



# COUNTY OF SAN DIEGO

## AGENDA ITEM

### BOARD OF SUPERVISORS

NORA VARGAS  
First District

JOEL ANDERSON  
Second District

TERRA LAWSON-REMER  
Third District

VACANT  
Fourth District

JIM DESMOND  
Fifth District

**DATE:** May 23, 2023

**35**

**TO:** Board of Supervisors

### SUBJECT

**FISCAL YEAR 2022-23 THIRD QUARTER OPERATIONAL PLAN STATUS REPORT  
AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

### OVERVIEW

This report summarizes the status of the County's Fiscal Year 2022-23 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 \$17.8 million (or 0.2% of the General Fund budget), and \$115.9 million (or 1.2% of the Overall budget) for all budgetary funds combined. The projected fund balance anticipates an overall positive expenditure variance and an overall negative revenue variance from the Fiscal Year 2022-23 Amended Budget. The projection assumes General Purpose Revenue will perform better than estimated, and all business groups will produce operating balances except for the Health and Human Services Agency due to the contribution to Innovative Housing Trust Fund and deferral of payments from Federal Emergency Management Agency (FEMA) revenue which will be covered by overall variance in County General Fund and all business groups staying within the legal appropriation limit. The General Fund projections for 3<sup>rd</sup> Quarter have changed from a projected fund balance amount of \$73.5 million in the 2<sup>nd</sup> quarter to the projected amount of \$17.8 million in the 3<sup>rd</sup> Quarter. The primary change is due to the additional deferral of payments from FEMA. Anticipated amounts of \$86.0 million from FEMA originally anticipated to be received by December 31, 2023 are now anticipated to be received in calendar year 2024. The projected balance for all other funds combined is \$98.1 million (3.4% of the other funds combined budget).

Transfers and revisions to the amended budget can be made by formal action of the Board of Supervisors in accordance with the California County Budget Act, Government Code (GC) Section 29125. Increases to the overall budget require 4 votes. 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 4 votes even if the overall budget is not increased.

In the Public Safety Group (PSG), the recommendation includes appropriation adjustments to purchase four ambulances and equipment to support fire and emergency medical services, align funding for debt service payment, to purchase items in Jails Commissary Enterprise Fund; and in

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the Medical Examiner's Office for unanticipated decedent transportation costs and supplemental contracted toxicology support.

In the Health and Human Services Agency (HHS), recommendations include an appropriation adjustment for the County Public Health Laboratory project.

In the Land Use and Environment Group (LUEG), recommendations include appropriation adjustments for the Ramona Airport Tower Transient Apron Rehabilitation Project, for Joint Exercise of Powers Agreement Improvements at Joan MacQueen Middle School, to support construction of the Calavo Park Project, for the Smuggler's Gulch Improvement Project and to support additional Geotech and design requests of the Otay Lakes Park Sewer System Project, and to support increased costs of construction for Sweetwater Summit Regional Park Campground Expansion Phase 2.

In the Finance and General Government Group (FGG), recommendations include appropriation adjustments to support increased fuel costs and for anticipated legal settlements.

In the Capital Program, recommendations include appropriation adjustments for projects that are anticipated to be completed and closed at the end of the fiscal year.

**RECOMMENDATION(S)**

**CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2022-23 third quarter report on projected year-end results.

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds  
(Recommendations 2 through 12):**

2. Establish appropriations of \$3,965,000 in San Diego County Fire, Services & Supplies (\$1,850,000), for contracted services, equipment and supplies to provide additional ambulance services, and Capital Assets Equipment (\$2,115,000), to purchase four ambulances and equipment to support fire and emergency medical services in the San Diego County Fire Protection District based on Operating Transfer In from San Diego County Fire Protection District (SDCFPD). **(4 VOTES)**
3. Cancel appropriations of \$150,000 in Criminal Justice Facility Construction Fund, Operating Transfers Out, based on revenue from fines, forfeitures and penalties; *and* establish appropriations of \$150,000 in the Courthouse Construction Special Revenue Fund, Operating Transfers Out, for debt service payment based on unanticipated revenue from fines, forfeitures and penalties. **(4 VOTES)**
4. Establish appropriations of \$650,000 in the Jail Commissary Enterprise Fund, Services & Supplies, for commissary items based on anticipated receipts. **(4 VOTES)**
5. Establish appropriations of \$2,200,000 in DPW Airport Enterprise Fund (AEF), Fixed Assets, to provide funds for the Ramona Airport Tower Transient Apron Rehabilitation Project based

