



COUNTY OF SAN DIEGO

BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

AGENDA ITEM

DATE: March 24, 2026

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TO: Board of Supervisors

SUBJECT

FISCAL YEAR 2026–27 BUDGET STRATEGY PRESENTATIONS ON REQUESTS FOR DISCRETIONARY FUNDING (DISTRICTS: ALL)

OVERVIEW

The County of San Diego's (County) departments are currently developing proposals for the upcoming Fiscal Year (FY) 2026–27 Chief Administrative Officer (CAO) Recommended Operational Plan, the County's annual budget, for consideration by the Board of Supervisors (Board). Today's item provides the opportunity for the Board to receive advance presentations regarding the proposed requests for use of ongoing County discretionary funding (i.e., General Purpose Revenue) in the coming fiscal year, and to identify priorities and suggest any revisions to inform budget development. General Purpose Revenue (GPR) is the unrestricted funding the County receives on an ongoing basis that can be used for any County priority at the Board's discretion, after funding all required mandates utilizing GPR. It typically includes property taxes, sales taxes, and other discretionary revenues that are not legally tied to a specific program or service.

RECOMMENDATION

SUPERVISOR TERRA LAWSON-REMER AND SUPERVISOR MONICA MONTGOMERY STEPPE

1. Receive presentations from all County business groups regarding the proposed requests for the use of ongoing General Purpose Revenue in Fiscal Year 2026–27 for the purpose of discussion, revision and prioritization by the Board of Supervisors.

EQUITY IMPACT STATEMENT

The County of San Diego (County) is committed to fostering a culture of equity, belonging, and racial justice. We serve communities that include Black, Indigenous, and people of color; LGBTQIA+ individuals; people with disabilities; individuals with low incomes; older and younger residents; immigrants; refugees; and others who have historically experienced inequities. Each year, all County departments identify equity considerations when evaluating budget changes to ensure their capacity to deliver services and advance departmental goals. This approach also guides

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how departments assess and present their projected General Purpose Revenue and ongoing funding needs.

SUSTAINABILITY IMPACT STATEMENT

The County of San Diego (County) is committed to building a sustainable future for all residents. Guided by the County’s Strategic Plan, sustainability efforts encompass the region’s economy, climate, environment, and communities. The County works to strengthen communities by advancing legislative policies and collaborating with partners to enhance services that support residents on their path to self-sufficiency, promote economic stability, and reduce poverty. County departments support these goals through individual sustainability plans that reflect organizational priorities and inform financial planning and decision-making. These efforts improve the long-term sustainability of internal operations, strengthen accountability, and ensure responsible stewardship of public resources. This same commitment informs the development and evaluation of projected General Purpose Revenue and ongoing funding requests, aligning available resources with services that maintain fiscal stability and support long-term sustainability.

FISCAL IMPACT

There is no fiscal impact associated with these recommendations. 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 County of San Diego’s (County) financial planning process is carried out in accordance with the State of California County Budget Act (Cal. Gov’t. Code §§ 29000–29144) and Article VII of the San Diego County Code of Administrative Ordinances. This framework guides how the County evaluates and aligns its available resources with program needs, equity priorities, and sustainability goals. Based on the requirements of the County Budget Act, County departments are currently developing proposals for the upcoming Fiscal Year (FY) 2026–27 Chief Administrative Officer (CAO) Recommended Operational Plan, the County’s annual budget, for consideration by the Board of Supervisors (Board).

This work includes departments assessing their projected General Purpose Revenue and ongoing funding requests to ensure they support service delivery, advance organizational objectives, and maintain long-term fiscal stability. Departmental funding requests will be incorporated as feasible into the development of the CAO Recommended Operational Plan for FY 2026–27 and revisions proposed by County staff through the Operational Plan Change Letter. Sharing this information today is a step in providing the Board and the public with more information as the budget is being developed. This may impact the release of the FY 2026–27 CAO Recommended Operational Plan on May 1st as staff and departments are sharing crucial information that feeds into the overall strategy development process. Regardless of any scheduling adjustments, the County will continue to meet all requirements set forth in the California County Budget Act. State law requires that

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counties release their proposed budget no later than May 30 and hold a noticed public hearing at least ten days after the budget's release.

The advance budget presentation was scheduled at the recommendation of the Ad Hoc Subcommittee on Sustainable Fiscal Planning (Subcommittee). The Board of Supervisors established the Subcommittee on September 30, 2025 (14) for the purpose of exploring, studying, planning, and developing a strategy to address emerging fiscal threats in order to sustain County services and invest in the well-being of all San Diegans.

To date, County staff have met with the Subcommittee four times around areas of financial planning:

- **On November 20, 2025**, staff presented information on long-term financial planning efforts and, at the request of the Subcommittee members, discussed strategies to enhance efficiencies across departments to maximize available resources. Additionally, related Board actions pertaining to the work of the Subcommittee regarding efficiencies have included the following:
 - January 28, 2026 (17) Modernizing County Communications Technology To Capture Millions in Ongoing Taxpayer Savings
 - March 3, 2026 (15) Centralizing County Space Management To Avoid Unnecessary Leasing Costs And Capture Ongoing Taxpayer Savings
- **On January 6, 2026**, the focus of the meeting was the Unlocked Reserves Framework. Additionally, related Board actions pertaining to the work of the Subcommittee regarding the Unlocked Reserves Framework have included the following:
 - 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.
 - On March 3, 2026 (13), staff brought back a proposal implementing the Board direction, and the Board adopted a recommendation identifying appropriations of \$47,400,000, supported by Unlocked Reserves, for areas including Housing, Vulnerable Populations, Sustainability, and Infrastructure, based on the advice and guidance of the Subcommittee
- **On January 27, 2026**, discussion focused on the County's overall budget strategy, including the identification of potential budget mitigation measures. During this meeting, staff were also asked to provide a comprehensive overview of Self Sufficiency Services' budget by program area, including contracted amounts, staffing levels, and revenue sources. Staff will return to the Subcommittee in the future with information related to this request
- **On March 5, 2026**, a follow-up meeting was held to discuss a refined budget strategy and conduct a more in-depth review of potential budget mitigations, during which the Subcommittee provided clear advice and guidance. At this meeting, staff also received direction to schedule a budget presentation for the March 24 agenda.

Today's item provides the opportunity for the Board to receive advance presentations from the County's business groups regarding the proposed requests for use of ongoing County discretionary

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funding (i.e., General Purpose Revenue) in the coming fiscal year, to identify priorities and suggest any revisions to inform budget development.

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,



TERRA LAWSON-REMER
Supervisor, Third District



MONICA MONTGOMERY STEPPE
Supervisor, Fourth District

ATTACHMENT(S)

N/A