



COUNTY OF SAN DIEGO

CAO RECOMMENDED OPERATIONAL PLAN EXECUTIVE SUMMARY

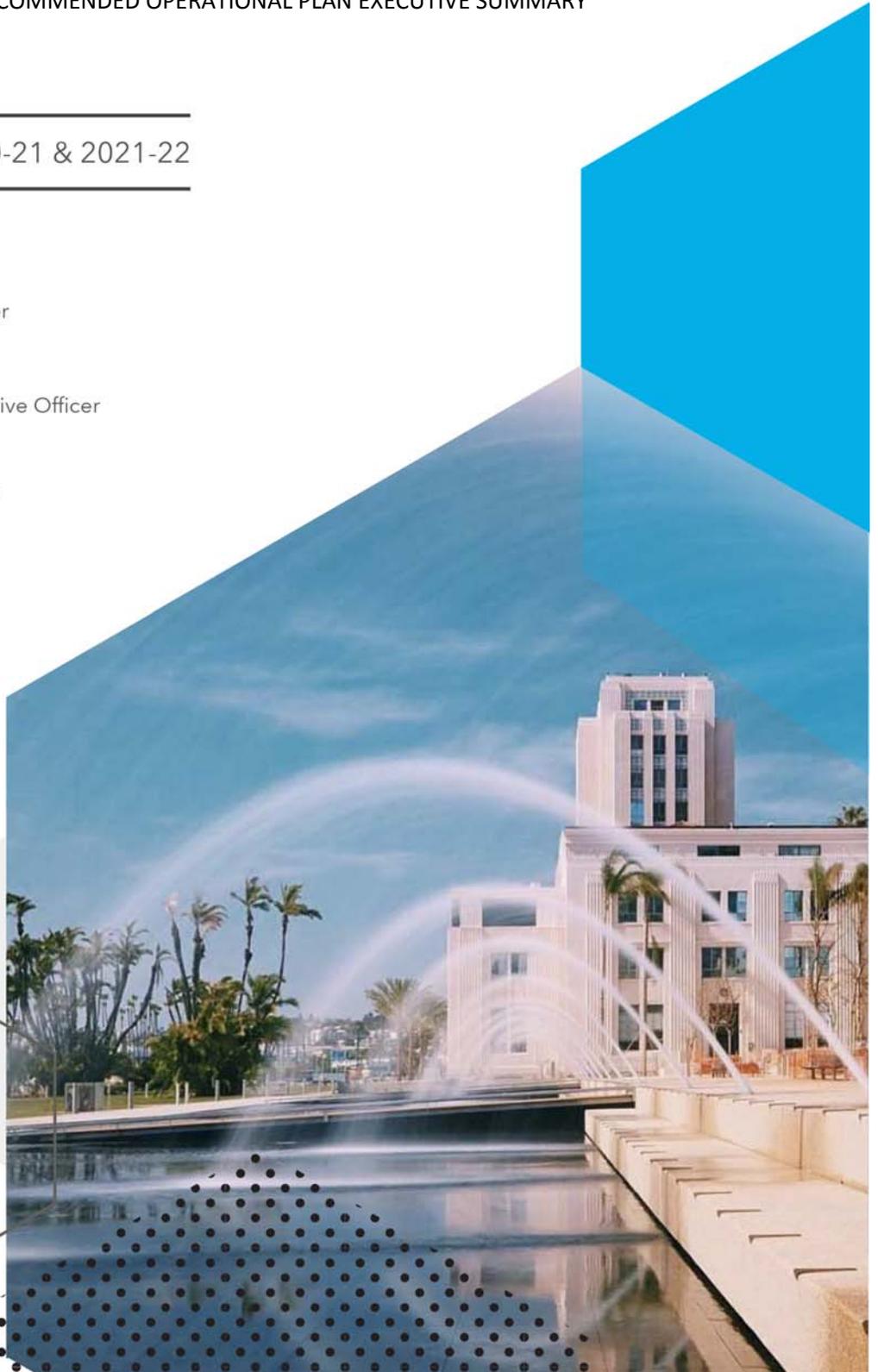
FISCAL YEARS 2020-21 & 2021-22

Helen N. Robbins-Meyer
Chief Administrative Officer

Tracy M. Sandoval
Assistant Chief Administrative Officer

BOARD OF SUPERVISORS

Greg Cox, District 1
Dianne Jacob, District 2
Kristin Gaspar, District 3
Nathan Fletcher, District 4
Jim Desmond, District 5