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on unanticipated revenue from the Federal Aviation Administration (\$1,980,000) and available prior year Airport Enterprise Fund fund balance (\$220,000). **(4 VOTES)**

6. Establish appropriations of \$185,000 in Park Land Dedication Ordinance (PLDO) Area 27 Alpine Fund, Services & Supplies, to finalize payment for the outstanding invoice to Alpine Union School District for improvements at Joan MacQueen Middle School based on available prior year PLDO Area 27 Alpine Fund fund balance. **(4 VOTES)**
7. Establish appropriations of \$2,000,000 in Park Land Dedication Ordinance (PLDO) Area 20 Spring Valley (\$735,210), Spring Valley Improvement Impact Fee (\$1,161,640), and Spring Valley In Lieu Fee (\$103,150), Operating Transfers Out, based on available prior year PLDO Area 20 Spring Valley, Spring Valley Improvement Impact Fee, and Spring Valley In Lieu Fee Fund fund balance; *and* establish appropriations of \$2,000,000 in the Capital Outlay Fund for Capital Project 1022858 Calavo Park, to support construction of the project, based on Operating Transfer In from Parkland Dedication Fund. **(4 VOTES)**
8. Establish appropriations of \$3,250,000 in Capital Outlay Fund to provide funding for Capital Project 1025467 Smuggler's Gulch Improvement Project at Tijuana River Valley Regional Park based on grant funding awarded by the State Water Resources Control Board. **(4 VOTES)**
9. Establish appropriations of \$3,000,000 in the Department of General Services Fleet Internal Service Fund (ISF) Parts and Fuel, Services & Supplies, to support increased fuel costs based on unanticipated revenue from client departments. **(4 VOTES)**
10. Establish appropriations of \$6,756,850 in the County Health Complex Fund for Capital Project 1024604, County Public Health Laboratory, based on Epidemiology and Laboratory Capacity Enhancing Detection Expansion Grant Funding (\$4,900,000) and Advanced Molecular Detention Program Grant Funding (\$1,856,850). **(4 VOTES)**
11. Establish appropriations of \$12,000,000 in the Public Liability ISF, Services & Supplies for several major unanticipated legal settlements based on available Public Liability ISF fund balance. **(4 VOTES)**
12. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, as noted in Appendix D, in the net amount of \$29,322,277 for major maintenance projects listed in Appendix D that were subsequently reclassified, based on capitalization thresholds, for financial reporting purposes; *and* establish and cancel appropriations, as noted in Appendix D for a net increase of \$29,322,277 in the Major Maintenance Capital Outlay Fund and adjust related funding sources as noted to accurately classify major maintenance projects for financial reporting purposes. **(4 VOTES)**

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**Transfers Within Budgetary Funds and/or Cancellation of Appropriations  
(Recommendations 13 through 16):**

13. Transfer appropriations of \$600,000 from the Public Safety Group, Services & Supplies to Medical Examiner, Services & Supplies, for unanticipated decedent transportation costs (\$315,000) and supplemental contracted toxicology support (\$285,000).
14. Transfer appropriations of \$161,892 within the Capital Outlay Fund and related Operating Transfer In from the General Fund to provide funding for Capital Project 1021152 Otay Lakes Park Sewer System to support additional Geotech and design requests based on transfer from Capital Project 1022650 Otay Lakes County Park Recreation Amenities (\$33,361) and 1021894 Otay Valley Regional Park Bike Skills Course (\$128,531).
15. Transfer appropriations of \$116,520.77 within the Capital Outlay Fund and related Operating Transfer In from the General Fund to provide funding for Capital Project 1023065 Sweetwater Summit Regional Park Campground Expansion Phase 2 to support increased costs for construction of the project based on transfer from Capital Project 1022612 Lincoln Acres Park Acquisition and Expansion.
16. Cancel appropriations and related revenue of up to \$4,103,390.20 as noted in Schedule C for Capital Projects that will be completed and closed by the end of Fiscal Year 2022-23. This is composed of \$1,962,958.40 in the Capital Outlay Fund, and \$2,140,431.80 in the Justice Facility Construction Fund.

**EQUITY IMPACT STATEMENT**

After the Board of Supervisors 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 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 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.

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**FISCAL IMPACT**

Funds associated with today's recommendations are partially included in the Fiscal Year 2022-23 Operational Plan. If approved, in the General Fund these actions will result in an increase to the overall budget of \$3,965,000, transfers within budgetary funds of \$28,281,678 and no cancellation of appropriations. The funding sources for the increase is Operating Transfers In from San Diego County Fire Protection District.

