COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
THURSDAY, JUNE 25, 2026

MINUTE ORDER NO. 8

SUBJECT: COUNTY OF SAN DIEGO FISCAL YEAR 2026-27 ADOPTED BUDGET RESOLUTION FOR COUNTY FAMILY OF FUNDS, ENTERPRISE FUNDS AND INTERNAL SERVICE FUNDS, AND PRIOR YEAR ENCUMBRANCES (DISTRICTS: ALL)

OVERVIEW

On June 11, 2026, the County of San Diego (County) Board of Supervisors (Board) concluded budget hearings for the Fiscal Years (FY) 2026-27 and 2027-28 Operational Plan. At these hearings, the Board received public testimony and a presentation of the Chief Administrative Officer (CAO) Recommended Operational Plan. Pursuant to California Government Code Section 29088, a resolution is submitted for adoption of the budgets for FY 2026-27 for the County Family of Funds, Enterprise Funds and Internal Service Funds. Also requested is authority to carry-forward prior year encumbrances and related funding. Today's actions request the Board to consider changes to the CAO Recommended Operational Plan and approve the resolutions adopting the budget and reimbursement of expenditures from the proceeds of indebtedness.

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER

1. Approve the Chief Administrative Officer (CAO) Recommended Operational Plan Change Letter to revise the CAO Recommended Operational Plan.

2. Consider any Operational Plan change requests submitted after the close of the budget hearing, if applicable. (**4 VOTES**)

   If additional time is needed to identify funding sources or otherwise balance the budget based on the Board's direction and recommendations above, this item may be continued to June 26, 2026, if necessary. If additional time is not needed, then take the following actions:

3. Adopt a resolution entitled: ADOPTION OF THE BUDGET FOR THE COUNTY OF SAN DIEGO FOR THE FISCAL YEAR COMMENCING JULY 1, 2026.

4. Authorize the Auditor and Controller to carry-forward appropriations and applicable estimated revenue for prior year encumbrances in all County funds. **(4 VOTES)**

5. Adopt a resolution entitled: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO SETTING FORTH THE OFFICIAL INTENT OF THE COUNTY OF SAN DIEGO TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS.

EQUITY IMPACT STATEMENT

The County of San Diego (County) is committed to promoting a culture of equity, belonging, and racial justice. We serve all communities, including Black, Indigenous, People of Color, LGBTQIA+, people

with disabilities, low-income individuals, the young, the elderly, immigrants, refugees, and those who have faced inequality.

The Chief Administrative Officer (CAO) Recommended Operational Plan aims to allocate resources to address inequities in County programs and services. This plan is based on community input, data analysis identifying disparities, and meaningful assessment of outcome indicators.

In 2021, the County introduced a Budget Equity Assessment Tool. This tool helps County departments prioritize services and allocate resources with equity in mind. Each year, departments must identify equity components to evaluate budget changes that impact their ability to deliver services and support their goals. The questions in this tool ensure that the County applies an equity lens when developing the budget.

SUSTAINABILITY IMPACT STATEMENT

The County of San Diego (County) is working towards a sustainable future for everyone. Our strategic plan guides our activities to ensure sustainability in the region's economy, climate, environment, and communities. We aim to strengthen communities by pursuing legislative policies and collaborating with stakeholders to enhance services that help residents become self-sufficient, increase economic sustainability, and reduce poverty.

County departments contribute by implementing their own sustainability plans, which reflect their priorities and inform financial planning and decision-making. This ongoing effort helps each department increase the overall sustainability of their operations. These collective efforts strengthen communities, ensure accountability, and protect public resources by aligning available resources through services and initiatives.

The proposed budgetary plans for the Fiscal Years 2026-27 in the Chief Administrative Officer Recommended Operational Plan support the County's Strategic Initiative of Sustainability. This aligns resources with services while maintaining fiscal stability and ensuring long-term solvency.

FISCAL IMPACT

The total Revised Recommended Operational Plan includes increased spending of $522,542,448 for Fiscal Year 2026-27 totaling $9,157,051,405. Recommendation 1 includes total spending authority of $8,995,959,903, which includes:

- $8,118,486,954 for the County of San Diego (County) Family of Funds (General Fund, Capital Outlay Funds, Debt Service Fund and Special Revenue Funds);
- $58,146,490 for the Enterprise Funds; and
- $819,326,459 for the Internal Service Funds.

The remaining amounts of the total revised recommended spending authority of $9,157,051,405 Countywide are reflected in additional Fiscal Year (FY) 2026-27 Budget Board Letters for consideration, including the San Diego Sanitation District; County Service Areas, Community Facilities Districts, Certain Maintenance Districts and Permanent Road Divisions; San Diego County Fire Protection District; and County of San Diego Successor Agency to the County of San Diego Redevelopment Agency; and San Diego County Flood Control District.

Recommendation 3 provides spending authority of $8,118,486,954 for the County Family of Funds for FY 2026-27. The recommendation also provides spending authority of $58,146,490 for the Enterprise Funds and $819,326,459 for the Internal Service Funds.

Recommendation 4 authorizes the Auditor and Controller to carry over appropriations and any related revenues from the prior year. The exact amount of carry-forward budget is not known at this time and will not be finalized until the accounting cycle for FY 2025-26 has been completed in August 2026.

Recommendation 5 has no fiscal impact associated with this action. The FY 2026-28 Operational Plan includes $164,920,000 in capital expenditures, both infrastructure and Information Technology. If approved, the resolution serves solely to establish compliance with U.S. Treasury Regulations and does not obligate the County to expend funds, incur debt, or proceed with any specific project. Adoption of the proposed reimbursement resolution will provide the County with the flexibility to reimburse eligible expenses from proceeds of an executed financing currently expected in early calendar year 2027. The resolution identifies a maximum reimbursement amount of $164,920,000, allowing for flexibility in structuring the final bond issuance. Any future actions regarding the amount, timing, or structure of financing will be brought forward for Board consideration at a later date.

The fiscal impact of Recommendation 2 will be determined prior to adoption of the budget if Operational Plan change requests are received after the close of budget hearings.

BUSINESS IMPACT STATEMENT
N/A

ACTION:
ON MOTION of Supervisor Lawson-Remer, seconded by Supervisor Montgomery Steppe, the Board of Supervisors took the following actions:

1. Approved the Chief Administrative Officer (CAO) Recommended Operational Plan Change Letter to revise the CAO Recommended Operational Plan. (Board Letter Recommendation No. 1)

2. Adopted Resolution No. 26-094 entitled: ADOPTION OF THE BUDGET FOR THE COUNTY OF SAN DIEGO FOR THE FISCAL YEAR COMMENCING JULY 1, 2026. (Board Letter Recommendation No. 3)

3. Authorized the Auditor and Controller to carry-forward appropriations and applicable estimated revenue for prior year encumbrances in all County funds. (Board Letter Recommendation No. 4)

4. Adopted Resolution No. 26-095 entitled: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO SETTING FORTH THE OFFICIAL INTENT OF THE COUNTY OF SAN DIEGO TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS. (Board Letter Recommendation No. 5)

AYES: Aguirre, Anderson, Lawson-Remer, Montgomery Steppe, Desmond

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors

Signed
by Andrew Potter