



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: December 5, 2023

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TO: Board of Supervisors

SUBJECT

**FISCAL YEAR 2023-24 FIRST QUARTER OPERATIONAL PLAN STATUS REPORT
AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

OVERVIEW

This report summarizes the status of the County's Fiscal Year 2023-24 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 \$55.7 million (or 0.7% of the General Fund budget), and \$97.9 million (or 0.9% 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 2023-24 Amended Budget. The projection assumes General Purpose Revenue will perform better than estimated, and Finance and General Government Group and the Land Use and Environment Group will produce operating balances while the Health and Human Services Agency and Public Safety Group are projecting negative operating balances due to projected slowing of sales tax receipts that support HHSA programs, increased costs for the General Relief Program, contributions to support the Ambulance Services Program through County Fire and an estimated payment for Incompetent to Stand Trial determinations with groups staying within legal appropriation limit by year-end. 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 \$437.0 million. This includes \$436.3 million of costs incurred from the beginning of the pandemic through May 11, 2023 when FEMA eligibility ended and \$0.7 million for Fiscal Year 2023-24 for allowable administrative costs to manage the grant beyond the FEMA eligibility date. To date, a total of \$254.3 million in FEMA reimbursement payments have been received and projections anticipate receiving an additional \$24.9 million by December 31, 2024, for prior year efforts. The remaining balance of \$157.8 million, which includes the 10% withhold amount as part of the FEMA close out process, is anticipated to be received in future fiscal years. The projected balance for all other funds combined is \$42.2 million (1.4% 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

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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), recommendations includes appropriation adjustments to purchase commissary items, for the benefit, education, and welfare of the incarcerated persons confined within detention facilities, for the purchase of post warranty support for the Next Generation Regional Communication System, to purchase toxicology supplies and equipment to expand the surveillance of emerging drug trends, increased allocation from the Judicial Council of California for pretrial support services and provide additional funding for the Palomar Mountain Fire Station Project.

In the Land Use and Environment Group (LUEG), recommendations include appropriation adjustments to support the North County Fire Protection District, to repair or replace gym equipment at the Spring Valley Community Center, to close and secure a well at Fallbrook Park, for expenditures related to strengthening the County of San Diego's Hazardous Materials Business Plan information and Disaster Recovery, for distributing Fish and Game State Fines and Forfeitures monies to the public, to provide funds for the Ramona Airport 09-27 Runway Rehabilitation Project, and to provide funds for the Borrego Valley Airport Taxiway Alpha Rehabilitation Project.

In the Finance and General Government Group (FGG), recommendations include appropriation adjustments for Cannabis Equity Act Grant program, to appropriate recently returned funds in the Neighborhood Reinvestment Program and Community Enhancement program for allocation to other projects and for funding to pay for one-time expenses in the Board of Supervisors' offices.

There are no appropriation adjustments in the Health and Human Services Agency (HHSa).

**RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2023-24 first quarter report on projected year-end results.

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds
(Recommendations 2 through 19):**

2. Establish appropriations of \$3,619,632 in the Jail Commissary Enterprise Fund, Services & Supplies (\$913,000), for commissary items, and Operating Transfers Out (\$2,706,632), based on anticipated receipts (\$1,913,000) and available prior year fund balance (\$1,706,632); *and* establish appropriations of \$2,706,632 in the Incarcerated Peoples' Welfare Fund, Services & Supplies, to be used for the benefit, education, and welfare of the incarcerated persons housed within detention facilities, based on an Operating Transfer In from the Jail Commissary Enterprise Fund. **(4 VOTES)**
3. Establish appropriations of \$2,546,650 in the Sheriff's Department, Services & Supplies for the purchase of post warranty support for the Next Generation Regional Communications System (NextGen RCS) for Phase 2 sites, based on the RCS Trust Fund. **(4 VOTES)**