In all other funds combined, these actions will result in a net increase to the overall budget of \$57,260,736, transfers within budgetary funds of \$1,919,012, and cancellation of appropriations of \$6,758,543. The funding sources for the net increase are Operating Transfers In from the General Fund (\$23,507,276), available Public Liability Internal Service Fund (ISF) fund balance (\$12,000,000), Epidemiology and Laboratory Capacity Enhancing Detection Expansion Grant (\$4,900,000), State Water Resources Control Board (\$3,250,000), revenue from client departments (\$3,000,000), available prior year Park Land Dedication Ordinance fund balance (\$2,185,000), Operating Transfers In from Parkland Dedication Fund (\$2,000,000), Federal Aviation Administration (\$1,980,000), Advanced Molecular Detention Program Grant (\$1,856,850), Operating Transfers In from various non-General Fund (\$1,719,199), Miscellaneous Revenues (\$650,000) and available prior year Airport Enterprise Fund fund balance (\$220,000). These are offset by a decrease in Community Development Block Grant (\$7,589).

**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 \$17.8 million is based on the estimate that expenditures will be approximately \$137.3 million less than the Fiscal Year 2022-23 Amended Budget and revenues will be a net \$119.5 million less than the Fiscal Year 2022-23 Amended Budget. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus year-to-date changes that have been either approved by your Board or the Deputy Chief Administrative Officer/Chief Financial Officer, when permitted. The projected balance for all other funds combined is a net of \$98.1 million.

The General Fund year-end fund balance projection includes COVID-19 response costs primarily funded through American Rescue Plan Act (ARPA) funds and anticipates receipt of additional Federal Emergency Management Agency (FEMA) revenue to cover costs incurred. Total FEMA costs are currently estimated at \$423 million with the assumption that FEMA eligibility will end by May 11, 2023. The \$423 million includes \$404 million of costs incurred for Fiscal Year 2020-21 and Fiscal Year 2021-22 and the estimated remaining balance of \$19 million is for this Fiscal Year 2022-23. To date, a total of \$187 million in FEMA reimbursement payments have been received and projections anticipate receiving an additional \$46 million by December 31, 2023, for prior year efforts. The remaining balance of \$190 million, which includes the 10% withhold amount as part of the FEMA close out process, is anticipated to be received in future fiscal years.

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

**GENERAL FUND EXPENDITURE VARIANCES**

The projected lower than budgeted expenditures generating an overall positive expenditure variance of \$137.3 million in the General Fund are primarily attributable to the following:

- \$87.1 million in projected positive Salary & Benefits appropriation variance in all groups. As of March 31, 2023, the vacancy rate (including newly added positions) was 10.3% (2,052 of 19,899 positions).
  - In PSG, the projected overall expenditure variance of \$19.5 million is primarily due to vacancies, attrition, and under-filled. Other potential projected variances from budget will offset costs related to the transition of the new comprehensive healthcare contract for incarcerated persons and to close out final invoices from previous contracts, the absorption of costs related to premium pay and increases in ongoing compensation associated with recruitment and retention, which were included in the amendments to the compensation ordinance on August 16, 2022 (16) and August 30, 2022 (11)), and for higher than anticipated expenditures in information technology and facilities maintenance projects.
  - In HHSA, the projected overall expenditure variance of \$45.1 million is primarily due to attrition, and staff vacancies. These are offset by increased overtime costs to manage workload as well as temporary staffing.
  - In LUEG, the projected overall expenditure variance of \$13.1 million primarily due to vacancies and under-filled positions. Other potential projected variances from budget were redirected to fund costs related to new park facilities, initial stewardship and Public Access Plan for Rancho Lilac Preserve, the advancement of sustainability initiatives in support of the Regional Decarbonization Framework and Climate Action Plan update and increases for ongoing compensation associated with approved labor agreements, Implement Safety Element of the General Plan, Streamlining renewable energy projects, Code Compliance Public Nuisance Abatements, contract staff for Code Compliance backlog, and start-up costs for new park facilities - Lindo Lake Phase 1, Sycuan Sloan Canyon Trail, Waterfront Active Recreation, Sweetwater Loop, Fallbrook Local/Skate Park, Calavo Park, Trails crews and Star Ranch Preserve.
  - In FGG, the projected overall expenditure variance of \$10.0 million is primarily due to staff attrition and departmental vacancies. Other potential projected variances from budget were used to fund data and analytics infrastructure in the Office of Evaluation, Performance and Analytics, unanticipated CAC maintenance/property services costs, and for a document management system.
- \$6.3 million in projected negative appropriation variance in Services & Supplies across the County.