Message from the Chief Administrative Officer

Transformation for Unprecedented Times

We head into a new fiscal year facing unprecedented challenges. We continue to grapple with the local impacts of the global COVID-19 pandemic. With no vaccine, and a surge in new cases, the focus continues to be on protecting the physical and economic health of our residents.

Shutdowns aimed at fighting the virus created enormous shockwaves through the economy, the extent of the fiscal reverberations still unknown. But revenue projections have dropped significantly at a time when unemployment and service needs are escalating.

A reckoning with racism demands an examination of our institutions, our policies, our programs and how we engage and serve our residents.

The world, the nation and our county are in the midst of transformation. Our operations and our budget must transform as well. As you digest this proposed \$6.4 billion budget, you will see the complexity of allocating resources to the vast array of services needed across our region. We touch the lives of all San Diegans, and therefore it's more essential than ever that we align our direction with the community's diverse needs.



The County has long had a strategy to financially prepare for unforeseen events. That past fiscal stability is helping us to maneuver through these unprecedented times, allowing us to maintain critical services. But even that careful planning has its limits, and our ability to continue all services at current levels can't be sustained indefinitely. To stay balanced, the proposed budget recommends dipping into reserves for the next two years to allow time to make long-term adjustments while not adding additional economic stress to the region. Accordingly, you won't see many new things in this budget. You will see reductions in capital investments, streamlining of administrative functions and elimination of some vacant staff positions. The Health and Human Services Agency is the only group with significant fiscal increases, largely tied to the pandemic response.

Our COVID-19 efforts, and careful spending of CARES Act funding, will remain a dominant feature of County activity, as we work to protect our residents' health and prevent the region's medical systems from being overwhelmed. However, the County will also keep building on its commitment to assist vulnerable populations. We'll have increased housing and public assistance caseloads. And we'll build out the regional continuum of care, focusing on diversionary services such as Crisis Stabilization Units and Mobile Crisis Response Teams to provide early intervention so that we avoid inundating our public safety partners and instead provide proper treatment for those needing behavioral health care.

Across our Public Safety Group, we are developing important reform initiatives while also increasing de-escalation training to strengthen community trust, equity and racial justice. Widespread protests have served to elevate the need for education and change regionwide. We are prioritizing medical and behavioral health treatment so we can administer appropriate services to help stabilize those in crisis, while enabling them to achieve self-sufficiency and avoid justice system involvement. Our juvenile justice transformation continues with investment in future designs for our Juvenile Justice Campus in Kearny Mesa and support for the District Attorney's Juvenile Diversion Initiative. And the District Attorney will invest in the North County Family Justice Center, a regionalized center providing support to victims of crime.

Additionally, \$5 million has been identified in the Chief Administrative Office Budget to be used toward new initiatives identified by the newly formed Human Relations Commission. We are enhancing our Citizens' Law Enforcement Review Board and establishing a new Office of Equity and Racial Justice. We'll have significant engagement with the community to develop the mission, goals and new practices for those initiatives. Together we will shape a bold course for our region that ensures every person is healthy, safe and thriving.

In closing, the year ahead will be filled with many challenges. Our agenda for the year forward is ambitious, with a \$159 million, or 2.5%, increase in spending from the previous year, driven by CARES Act funding. Negotiated salary and benefit increases are included and one-time reserves are being used to help fill approximately \$231 million in revenue gaps due to the economic downturn. This prudent use of reserves for these unprecedented times will provide us the opportunity to establish a new financial base balanced to meet a sustained multiyear economic downturn with the increase in needed services. We look forward to meeting these challenges with an open mind and enthusiastic energy as we enter a new future in partnership with the people we serve.

