to fewer than anticipated marriage ceremonies performed, a decline in billable activities for land development, project planning, and building projects due to staff vacancies, and reduced labor charges for land development projects and other County funded projects.

Other Financing Sources

Other Financing Sources (\$10.7 million) in Securitized Tobacco tied to delays on Behavioral Health Workforce development that will be re-budgeted in Fiscal Year 2026-27.

Fines, Forfeitures & Penalties

Fines, Forfeitures & Penalties (\$4.2 million) variance is primarily due to lower than anticipated costs for the Cal-ID program.

Taxes Current Property

Taxes Current Property (\$3.3 million) variance is primarily in Current Secured Property Taxes due to lower than budget primarily due to factoring in anticipated assessed value (AV) growth once the roll was closed and Current Secured Supplemental Property Tax due to the decrease in supplemental billings in Fiscal Year 2025-26.

Licenses, Permits & Franchises

Licenses, Permits & Franchises (\$1.0 million) variance in primarily in the Department of Environmental Health and Quality due to a lower volume of permit renewals.

GENERAL FUND PROJECTION NOTES

The General Fund year-end fund balance projection includes receipt of additional Federal Emergency Management Agency (FEMA) revenue to cover costs incurred. Total FEMA costs are currently estimated at \$437.0 million. This includes \$438.3 million of costs incurred from the beginning of the pandemic through May 11, 2023, when FEMA eligibility ended, \$2.4 million for Fiscal Year 2024-25 for allowable administrative costs to manage the grant beyond the FEMA eligibility date, and \$1.3 million disallowed by FEMA. To date, a total of \$323.5 million in FEMA reimbursement payments have been received. The remaining balance of \$113.7 million, which includes the 10% withhold amount as part of the FEMA close out process, is anticipated to be received in future fiscal years. County staff continue to actively monitor federal actions and legislation, which may impact FEMA reimbursements or other federal revenues, and are evaluating the potential impacts of these actions.

**Fiscal Year 2025-26 3rd Quarter
Capital Projects Anticipated for Completion/Cancellation**

Oracle Project Number	Account	Project Name	Completed OR Cancelled	A&C Comments	Total Budget as of 03-12-26	Total Expenditures as of 03-12-26	Amount Capitalized as of 03-12-26	Minor Equipment & FA	Amount Cancelled	
** Capital Outlay Fund (Fund 26000) **										
1022934	26000	Four Gee Park		1	1,820,140.60	1,820,140.60	1,820,140.60	-	-	
1025467	26000	Smuggler's Gulch Improvements Project Tijuana		1	9,302,972.00	5,847,182.74	-	-	3,455,839.26	
1021136	26000	River Valley Regional Park		1	4,285,000.00	4,263,862.55	4,218,278.12	-	32,816.82	
				TOTAL	15,408,112.60	11,931,185.89	6,038,418.72	-	3,488,656.08	
** County Health Complex Fund (Fund 26025) **										
				TOTAL	-	-	-	-	-	
** Justice Facility Construction Fund (Fund 26050) **										
				TOTAL	-	-	-	-	-	
** Library Projects Capital Outlay Fund (Fund 26075) **										
				TOTAL	-	-	-	-	-	
				TOTAL FOR CAPITAL PROJECTS	3	15,408,112.60	11,931,185.89	6,038,418.72	-	3,488,656.08

Note:

- 1 Completed Project
- 2 Cancelled Project

Appendix D: Major Maintenance Capital Outlay Fund (MMCOF) Adjustments for Fiscal Year 2025-2026 (3RD QUARTER)