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- In PSG, projected overall positive expenditure variance of \$33.2 million primarily in Probation Department due to lower than anticipated use of contracted services due to lower number of youth in placement services and the timing of procurement execution for pretrial services; in Sheriff's Department due to lower than anticipated expenditures associated with the Board of State and Community Corrections (BSCC) Coronavirus Emergency Supplemental Funds (CESF), one-time Regional Communication System (RCS) tower/generator equipment and site relocations that will be rebudgeted in the Fiscal Year 2023-24 CAO Recommended Operational Plan, lower than anticipated expenditures associated with the Cal-ID program due to vacancies in partner agencies, and expenditures in various accounts supporting operations such as food, household expense, utilities and special departmental expense offset by higher than anticipated costs for fuel, temporary medical staffing, and advertising for recruitment; in Public Defender due to lower than anticipated contracted services for panel attorneys and ancillary services as Public Defender staff and justice partners are at capacity and unable to adjudicate cases to higher than pre-pandemic levels; in Child Support Services due to lower than anticipated expenses in overall operational costs, primarily information technology (IT) services; in PSG Executive Office due to lower than anticipated facility maintenance costs; and in San Diego County Fire due to lower than anticipated base hospital consultant costs and COVID-19 ambulance transport costs.
- In HHSA, projected overall negative variance of \$53.6 million in various departments. This consists of negative variances in Housing & Community Development Services (HCDS) tied to the expansion of the Innovative Housing Trust Fund (IHTF) to fund additional affordable housing developments, the utilization of unanticipated CDBG program income for the acquisition of a site that will be a future affordable housing development, the Kettner Crossing affordable housing development for low-income seniors, and the use of the IHTF interest that allowed HCDS to fund additional affordable housing developments; in Self-Sufficiency Services primarily due to an increase in contracted services for Employment Services contracts due to revised funding allocations; in Child Welfare Services primarily driven by costs for San Pasqual Academy (SPA) to support building a continuum of placement options for youth and an increase in temporary staff to meet needs at Polinsky Children's Center for high acuity youth with medical needs; in Medical Care Services for cost related to temporary staffing to support the Public Health Workforce grant, to align with Providing Access and Transforming Health (PATH) funding to support planning, staffing, and infrastructure to enhance the pre-release Medi-Cal enrollment for justice involved individuals, for automated patient dispensing machines to help streamline the medication dispensing workflow, and for an increase in Information Technology (IT) project cost for the Academic Detail by Zip Code Database; and in Homeless Solutions and Equitable Communities consists of cost in contracted services associated with the Afghan Refugee Support Services aligning with new federal dollars, costs associated with the Rosecrans Shelter, and in Alternative Dispute Resolution services. These are offset by positive variances in Aging &

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Independence Services mainly in contracted services due to delays in California Department of Aging (CDA) programs tied to procurement timeframes and program development; and in Public Health Services tied to associated activities related to ELC grants such as ongoing IT projects, delayed procurement of specimen collection and testing contractors, and a reduction in purchases of lab supplies due to limited capacity resulting from the closure of the Health Services Complex.