Helen N. Robbins-Meyer
Chief Administrative Officer

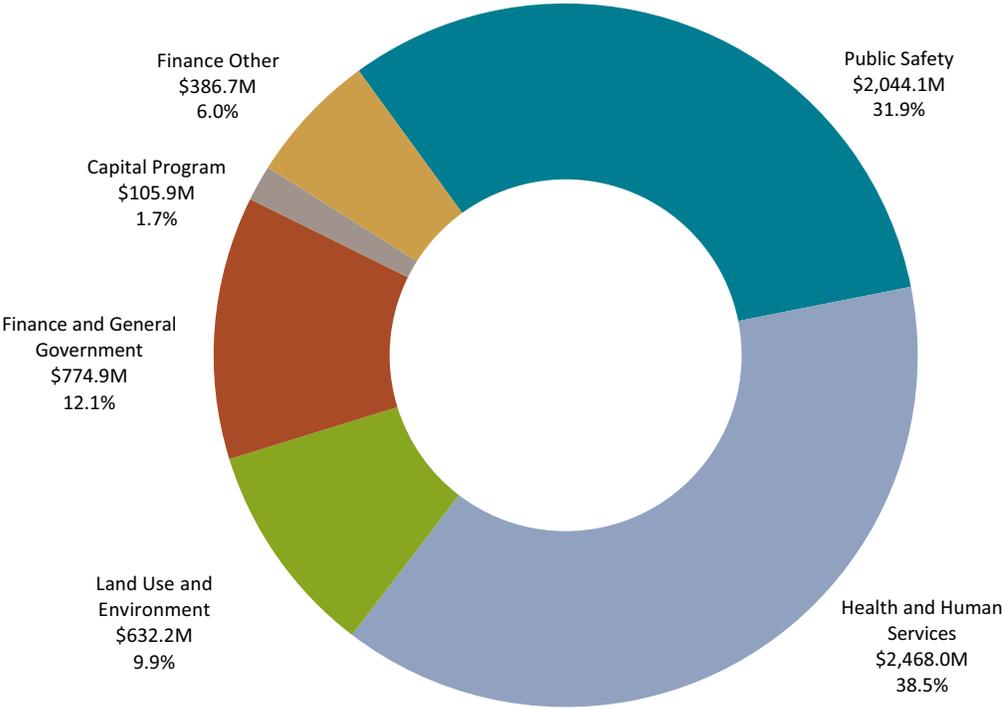




Executive Summary

Recommended Budget by Group/Agency: All Funds

Total Recommended Budget: \$6.41 billion



Recommended Budget by Group/Agency: All Funds		
	Budget in Millions	Percent of Total Budget
Public Safety	\$ 2,044.1	31.9
Health and Human Services	2,468.0	38.5
Land Use and Environment	632.2	9.9
Finance and General Government	774.9	12.1
Capital Program	105.9	1.7
Finance Other	386.7	6.0
Total	\$ 6,411.8	100.0