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4. Establish appropriations of \$2,000,000 in Medical Examiner for Salaries & Benefits (\$50,000), Services & Supplies (\$817,000), and Capital Assets – Laboratory Equipment & Instruments (\$1,133,000), to purchase toxicology supplies and equipment for expanded testing and to provide data on emerging drug trends based on revenue from the California Highway Patrol Fiscal Years 2023-25 Cannabis Tax Fund Grant Program, for the project period of July 1, 2023, to June 30, 2025. **(4 VOTES)**
5. Establish appropriations of \$140,000 in Medical Examiner for Salaries & Benefits (\$65,000) and Services & Supplies (\$75,000), for toxicology services to expand the surveillance of emerging drug trends, based on revenue from the Opioid Settlement Framework. **(4 VOTES)**
6. Establish appropriations of \$8,606,176 in Probation, Services & Supplies, for pretrial service programs, based on revenue from the Judicial Council of California; *and* establish appropriations of \$2,500,000 in the Public Defender, Services & Supplies, and corresponding Expenditure Transfer & Reimbursement from Probation (\$2,500,000), for pretrial service programs. **(4 VOTES)**
7. Establish appropriations of \$30,420 in Community Facilities District CFD No. 2013-01 Horse Creek Ridge Maintenance - Special Tax C fund, Services & Supplies, based on available prior year CFD No. 2013-01 Horse Creek Ridge Maintenance - Special Tax C fund balance to support costs incurred by the North County Fire Protection District. **(4 VOTES)**
8. Establish appropriations of \$120,000 in Community Service Area (CSA) 128 San Miguel Park District Fund, Services & Supplies, based on available prior year CSA 128 San Miguel Park District Fund fund balance to complete an unanticipated Major Maintenance project to repair or replace gym equipment at the Spring Valley Community Center. **(4 VOTES)**
9. Establish appropriations of \$100,000 in CSA 81 Fallbrook Local Park Fund, Services & Supplies, based on available prior year CSA 81 Fallbrook Local Park Fund fund balance to complete an unanticipated one-time Major Maintenance project to close and secure a well at Fallbrook Park. **(4 VOTES)**
10. Establish appropriations of \$46,972 in the Department of Environmental Health and Quality, Services & Supplies, for expenditures related to strengthening the County of San Diego's Hazardous Materials Business Plan information and Disaster Recovery, based on unanticipated revenue from Environmental Public Health and Emergency Response grant funds. **(4 VOTES)**
11. Establish appropriations of \$18,000 in the Fish and Game Propagation Fund, Other Charges, for distributing Fish and Game State Fines and Forfeitures monies to the public, based on available prior year Fish and Game Propagation Fund fund balance. **(4 VOTES)**
12. Establish appropriations of \$850,000 in Department of Public Works (DPW) Airport Enterprise Fund (AEF), Fixed Assets, to provide funds for the Ramona Airport 09-27 Runway Rehabilitation Project, based on unanticipated revenue from the Federal Aviation

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Administration (\$765,000) and available prior year Airport Enterprise Fund fund balance (\$85,000). **(4 VOTES)**

13. Establish appropriations of \$400,000 in DPW Airport Enterprise Fund (AEF), Fixed Assets, to provide funds for the Borrego Valley Airport Taxiway Alpha Rehabilitation Project, based on unanticipated revenue from the Federal Aviation Administration (\$360,000) and available prior year Airport Enterprise Fund fund balance (\$40,000). **(4 VOTES)**
14. Transfer appropriations of \$335,000 from San Diego County Fire, Services & Supplies, to Contributions to Capital Outlay Fund, Operating Transfers Out, to provide additional funding for the Palomar Mountain Fire Station Project; *and* establish appropriations of \$335,000 in the Capital Outlay Fund for Capital Project 1021136, Palomar Mountain Fire Station, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
15. Establish appropriations of \$350,000 in the Chief Administrative Office (CAO), Office of Equity and Racial Justice (OERJ), Services & Supplies, for Cannabis Equity Act Grant programs based on grant funding from the Governor's Office of Business and Economic Development. **(4 VOTES)**
16. Establish appropriations of \$179,388 in the Neighborhood Reinvestment Program budget (\$150,060 in Org 15655; \$20,495 in Org 15660; \$8,205 in Org 15665; and \$628 in Org 15670) based on unused portions of prior year allocations that were returned in the current fiscal year so the funds can be allocated to other projects. **(4 VOTES)**
17. Establish appropriations of \$4,145 in the Community Enhancement Program budget (Org 12900) based on unused portions of prior year allocations that were returned in the current fiscal year so the funds can be allocated to other projects. **(4 VOTES)**
18. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, as noted in Appendix C, in the net amount of \$4,430,001 for major maintenance projects listed in Appendix C that were subsequently reclassified, based on capitalization thresholds, for financial reporting purposes; *and* establish and cancel appropriations, as noted in Appendix C for a net increase of \$4,430,001 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)**
19. Establish appropriations of \$667,307 in Board of Supervisors District 1 (\$200,000), District 2 (\$50,968), District 3 (\$16,339), District 4 (\$200,000), and District 5 (\$200,000), Services & Supplies, for one-time expenses based on over-realized General Purpose Revenue. **(4 VOTES)**

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**Transfers Within Budgetary Funds and/or Cancellation of Appropriations
(Recommendations 20 through 24):**