- In LUEG, projected overall positive variance of \$2.7 million primarily in the Department of Environmental Health and Quality due to decreases in supply purchases, Vector Habitat Remediation Program payments, number of aerals conducted, less than anticipated consultant contract expense and delayed IT projects; in Agriculture, Weights & Measures due to less than anticipated expenditures in Contracted Services related to as-needed tree trimming contract; and in Department of Public Works due to less than anticipated services from other County departments.
- In FGG, projected overall positive variance of \$10.4 million primarily in Assessor/Recorder/County Clerk due to a delay in replacing the Recorder/Clerk Integrated IT System that supports Recorder/Clerk cashiering and services, delay of Micrographics and e-Recording projects, and the cancellation of a major maintenance project at the East County Office and Archives; in Department of Human Resources due to a delayed IT project and fewer than anticipated costs for workers compensation and unemployment insurance services; in Treasurer-Tax Collector due to delays in IT projects and projected underspend on contracts; and in County Communications Office due to translation services being included in department budgets and therefore less than anticipated need for centralized resources for translation support.
- In FO, projected overall positive variance of \$1.0 million due to lower than anticipated costs in Shared Major Maintenance.
- A projected net positive appropriation variance of \$28.0 million in Other Charges primarily in HHSA in Housing & Community Development Services consists of aligning costs with updated estimates of federal reallocation funds for the Emergency Rental Assistance Program (ERAP) and tied to lower referrals to the HOME Tenant Based Rental Assistance (TBRA) program mainly due to utilization of alternative CWS housing programs; and in Child Welfare Services mainly to align with the revised projected caseloads in foster care and adoption assistance programs. This is offset by a negative variance in Self-Sufficiency Services based on General Relief program tied to both increased caseloads and grant amounts.
- A projected net positive appropriation variance of \$0.8 million in Capital Assets/Land Acquisition primarily in FO due to lower-than-expected needs for unanticipated projects.
- A projected net positive appropriation variance of \$26.8 million in Capital Assets Equipment in HHSA primarily in Public Health Services driven by the timing of procurements for the new Public Health Lab associated with Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) grants; and in PSG primarily in Child Support Services due to delayed vehicle purchases and in Sheriff's



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Department due to lower than anticipated expenditures for the Cal-ID program partner agencies.

- A projected net negative appropriation variance of \$6.4 million in Expenditure Transfer & Reimbursements in PSG primarily in Child Support Services due to lower than anticipated expenditures in the Bureau of Public Assistance Investigations for services reimbursed by HHSA, in PSG Executive Office due to lower facility costs that will not be transferred to Finance Other and in Public Defender due to lower than anticipated eligible reimbursable costs; and in HHSA primarily in Behavioral Health Services associated with the delay in implementation of the Youth Development Academy (YDA) memorandum of understanding (MOU) in Juvenile Forensic.
- A projected net positive appropriation variance of \$6.7 million in Operating Transfers Out in FO primarily in Contributions to Capital related to capital projects that are closed or being cancelled by the end of Fiscal Year 2022-23 and in HHSA primarily in Aging & Independence Services tied to reduced funding needs for the In-Home Supportive Services (IHSS) Public Authority primarily related to a revised estimate in Individual Provider health benefit costs which are tied to the number of provider hours worked, with no impact to services.

**GENERAL FUND REVENUE VARIANCES**

The projected under-realized revenue of \$119.5 million includes positive variances totaling \$98.9 million and negative variances of \$218.4 million. In many instances, the negative revenue variances are directly associated with the positive expenditure variances described above.

The projected positive revenue variance of \$98.9 million is primarily attributable to the following categories:

- Taxes Other Than Current Secured (\$42.5 million) mainly in Sales and Use Taxes due to the continued growth activities in the Unincorporated Area, in Vehicle License Fees (VLF) due to higher than budget growth in assessed valuation, in Property Tax Prior Secured Supplemental due to the increase in supplemental billings, in Documentary Transfer Taxes due to home prices remaining high so the transfer fee remains higher even with the number of sales going down, in Transient Occupancy Tax due to continued growth in the hotel industry and tourism, in Teeter Tax Reserve Excess based on returned excess Teeter Tax Reserve requirement, current penalty and interest collections, and in Teeter Property Tax Prior Year and Cumulative Prior Years based on a higher collection of receivables from prior fiscal year.
- Revenue from Use of Money & Property (\$32.2 million) primarily due to a higher projected average daily cash balance than what was budgeted which was used to calculate the interest revenue, and due to a higher interest rate due to the recent rise in market rates.
- Taxes Current Property (\$16.3 million) primarily due to higher than anticipated assessed value growth, higher than budget in revenue on prior year receipts and due to the increase in supplemental billings.
- Miscellaneous Revenues (\$6.6 million) primarily due to the closure of Flex Forfeitures Trust Funds, reimbursement from the Small Business Loan Program, various departmental escheatment and Cedar & Kettner lease payment, amounts tied to IHTF interest to align with the anticipated loan disbursement, and an anticipated grant allocation to support

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COVID-19 surveillance, offset by lower than anticipated revenue for reimbursement of costs associated with the Unsheltered Feeding Program and Regional Communication System (RCS) projects and due to a delayed IT project and fewer than anticipated administration costs charged to the Employee Benefit Internal Service Fund.

- Fines, Forfeitures & Penalties (\$1.3 million) primarily due to higher than budgeted growth in assessed valuation reflected on penalty for late current secured and unsecured property tax payments offset by lower than anticipated costs for the Cal-ID program and lower reimbursement from the Warrant Automation Trust Fund.