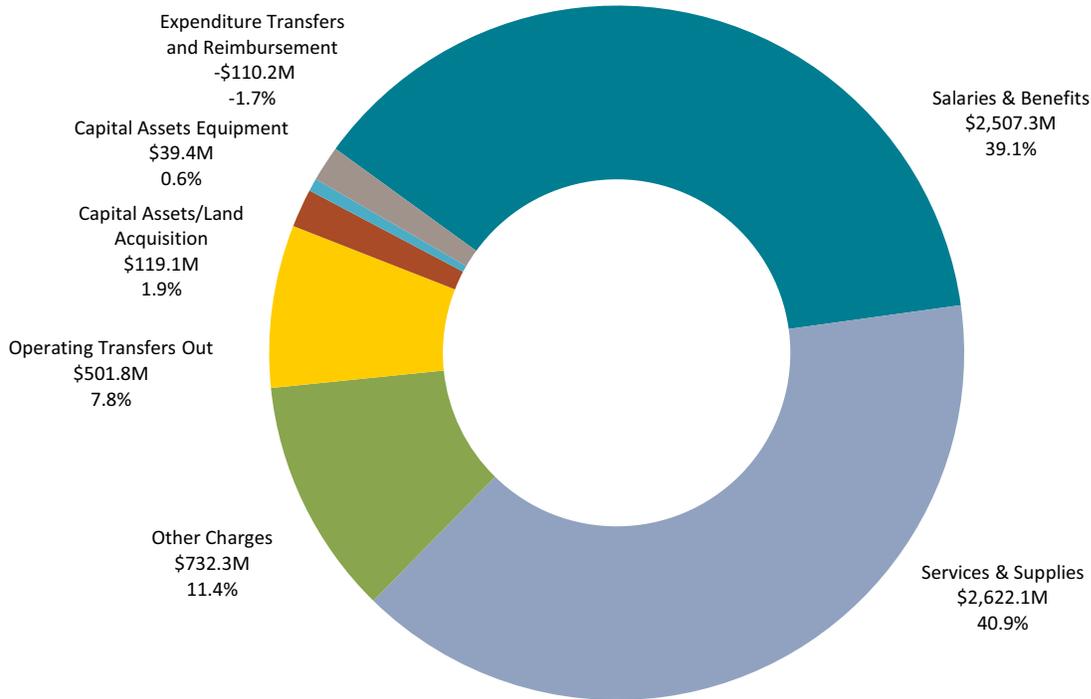
Note: In the chart and table, the sum of individual amounts may not total due to rounding.

Appropriations total \$6.41 billion in the Recommended Budget for Fiscal Year 2020–21. This is an increase of \$159.2 million or 2.5% for Fiscal Year 2020–21 from the Fiscal Year 2019–20 Adopted Budget. Looking at the Operational Plan by Group/Agency, there are appropriation decreases in the Public Safety

Group, Land Use and Environment Group, Capital Program and Finance Other, while there are increases in the Health and Human Services Agency and Finance and General Government Group.

Recommended Budget by Categories of Expenditures: All Funds

Total Recommended Budget: \$6.41 billion



Recommended Budget by Categories of Expenditures: All Funds		
	Budget in Millions	Percent of Total Budget
Salaries & Benefits	\$ 2,507.3	39.1
Services & Supplies	2,622.1	40.9
Other Charges	732.3	11.4
Operating Transfers Out	501.8	7.8
Capital Assets/Land Acquisition	119.1	1.9
Capital Assets Equipment	39.4	0.6
Expenditure Transfers and Reimbursements	(110.2)	(1.7)
Total	\$ 6,411.8	100.0

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The Recommended Budget overall increase is primarily due to increases in Salaries & Benefits of \$128.2 million due to negotiated labor agreements, increased retirement contributions, and increases in Services & Supplies of \$187.5 million. The Services & Supplies increase is largely for response to the COVID-19 public health emergency, including costs for the Testing, Tracing, and Treatment Strategy (T3) and in Behavioral Health Services to sup-