GROUP	DEPT.	PROJECT NUMBER	PROJECT NAME	FUNDING SOURCE			NOTES	DEPARTMENTS	DEPARTMENTS	MMCOF	COF	RATIFICATION	Description
				(Acct - 56321 Opt Transfer Out)	(Acct - 5XXXX Services & Supplies) or (Acct - 56311 Opt Trx Out)	(Acct - 54202 Fixed Asset)		(Acct - 54202 Fixed Asset)	1 thru 11	Inc (Dec)	Inc (Dec)		
Increase (Decrease) of Appropriation													
Shared	Shared	1028083	MMCOF7A82 San Marcos County Offices HVAC Replacement Building 151	10100	48600	52737	2	724,061	(724,061)	724,061	-	No	New Walk-In Project
FGG	CCO	1028128	MMCOF7A84 CAC AV Interior Upgrades Conference Rooms 301, 302, Bayside 3, 4	10100	17605	52737	2	1,300,000	(1,300,000)	1,300,000	-	No	New Walk-In Project
HHS	HHS	1025442	MMCOF7870 City Heights Child Welfare Services Office Reconfiguration	10100	46310	52330	3	5,000	(5,000)	5,000	-	No	Spending Plan Amendment
PSG	SHF	1028084	MMCOF7A73 San Diego Sheriff Office Headquarters Garage Gate Replacements	10100	31575	52737	3	500,000	(500,000)	500,000	-	No	Spending Plan Amendment
HHS	HHS	1025430	MMCOF7858 Edgemoor Ceiling Tiles, Door Closers, HVAC Controllers	10100	31575	52737	3	1,000,000	(1,000,000)	1,000,000	-	No	Spending Plan Amendment
PSG	PRO	1026857	MMCOF7A30 EMJDF Improvements	10100	42058/42077/41905/42024/31565	52737/52131/52304/52702	3	2,284,811	(2,284,811)	2,284,811	-	No	Spending Plan Amendment
HHS	HHS	1027096	MMCOF7A45 Troy Street Sleeping Cabins	10100	46498	52396	3	400,000.00	(400,000.00)	400,000	-	No	Spending Plan Amendment
Subtotal General Fund								6,213,872	(6,213,872)	6,213,872	-		
Shared	Shared	1028131	MMCOF7A83 NCRC New Room For Electric Heating Hot Water System	37600	87875	52737	2	1,955,517	(1,955,517)	1,955,517	-	No	New Walk-In Project
LUG	LIB	1028130	MMCOF7A86 El Cajon Library Photovoltaic System	12200	57330	52737	2	350,000	(350,000)	350,000	-	No	New Walk-In Project
FGG	GSM	1028129	MMCOF7A85 Polinsky Children Center EV Charging Stations	26005	7999D/7A64D	54202	2	N/A	N/A	595,000	-	No	New Walk-In Project; Transferred from CP's 1026825 (\$95K) & 1027662 (\$500K)
HHS	HHS	1027411	MMCOF7A46 El Cajon FRC Canopy	26005	7865D	54202	3,11	N/A	N/A	450,000	-	No	Spending Plan Amendment; Transferred from CP 1025437
HHS	HHS	1025437	MMCOF7865 North Central MHC Workspace Reconfiguration	26005	7865D	54202	4,11	N/A	N/A	(450,000)	-	No	Spending Plan Amendment; Transferred to CP 1027411
FGG	GSM	1027621	MMCOF7A62 County EV Fast Charging Network Project	26005	7999D	54202	3,11	N/A	N/A	428,239	-	No	Spending Plan Amendment; Transferred from CP 1026825
HHS	HHS	1027096	MMCOF7A45 Troy Street Sleeping Cabins	26005	7926D/7927D	54202	3,11	N/A	N/A	400,179	-	No	Spending Plan Amendment; Transferred from CP's 1026063 (\$295K) & 1026064 (\$104K)