The projected negative revenue variance of \$218.4 million is primarily attributed to:

- Intergovernmental Revenues (\$190.9 million) tied to Federal Emergency Management Agency (FEMA) revenue deferrals anticipated to be received after December 2023, projected ELC grant revenues based on anticipated expenditures, adjusting recognition of Realignment revenue to align with projected expenditures in Salaries & Benefits, and anticipated funding for COVID-19 emergency response efforts projected in Charges for Current Services, due to lower than anticipated expenditures related to Pretrial Services, Juvenile Justice Realignment Block Grant, Juvenile Justice Crime Prevention Act, Foster Care, and Community Corrections Subaccount funded programs, in social services administrative revenues to align with anticipated federal and State funding and projected expenditures, and in federal and State assistance payment revenues associated with revised caseload projections for the assistance program, in Emergency Rental Assistance Program (ERAP) funding to align with updated estimates of federal reallocation of funds, due to lower than anticipated State and federal reimbursement for the child support program, in the IHSS Public Authority program to align with reduced expenditures with no impact to service level, and in Older Americans Act (OAA) revenues tied to delays and reduced funding needs for CDA programs, tied to aligning federal Short Doyle funding to anticipated billable service units and aligning block grant funding and Realignment funding with overall anticipated expenditures, due to lower than anticipated reimbursements for grant related activities and ongoing projects, and due to lower than anticipated expenditures funded by the California Governor's Office of Emergency Services, Victims of Crime Act for the victim services program and Community Corrections Subaccount. These are offset by positive variances in social services administrative revenues tied to revised allocations, higher than budget due to unanticipated State Motor Vehicle revenue, as well as pass-through distributions and residual balance estimates in Aid from Redevelopment Successor Agencies, due to higher than anticipated revenue from the federal government for the State Criminal Alien Assistance Program, Detection and Mitigation of COVID-19 in Confinement Facilities funding, as well as backfill for criminal administrative fees, due to unanticipated State backfill for loss of revenue from *AB 177, Public Safety*, for Fiscal Years 2021-22 and 2022-23, to align COVID-19 response funding with projected costs, additional Public Health Workforce grant funding to offset the additional temporary staffing costs, PATH funding for capacity building planning to support justice involved individuals, and Maternal Child & Adolescent Health Title 19 revenue to align with anticipated claiming, and tied to the

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supplemental allocation for Afghan Refugee Support services and additional federal grant funding to offset temporary community health worker costs.

- Charges for Current Services (\$25.5 million) primarily in Recording Document revenue due to less than anticipated number of recorded documents impacted by high interest rates, in Recorder Modernization revenue as a result of the cost of replacing the current Recorder/Clerk Integrated System not being incurred due to project delays, in various Recorder Trust Fund revenue as a result of the costs of Micrographics and e-Recording projects not being incurred due to project delays to the next fiscal year, decline in billable activities for land development projects due to staff vacancies, from the over accrual in Trial Court Security Subaccount from prior year and lower than anticipated jail bed leasing, civil service process and lower reimbursement for law enforcement services due to vacancies, decrease in reimbursements associated with the staff vacancies tied to public liability staff costs and decrease in legal services provided within the air pollution and land development areas, due to reduced Trust Fund reimbursement for the Vector Control Program due to expenditure and salary variances from budget mentioned above, and reduced services requested by customers, continued decrease in collections of revenues that support the statutory payments in Contribution for Trial Courts, and decrease in billable activities for work on other County funds and land development projects due to the staff vacancies. These are offset by positive variances tied to higher reimbursement rates at Edgemoor and an increase in invoice trend for the Forensic Evaluation Unit, in response to quick turnaround of evaluation, and the Care Coordination program and tied to reimbursement from third party health plans for COVID-19 testing and vaccination.
- Licenses, Permits & Franchises (\$1.3 million) primarily due to less than anticipated permit payments received and lower-than-expected payments from Franchise Fees.
- Other Financing Sources (\$0.7 million) due to a decrease in the transfers from the Incarcerated Peoples' Welfare Fund and the Jail Stores Enterprise Fund associated with vacant positions.