20. Transfer appropriations of \$124,732.28 within the Capital Outlay Fund and related Operating Transfer In from the General Fund, to provide funding for Capital Project 1025568 Sweetwater Bike Skills Park Restrooms to support the design and environmental analysis of additional parking and a restroom building, based on transfer from Capital Project 1021150 South County Bicycle Skills Course.
21. Transfer appropriations of \$271,237.96 within the Capital Outlay Fund and related Operating Transfer In from the General Fund, to provide funding for Capital Project 1025569 TJRVRP Active Recreation and Community Park from Capital Project 1010973 TJRV Sports Complex Concept Plan.
22. Transfer appropriations of \$2,653,624.63 within the Capital Outlay Fund and related Operating Transfer In from the General Fund, to provide funding for Capital Project 1021895 San Luis Rey River Park (Moosa), based on the transfer from Capital Project 1000036 San Luis Rey River Park.
23. Cancel appropriations of \$588,000 in the Capital Outlay Fund for Capital Project 1024598 San Diego Botanic Master Garden Project, to match the actual funds received from the San Diego Botanic Garden.
24. Transfer appropriations of \$946,800 from Countywide General Expense, Services & Supplies, to CAO, Services & Supplies, based on General Purpose Revenue to align contract costs associated with the Housing Blueprint with program management.

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 2023-24 Operational Plan. If approved, in the General Fund these actions will result in an increase to the overall budget of \$14,540,638, transfers within budgetary funds of \$4,944,486, transfers between budgetary funds of \$335,000 and no cancellation of appropriations. The funding sources for the increase are Judicial Council of California (\$8,606,176), RCS Trust Fund (\$2,546,650), California Highway Patrol Cannabis Tax Fund Grant (\$2,000,000), over-realized General Purpose Revenue (\$667,307), Governor's Office of Business and Economic Development grant (\$350,000), Opioid Settlement Framework (\$140,000), Environmental Public Health and Emergency Response grant (\$46,972) and Miscellaneous Revenues (\$183,533).

In all other funds combined, these actions will result in a net increase to the overall budget of \$12,021,686, transfers within budgetary funds of \$3,481,911, and cancellation of appropriations of \$9,385,561. The funding sources for the net increase are Operating Transfers In from the General Fund (\$4,332,686), Operating Transfers In from Jail Commissary Enterprise Fund (\$2,706,632), available prior year Jail Commissary Enterprise Fund fund balance (\$1,706,632), Federal Aviation Administration (\$1,125,000), Operating Transfers In from Internal Service Fund (\$520,101), available prior year Community Service Area fund balance (\$220,000), available prior year Airport Enterprise Fund fund balance (\$125,000), available prior year Community Facilities District fund balance (\$30,420), available prior year Fish and Game Propagation Fund fund balance (\$18,000) and Miscellaneous Revenues (\$1,325,000). These are offset by a decrease in Operating Transfers In from County Library Fund (\$87,785).

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 \$55.7 million is based on the estimate that expenditures will be approximately \$44.4 million less than the Fiscal Year 2023-24 Amended Budget and revenues will be a net \$11.3 million more than the Fiscal Year 2023-24 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 \$42.2 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 \$437.0 million. This includes \$436.3 million of costs incurred from the beginning of the pandemic through May 11, 2023 when FEMA eligibility ended and \$0.7

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million for Fiscal Year 2023-24 for allowable administrative costs to manage the grant beyond the FEMA eligibility date. To date, a total of \$254.3 million in FEMA reimbursement payments have been received and projections anticipate receiving an additional \$24.9 million by December 31, 2024, for prior year efforts. The remaining balance of \$157.8 million, which includes the 10% withhold amount as part of the FEMA close out process, is anticipated to be received in future fiscal years.

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 \$54.4 million in the General Fund are primarily attributable to the following:

- \$25.0 million in projected positive Salary & Benefits appropriation variance in all groups. As of September 30, 2023, the vacancy rate (including newly added positions) was 10.8% (2,200 of 20,419 positions).
 - In PSG, the projected overall expenditure variance of \$9.8 million is primarily due to vacancies, attrition, and modified positions. Other potential projected variances from budget will offset costs for a comprehensive healthcare contract and facility needs, and for increased shared major maintenance and facility costs.
 - In HHSA, the projected overall expenditure variance of \$4.5 million is attributed to longer timeframes to hire staff, including newly added positions, hard to recruit classifications and vacancies due to attrition.
 - In LUEG, the projected overall expenditure variance of \$3.8 million is primarily due to vacancies and under-filled positions.
 - In FGG, the projected overall expenditure variance of \$6.9 million is primarily due to newly created positions, staff attrition and departmental vacancies.
- \$20.4 million in projected positive appropriation variance in Services & Supplies across the County.
 - In PSG, projected overall negative expenditure variance of \$1.1 million primarily in Public Safety Group Executive Office due to Incompetent to Stand Trial penalty to the State. This is offset by positive variances in Department of Child Support Services due to lower than anticipated expenses in various accounts supporting operations, such as information technology services; in San Diego County Fire due to lower than anticipated Opioid Overdose Mapping and Application Program contract costs, and in Sheriff's Department due to lower than anticipated costs in Public Liability associated with medical malpractice insurance coverage and expenditures in various accounts supporting operations such as food and household expense offset by higher than anticipated costs for temporary medical staffing.
 - In HHSA, projected overall positive variance of \$10.3 million in various departments. This consists of positive variances in Behavioral Health Services (BHS) primarily due to contracted services associated with a range of mental health

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programs to align with anticipated spending which adjusts for contractor staffing vacancies and projected utilization in residential bed days; in Public Health Services (PHS) tied to lower than anticipated operating costs related to reduced contracting activities and limited Public Health Laboratory processing capacity; in Child and Family Well-Being (CFWB) primarily driven by a variance from budget in contracts mainly tied to transitional housing programs experiencing challenges in the rental market and in group home costs as the programs continue to transition into an eligible facility; in Aging & Independence Services (AIS) tied to contracted services for the California Department of Aging (CDA) Modernizing Older California Act (MOCA) rolling out over three versus two years and a variance from budget in various services and supplies tied to program operational needs and delays in new staff hiring. These are offset by a negative variance in Administrative Support primarily tied to additional product and dispenser purchases for the Free4ME pilot program funded through a grant.

- In LUEG, projected overall positive variance of \$5.0 million primarily in the Department of Planning & Development Services (PDS) due to schedule changes to one-time only information technology projects and reduced consultant contract spending.
- In FGG, projected overall positive variance of \$4.2 million primarily in Department of Human Resources due to lower than anticipated costs for workers compensation and unemployment insurance services and projected underspend in contracted services, travel, and office supplies; in Treasurer-Tax Collector due to lower than anticipated costs associated with the Banking Pool, including delays in IT projects and projected underspend on contracts; and in County Communications Office due to lower than anticipated Public, Educational and Governmental (PEG) funded Major Maintenance project costs.
- In Finance Other (FO), projected overall positive variance of \$2.0 million as additional funding no longer needed to support the Immigrant Rights Legal Defense Program in Public Defender's office.
- A projected positive appropriation variance of \$5.3 million in Other Charges primarily in (PSG) in Probation Department due to lower than anticipated use of placement services for foster youth; and in HHSA in CFWB mainly to align with the revised projected caseloads in foster care and adoption assistance programs, offset by negative variances in Self-Sufficiency Services tied to General Relief program and Child Care program based on revised estimated case costs and in Housing & Community Development Services (HCDS) tied to the Local Rental Subsidy Program (LRSP) due to longer than anticipated transition of clients to a more permanent housing setting partially.
- A projected positive appropriation variance of \$0.2 million in Capital Assets Equipment in FGG primarily in County Communications Office due to lower than anticipated PEG funded equipment purchases.
- A projected negative appropriation variance of \$0.5 million in Expenditure Transfer & Reimbursements in LUEG primarily in PDS due to a decrease in services rendered to other General Fund departments.

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- A projected negative appropriation variance of \$6.0 million in Operating Transfers Out in PSG primarily in San Diego County Fire for the San Diego County Fire Protection District ambulance services.

GENERAL FUND REVENUE VARIANCES

The projected under-realized revenue of \$11.3 million includes positive variances totaling \$38.6 million and negative variances of \$27.3 million. In many instances, the negative revenue variances are directly associated with the positive expenditure variances described above.

The projected positive revenue variance of \$38.6 million is primarily attributable to the following categories:

- Taxes Other Than Current Secured (\$15.7 million) mainly in Sales and Use Taxes mostly due to the continued growth activities in the Unincorporated Area which increases the County's share of the Pool going forward.
- Revenue from Use of Money & Property (\$13.6 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 (\$9.0 million) primarily due to projected higher revenue based on prior year receipts. 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.
- Fines, Forfeitures & Penalties (\$0.3 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.