PSG	PRO	1026857	MMCOF7A30 EMJDF Improvements	26005	7922D	54202	3,11	N/A	N/A	1,986,402	-	No	Spending Plan Amendment; Transferred from CP 1025960
PSG	PRO	1026865	MMCOF7A38 Ranchita Substation Office HVAC Replacement	26005	7904D	54202	3,11	N/A	N/A	135,475	-	No	Spending Plan Amendment; Transferred from CP 1025540
HHS	HHS	1025430	MMCOF7858 Edgemoor Ceiling Tiles, Door Closers, HVAC Controllers	26005	7835D/7846D/7917D	54202	3,11	N/A	N/A	300,000	-	No	Spending Plan Amendment; Transferred from CP's 1024617 (\$78K), 1024692 (\$41K), & 1025897 (\$179K)
HHS	HHS	1024617	MMCOF7835 South Region LWC National City Lobby Reconfiguration	26005	7835D	54202	4,11	N/A	N/A	(78,451)	-	No	Spending Plan Amendment; Transferred to CP 1025430
LUG	DPR	1026837	MMCOF7A11 Dos Picos Campground Restroom Shower Replacement	26005	7A12D	54202	3,11	N/A	N/A	70,616	-	No	Spending Plan Amendment; Transferred from CP 1026838
LUG	DPR	1026838	MMCOF7A12 Dos Picos Restroom Upgrade at Various Locations	26005	7A12D	54202	4,11	N/A	N/A	(70,616)	-	No	Spending Plan Amendment; Transferred to CP 1026837
PSG	SHF	1022041	MMCOF7642 George Bailey DF Security Controls and Cameras	26005	7925D	54202	3,11	N/A	N/A	1,000,000	-	No	Spending Plan Amendment; Transferred from CP 1026061
PSG	SHF	1026061	MMCOF7925 Vista Detention Facility Cell Intercom System	26005	7925D	54202	4,11	N/A	N/A	(1,000,000)	-	No	Spending Plan Amendment; Transferred to CP 1022041
PSG	PRO	1026962	MMCOF7A43 EMJDF Upgrade CCTV from Analog to Digital	26005	7922D/7959D	54202	3,11	N/A	N/A	283,320	-	No	Spending Plan Amendment; Transferred from CP's 1026117 (\$151K) & 1025960 (\$132K)
PSG	PRO	1026117	MMCOF7959 EMJDF IBR Delivery Security Door Upgrade	26005	7959D	54202	4,11	N/A	N/A	(151,320)	-	No	Spending Plan Amendment; Transferred to CP 1026962
Subtotal Other Funds								2,305,517	(2,305,517)	6,204,360	-		
LUG	DPR	1026847	MMCOF7A21 Goodland Acres Park Community Center HVAC Unit and Ducting Replacement	10100	52811	52222	5	(2,985)	2,985	(2,985)	-	No	Project is complete and can be closed
LUG	DPR	1026104	MMCOF7946 Stelzer Park Trail Retaining Wall	10100	52811	52222	5	(13,503)	13,503	(13,503)	-	No	Project is complete and can be closed
LUG	DPR	1026849	MMCOF7A23 4S Ranch Sports Park Photovoltaic System and Led Lighting	10100	52811	52222	5	(11,953)	11,953	(11,953)	-	No	Project is complete and can be closed
LUG	LUG	1025761	MMCOF7914 New Space for the Office of Sustainability at County Administration Center	10100	14550	52737	5	(65,550)	65,550	(65,550)	-	No	Project is complete and can be closed