**Adjustments to the Fiscal Year 2022-23 Amended Budget**

Transfers and revisions to the amended budget can be made by formal action of the Board of Supervisors in accordance with the California County Budget Act, Government Code (GC) Section 29125. Increases to the overall budget require 4 votes while transfers of appropriations between departments within the same budgetary fund that do not increase the overall budget or the cancellation of appropriations require a majority vote. However, transfers of appropriations 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 12):**

**Recommendation 2**

After the adoption of the FY 2022-23 Operational Plan, the transfer of fire, emergency medical services and ambulance services from Ramona MWD to County Fire occurred. To support the

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current ambulance service needs in Ramona as well as in Potrero, Pine Valley and other San Diego County Fire Protection areas, the purchase of four ambulances and equipment and increased costs for services are needed. This request will establish appropriations of \$3,965,000 in San Diego County Fire to fund contracted services and purchase ambulances and other emergency medical services equipment based on an Operating Transfer In from San Diego County Fire Protection District.

**Recommendation 3**

During budget development, funds from the Criminal Justice Facility Construction Fund were budgeted to cover the cost of debt service payments. This recommendation swaps out the original funding source and will cancel appropriations of \$150,000 in the Criminal Justice Facility Construction Fund and establish appropriations of \$150,000 in the Courthouse Construction Special Revenue Fund, Operating Transfer Out, to pay for a portion of debt service payment, based on unanticipated revenue from fines, forfeitures and penalties.

**Recommendation 4**

This request will establish appropriations of \$650,000 in the Jail Commissary Enterprise Fund, Services & Supplies, to purchase items based on anticipated receipts.

**Recommendation 5**

This recommendation will establish appropriations of \$2,200,000 in DPW Airport Enterprise Fund (AEF), for the Ramona Airport Tower Transient Apron Rehabilitation Project, based on unanticipated revenue from the Federal Aviation Administration (\$1,980,000) and available fund balance from the prior year AEF (\$220,000). Previous Board actions on June 29, 2021 (07) and February 09, 2022 (02) appropriated \$2,700,000 in the AEF for preparation of the project design, environmental processing, and construction. Today's request will provide additional funds for construction due to an estimated increase of 20% in labor and materials costs based on the most recent engineering estimate. Total project cost is estimated at \$4,900,000. Construction is anticipated to begin in Summer 2023 and be completed by Summer 2024.

**Recommendation 6**

This recommendation will establish appropriations of \$185,000 in Park Land Dedication Ordinance (PLDO) Area 27 Alpine Fund, Services & Supplies, based on available prior year PLDO Area 27 Alpine Fund fund balance to finalize payment for the outstanding invoice to Alpine Union School District for Joint Exercise of Powers Agreement Improvements at Joan MacQueen Middle School approved on November 17, 2021 (01). This portion of the project was not anticipated to be completed until next fiscal year.

**Recommendation 7**

This recommendation will establish appropriations of \$2,000,000 in Park Land Dedication Ordinance (PLDO) Area 20 Spring Valley (\$735,210), Spring Valley Improvement Impact Fee (\$1,161,640), and Spring Valley In Lieu Fee (\$103,150), Operating Transfers Out, based on available prior year PLDO Area 20 Spring Valley, Spring Valley Improvement Impact Fee, and Spring Valley In Lieu Fee Fund fund balance and establish appropriations of \$2,000,000 in the Capital Outlay Fund for Capital Project 1022858 Calavo Park, to support an estimated 20%

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increase in construction costs of the project due to inflation of raw materials. The total project cost is estimated at \$18,750,000 and is anticipated to be complete in Spring 2024.

**Recommendation 8**

This recommendation will establish appropriations of \$3,250,000 in Capital Outlay Fund to provide funding for Capital Project 1025467 Smuggler's Gulch Improvement Project at Tijuana River Valley Regional Park based on grant funding awarded by State Water Resources Control Board on January 25, 2023. Originally this grant only funded the scoping of the project, but additional funding was awarded for construction and completion. The total project cost is estimated at \$4,250,000 and is anticipated to be complete in Winter 2024.

**Recommendation 9**

Countywide Fiscal Year 2022-23 appropriations for the purchase of fuel were budgeted at \$10,500,000 based on a five-year fuel expenditure average. Fuel costs increased unexpectedly in late Spring 2022 which was not included in current year appropriations. This recommendation will establish appropriations of \$3,000,000, an estimated 29% increase within the Department of General Services Fleet Internal Service Fund (ISF) Parts and Fuel to align appropriations with anticipated expenditures reflecting a continued increase of fuel costs in the current year based on economic projections. The funding source is charges to client departments.