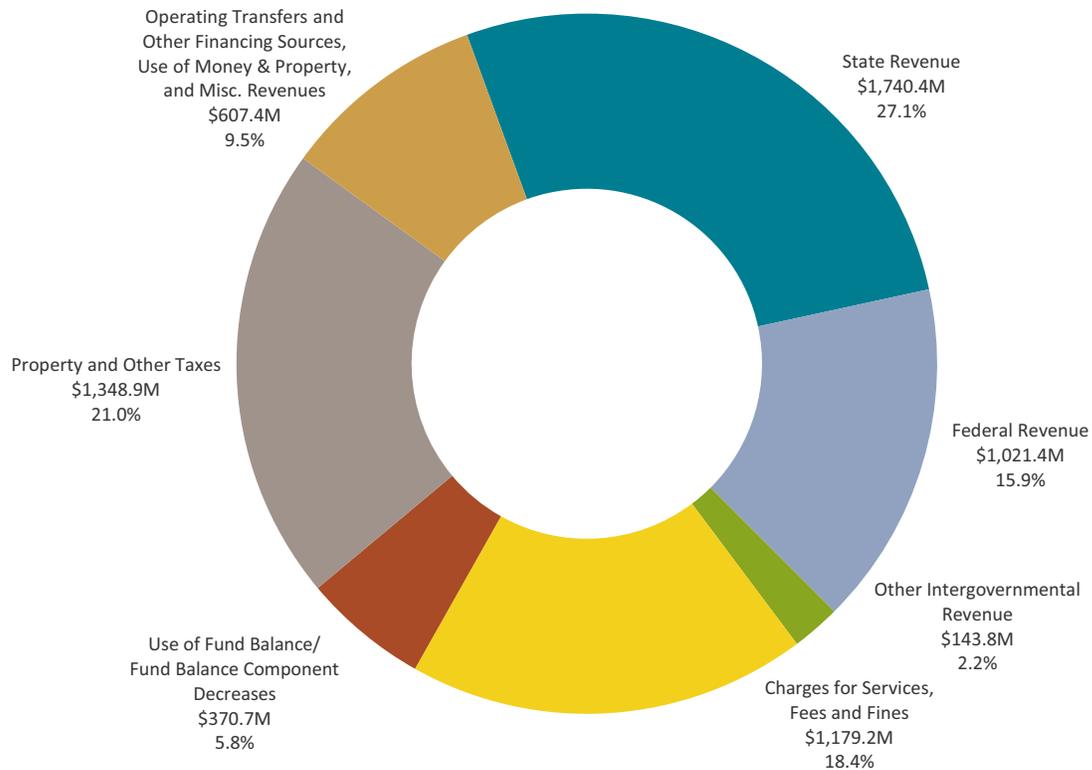
port capital projects for mental health and substance abuse service providers, to provide telehealth capability to respond to the COVID-19 public health emergency, for efforts to address homelessness in the unincorporated area and for planned upgrades to the County’s financial and human resources information systems.





Recommended Budget by Categories of Revenues: All Funds

Total Recommended Budget: \$6.41 billion



Recommended Budget by Categories of Revenues: All Funds		
	Budget in Millions	Percent of Total Budget
State Revenue	\$ 1,740.4	27.1
Property and Other Taxes	1,348.9	21.0
Charges for Services, Fees and Fines	1,179.2	18.4
Federal Revenue	1,021.4	15.9
Operating Transfers and Other Financing Sources, Use of Money & Property, and Misc. Revenues	607.4	9.5
Use of Fund Balance/Fund Balance Component Decrease	370.7	5.8
Other Intergovernmental Revenue	143.8	2.2
Total	\$ 6,411.8	100.0

Note: In the chart and table, the sum of individual amounts may not total due to rounding.

For Fiscal Year 2020-21, the combination of State Revenue (\$1.7 billion), Federal Revenue (\$1.0 billion) and Other Intergovernmental Revenue (\$143.8 million) supplies 45.3% of the funding

sources for the County's budget. Another 18.4% (\$1.2 billion) comes from Charges for Current Services, and Fees and Fines. These revenue categories represent the most significant