Appendix D: Major Maintenance Capital Outlay Fund (MMCOF) Adjustments for Fiscal Year 2025-2026 (3RD QUARTER)

GROUP	DEPT.	PROJECT NUMBER	PROJECT NAME	FUNDING SOURCE			NOTES	DEPARTMENTS	DEPARTMENTS	MMCOF	COF	RATIFICATION	Description
				(Acct - 56321 Opt Transfer Out)	(Acct - 5XXXX Services & Supplies) or (Acct - 56311 Opt Trx Out)	(Acct - 54202 Fixed Asset)		(Acct - 54202 Fixed Asset)					
				FUND	ORG	ACCOUNT	1 thru 11	Inc (Dec)	Inc (Dec)	Inc (Dec)	Inc (Dec)	Yes/No	
Increase (Decrease) of Appropriation													
PSG	PRO	1025960	MMCOF7922 EMJDF Intercom System Replacement and Upgrade	26005	7922D	54202	6,11	N/A	N/A	(2,118,402)	-	No	Project is complete and can be closed; Transferred to CP's 1026962 (\$132K) & 1026857 (\$1.9M)
PSG	SHF	1025540	MMCOF7904 Rock Mountain House 6 Roof and AHU Replacements	26005	7904D	54202	6,11	N/A	N/A	(135,475)	-	No	Project is complete and can be closed; Transferred to CP 1026865
HHS	HHS	1024692	MMCOF7846 South Region Family Resource Center Lobby and Office Reconfiguration	26005	7846D	54202	6,11	N/A	N/A	(41,968)	-	No	Project is complete and can be closed; Transferred to CP 1025430
HHS	HHS	1025897	MMCOF7917 Edgemoor Dishwasher	26005	7917D	54202	6,11	N/A	N/A	(179,581)	-	No	Project is complete and can be closed; Transferred to CP 1025430
HHS	HHS	1026063	MMCOF7926 Magnolia Safe Parking	26005	7926D	54202	6,11	N/A	N/A	(295,306)	-	No	Project is complete and can be closed; Transferred to CP 1027096
HHS	HHS	1026064	MMCOF7927 Bancroft Safe Parking	26005	7927D	54202	6,11	N/A	N/A	(104,873)	-	No	Project is complete and can be closed; Transferred to CP 1027096
FGG	GSM	1026825	MMCOF7999 EV Roadmap For Various Locations	26005	7999D	54202	9,10,11	N/A	N/A	(523,239)	-	No	Project is cancelled; Transferred to CP's 1027621 (\$428K) and 1028129 (\$95K)
FGG	GSM	1027662	MMCOF7A64 Gillespie Field Airport EV Project	26005	7A64D	54202	10	N/A	N/A	(500,000)	-	No	Project is cancelled; Transferred to CP 1028129
Subtotal Completed/Cancelled Projects								(93,990)	93,990	(3,992,833)	-		
Total Increase (Decrease) of Appropriation								8,425,399	(8,425,399)	8,425,399	-		
Board Letter Recommendation								REC #16	REC #16	REC #16			

NOTES:

- 1 MMCOF Project identified as MMISF (maintenance/not capital)
- 2 MMISF Project identified as MMCOF
- 3 MMCOF Spending plan increased
- 4 MMCOF Spending plan decreased
- 5 MMCOF Project complete and remaining funds are transferred to Dept. Services & Supplies
- 6 MMCOF Project complete and remaining funds are transferred to an existing MMCOF project

- 7 MMCOF Project complete and remaining funds are transferred to a new MMCOF walk-in project
- 8 MMCOF Project cancelled and funding source returned to Services & Supplies for department's operation
- 9 MMCOF Project cancelled and funding transferred to an existing MMCOF project
- 10 MMCOF Project cancelled and funding transferred to a new MMCOF walk-in project
- 11 Completed MMCOF to MMCOF transfers that have already been processed
- 12 Change in revenue source



San Diego County Fire Protection District

GOVERNING BODY

PALOMA AGUIRRE
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

AGENDA ITEM

DATE: May 19, 2026

FP02

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

SUBJECT

FISCAL YEAR 2025-26 THIRD QUARTER SAN DIEGO COUNTY FIRE PROTECTION DISTRICT OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)

OVERVIEW

This item recommends budget adjustments in the San Diego County Fire Protection District as part of the Fiscal Year 2025-26 Third Quarter Operational Plan budget adjustments.

RECOMMENDATION(S)

EXECUTIVE DIRECTOR

1. Cancel appropriations in the San Diego County Fire Protection District Fire Mitigation (Fund 14610) and establish appropriations in San Diego County Fire Protection District (Fund 14611) for Capital Project 1022910, Jacumba Fire Station #43.
 - Cancel appropriations of \$480,000 in San Diego County Fire Protection District Fire Mitigation (Fund 14610) Operating Transfers Out; *and* establish appropriations of \$480,000 in San Diego County Fire Protection District (Fund 14611), Operating Transfers Out, based on revenue from the Jacumba Valley Energy Park fire prevention services agreement. This is a funding swap for one of the funding sources in Capital Project 1022910, Jacumba Fire Station #43. **(4 VOTES)**

EQUITY IMPACT STATEMENT

The recommended actions are intended to provide resources to address inequities in County of San Diego (County) services and to identify disparities, develop meaningful outcomes, and create a County government culture of equity, belonging, and racial justice.