**Recommendation 10**

This recommendation will establish appropriations of \$6,756,850 in the County Health Complex Fund for Capital Project 1024604, County Public Health Laboratory, based on unanticipated Epidemiology and Laboratory Capacity Enhancing Detection Expansion Grant Funding (\$4,900,000) and Advanced Molecular Detention Program Grant Funding (\$1,856,850), which was not available at the time of budget adoption.

If approved, the total amount funded for the project to date will be \$17,256,850, including General Purpose Revenue (\$500,000), Epidemiology and Laboratory Capacity Enhancing Detection Expansion Grant Funding (\$14,900,000), and Advanced Molecular Detention Program Grant Funding (\$1,856,850). Estimated total project costs including a parking garage are \$127,100,000, remaining funding for which is anticipated to be bond proceeds and will be included in future Operational Plans.

The Health and Human Services Agency envisions a new, estimated 52,000 square foot, permanent Public Health Laboratory (PHL). The new laboratory will include service expansion, such as whole genome sequencing, molecular surge, COVID-19 testing services, tuberculosis testing services, and a robust Biosafety Level 3 (BSL-3) program. This structure will allow the PHL to provide regional laboratory services, serve the unique needs of a border region, and serve as a potential partnering hub for the California Department of Public Health, Centers for Disease Control and Prevention, and nearby jurisdictions. The project is currently under design and construction is estimated to begin Fall 2023 with completion anticipated in Spring 2025.

**Recommendation 11**

The Public Liability ISF was established in Fiscal Year 1994-95 for the purpose of financial tracking, reporting and expenditures for public risk management activities. Each year, County

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Counsel works with an independent actuarial firm to determine the financial risks of potential legal actions against the County, and proposes a budget to address those risks. A significant portion of the Public Liability ISF budget is determined by potential legal settlement and judgment costs. Several major unanticipated issues have reached settlement during Fiscal Year 2022-23, with payments estimated to exceed budgeted appropriations in this fund. Today's recommendation will establish appropriations of \$12,000,000 in the Public Liability ISF Services & Supplies for the purpose of paying these unanticipated settlements based on available Public Liability ISF fund balance. Staff will continue to monitor this fund and will return to the Board if additional action is required.

**Recommendation 12**

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

This recommendation will result in a net increase of appropriations in the MMCOF of \$29,322,277 and reclassification of major maintenance projects which are supported by existing department budgets.

**Transfers Within Budgetary Funds and/or Cancellation of Appropriations  
(Recommendations 13 through 16):**

**Recommendation 13**

The Medical Examiner continues to experience an increase in caseload, including an increase in accidental overdose deaths, resulting in higher costs. This recommendation will transfer appropriations of \$600,000 from the Public Safety Group to the Medical Examiner to fund ongoing decedent transportation services (\$315,000) and supplemental contracted toxicology support services based on increased caseload including accidental overdose death cases (\$285,000).

**Recommendation 14**

This recommendation will transfer appropriations of \$161,892 within Capital Outlay Fund and related Operating Transfer In from the General Fund to provide funding for Capital Project 1021152 Otay Lakes Park Sewer System based on transfer from Capital Project 1022650 Otay Lakes County Park Recreation Amenities (\$33,361) and 1021894 Otay Valley Regional Park Bike Skills Course (\$128,531) to support additional Geotech and design requests. The total project cost is estimated at \$3,911,892 and is anticipated to be complete in Winter 2024.

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**Recommendation 15**

This recommendation will transfer appropriations of \$123,701 within the Capital Outlay Fund and related Operating Transfer In from the General Fund to provide funding for Capital Project 1023065 Sweetwater Summit Regional Park Campground Expansion Phase 2 based on transfer from Capital Project 1022612 Lincoln Acres Park Acquisition and Expansion to support an estimated 20% increase in costs for construction of the project due to inflation of raw materials costs. The total project cost is estimated at \$6,374,396 and is anticipated to be complete in Fall 2023.

**Recommendation 16**

By the end of Fiscal Year 2022-23, a total of 17 capital projects are anticipated to be completed, closed and capitalized. These projects are listed in Schedule C. Appropriations of up to \$4,103,390.20 related to these projects will be cancelled, of which \$1,962,958.40 is in the Capital Outlay Fund, and \$2,140,431.80 in the Justice Facility Construction 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 the General Fund, Library Fund, Recorder Modernization & Property Tax Admin Trust Funds, Parkland Dedication Fund, and Community Development Block Grants.

**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 2023-2028 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,



HELEN N. ROBBINS-MEYER  
Interim Chief Administrative Officer

**ATTACHMENT(S)**

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