EXECUTIVE SUMMARY

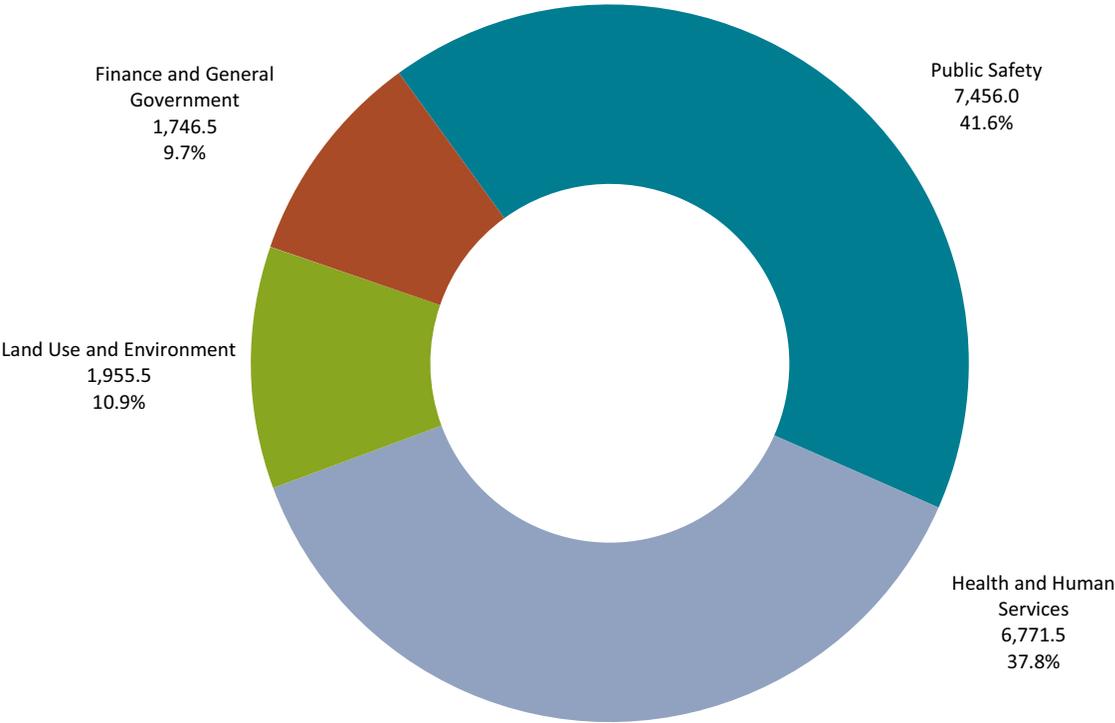
changes. State revenues decrease overall by \$79.8 million primarily due to a decrease in PSG for the Proposition 172 Fund which supports regional law enforcement services, in Health Realignment Revenue based on a projected decline in statewide sales tax receipts and due to decreases in anticipated gas tax receipts from the Highway User's Tax Account which support public roads. Federal revenues are increasing overall by \$167.9 million primarily due to the inclusion of Coronavirus Aid, Relief, and Economic Security (CARES) Act funds to support the T3 strategy, funds to address homelessness and social services programs. Intergovernmental revenues are increasing by \$25.3

million primarily due to continuing growth in pass-through distributions, reduced debt service payments related to a refunding of former redevelopment bond which increase the County's share of available tax increment, and recognition of higher residual revenue from the distribution of former redevelopment funds. Charges for current services are increasing by \$47.8 million to reflect the one time use of available Intergovernmental Transfer revenues to offset decreased revenues resulting from current economic conditions and to record revenues in internal service funds associated with one-time information technology projects.



Recommended Staffing by Group/Agency: All Funds

Total Recommended Staffing: 17,929.5



Recommended Staffing by Group/Agency: All Funds		
	Staff Years ¹	Percent of Total Staffing
Public Safety	7,456.0	41.6
Health and Human Services	6,771.5	37.8
Land Use and Environment	1,955.5	10.9
Finance and General Government	1,746.5	9.7
Total	17,929.5	100.0

¹A staff year in the Operational Plan context equates to one permanent employee working full-time for one year.

Note: In the chart and table, the sum of individual amounts may not total due to rounding.

Total staff years for Fiscal Year 2020–21 decreased by 95.0 from the Adopted Budget for Fiscal Year 2019–20, a decrease of 0.5% to a total of 17,929.5 staff years. This net decrease is attributable to decreased staffing in the Public Safety Group and Finance and

General Government Group, an increase in the Land Use and Environment Group, and the Health and Human Services Agency remaining unchanged.