SUSTAINABILITY IMPACT STATEMENT

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

SUBJECT: FISCAL YEAR 2025-26 THIRD QUARTER SAN DIEGO COUNTY FIRE PROTECTION DISTRICT OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)

FISCAL IMPACT

Funds associated with today’s recommendations are partially included in the Fiscal Year 2025-26 Operational Plan in the San Diego County Fire Protection District (SDCFPD). If approved, this action will result in a funding swap from the SDCFPD Fire Mitigation fund balance (14610) to San Diego County Fire Protection District (14611) for Capital Project 1022910, Jacumba Fire Station #43. The funding source is Jacumba Valley Energy Park fire prevention services agreement. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

Recommendation 1

This recommendation will cancel appropriations of \$480,000 in Operating Transfers Out in the San Diego County Fire Protection District (SDCFPD) Fire Mitigation (Fund 14610) and establish appropriations of \$480,000 Operating Transfers Out in the San Diego County Fire Protection District (Fund 14611) based on revenue from the Jacumba Valley Energy Park fire prevention services agreement. Funds received through the fire services agreement for the Jacumba Valley Energy Park are intended for use within the Jacumba community. Allocating this revenue to support the construction of the new Jacumba Fire Station is the appropriate use of these funds.

ENVIRONMENTAL STATEMENT

N/A

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today’s proposed actions support the Strategic Initiatives of Sustainability, Equity, Empower, Community and Justice in the County of San Diego’s (County) 2026-2031 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

SUBJECT: FISCAL YEAR 2025-26 THIRD QUARTER SAN DIEGO COUNTY FIRE PROTECTION DISTRICT OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)

Respectfully submitted,



EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

N/A



San Diego County Flood Control District

GOVERNING BODY

PALOMA AGUIRRE
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

AGENDA ITEM

DATE: May 19, 2026

FL01

TO: Flood Control Board of Directors

SUBJECT

FISCAL YEAR 2025-26 THIRD QUARTER SAN DIEGO COUNTY FLOOD CONTROL DISTRICT OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)

OVERVIEW

This item recommends a budget adjustment in the San Diego County Flood Control District as part of the Fiscal Year 2025-26 Third Quarter Operational Plan budget adjustments.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Increase the budget by \$320,000 in the San Diego County Flood Control District for repairs to a stormwater drain caused by a sinkhole in the community of Lakeside.
 - Establish appropriations of \$320,000 in the San Diego County Flood Control District, Services & Supplies, for consultant contracts to support the Bates Lane project, based on available prior year San Diego County Flood Control District fund balance. **(4 VOTES)**

EQUITY IMPACT STATEMENT

The recommended actions are intended to provide resources to address inequities in County of San Diego (County) services and to identify disparities, develop meaningful outcomes, and create a County government culture of equity, belonging, and racial justice.

SUSTAINABILITY IMPACT STATEMENT

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

FISCAL IMPACT

Funds associated with today's recommendation are not included in the Fiscal Year 2025-26 Operational Plan in the San Diego County Flood Control District. If approved, this action will result in cost and revenue of \$320,000 for repairs to a stormwater drain caused by a sinkhole in

**SUBJECT: FISCAL YEAR 2025-26 THIRD QUARTER SAN DIEGO COUNTY
FLOOD CONTROL DISTRICT OPERATIONAL PLAN STATUS REPORT
AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

the community of Lakeside. The funding source is available prior year San Diego County Flood Control District fund balance. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

The recommendation will establish appropriations of \$320,000 in the San Diego County Flood Control District to repair a stormwater drain damaged by a sinkhole in the Lakeside community. San Diego County Flood Control District staff conducted field inspections, and a Closed-Circuit Television (CCTV) assessment of the sinkhole revealed severe corrosion and sections of missing pipe material. The system was determined to require urgent repair, as the surrounding area will continue to deteriorate and become unstable, posing a risk to the safety and well-being of the community if no action is taken. The funding source is available prior year San Diego County Flood Control District Fund fund balance. The project is anticipated to be completed in Summer 2026.

ENVIRONMENTAL STATEMENT

N/A

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the Strategic Initiatives of Sustainability, Equity, Empower, Community and Justice in the County of San Diego's 2026-2031 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Ebony N. Shelton', followed by the word 'FOR' in blue capital letters.

EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

N/A