The projected negative revenue variance of \$27.3 million is primarily attributed to:

- Charges for Current Services (\$12.1 million) primarily due to a decline in billable activities for land development, project planning, and building projects due to staff vacancies, due to fewer than anticipated fees for recorded documents related to higher interest rates, due to underrealized Banking Pool revenue associated with the lower projected costs, and due to reduced labor charges for land development projects due to staff vacancies.
- Other Financing Sources (\$7.9 million) due to decrease in transfers from Proposition 172 Special Revenue Fund resulting from lower than expected sales tax receipts.
- Intergovernmental Revenues (\$5.5 million) tied to aligning federal Mental Health Services Act funding, ARPA funding, Realignment, Drug Medi-Cal and Short Doyle funding to anticipated billable service units and aligning grant funding with overall anticipated expenditures, due to social services administrative revenues to align with anticipated federal and State funding and projected expenditures, tied to California Work Opportunity And Responsibility To Kids (CalWORKs) revenue associated with revised caseload projections, due to lower than anticipated State and federal reimbursements for the child support program

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- Licenses, Permits & Franchises (\$1.7 million) primarily due to lower than anticipated revenue from PEG funded project costs, and lower-than-expected payments from Franchise Fees.
- Miscellaneous Revenues (\$0.1 million) primarily due to less than anticipated administration costs charged to the Employee Benefit Internal Service Fund, offset by a positive variance due to the anticipated closure of Flex Forfeitures Trust Funds.

Adjustments to the Fiscal Year 2023-24 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 19):**

Recommendation 2

These requests will establish appropriations of \$3,619,632 in the Jail Commissary Enterprise Fund, Services & Supplies (\$913,000) to purchase commissary items, and Operating Transfers Out (\$2,706,632) to transfer commissary sales revenue to the Sheriff's Incarcerated Peoples' Welfare Fund based on anticipated receipts (\$1,913,000) and available fund balance from the prior year (\$1,706,632).

These requests will also establish appropriations of \$2,706,632 in the Incarcerated People's Welfare Fund to transfer and utilize the Fiscal Year 2022-23 fund balance and the additional anticipated receipts from Fiscal Year 2023-24 from the Jail Commissary Enterprise Fund as mandated by California Penal Code 4025 (e): *(e) The money and property deposited in the inmate welfare fund shall be expended by the sheriff primarily for the benefit, education, and welfare of the inmates confined within the jail.*

Recommendation 3

On June 9, 2015 (1), the Board of Supervisors authorized the Director, Department of Purchasing and Contracting, to issue a request for proposal and award a contract or contracts for the procurement, implementation, support, and optional financing of a Next Generation Regional Communications System (NextGen RCS). On June 27, 2016, the County awarded the contract to Motorola Solutions, Inc. The NextGen RCS project is divided into three phases: Phase One provides for planning and system design; Phase Two implements contractor recommendations for the equipment, software, and services to upgrade the technology at existing RCS facilities; and Phase Three consists of any necessary development or construction of new RCS sites and facilities or expansion of existing facilities. Phase Two appropriations were included in the Fiscal Year 2023-

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24 Operational Plan for the Sheriff's Department. The Phase Two warranty period expires three years after the final system acceptance, which was on August 27, 2023.

This recommendation will establish appropriations of \$2,546,650 in the Sheriff's Department, Services & Supplies for the purchase of post warranty support for the NextGen RCS for Phase Two sites based on the RCS Trust Fund. On July 12, 2023, the RCS Board of Directors approved the use of funds from the RCS Trust Fund to purchase the optional post warranty support. Approval to use RCS Trust Fund funds was received after the Fiscal Year 2023-24 budget process.

Recommendation 4

On June 13, 2023 (3), the Board of Supervisors authorized the Medical Examiner to apply for and accept grant funds from the California Highway Patrol (CHP) Cannabis Tax Fund Grant Program. Medical Examiner was awarded \$2,000,000 from CHP Fiscal Years 2023-25 Cannabis Tax Fund Grant Program. This recommendation will establish appropriations of \$2,000,000 based on revenue from the CHP Fiscal years 2023-25 Cannabis Tax Fund Grant Program, for the project period of July 1, 2023, to June 30, 2025. Funds will be used to purchase toxicology supplies and equipment, which will allow the Medical Examiner's Toxicology Laboratory to expand its scope of testing and provide data on emerging drugs and drug trends.

Recommendation 5

On October 10, 2023 (13), the Board of Supervisors received and approved the updated Opioid Settlement Framework and authorized the addition of one (1) staff year in Medical Examiner for toxicology services to expand the surveillance of emerging drug trends. This recommendation will establish appropriations of \$140,000 based on revenue from the Opioid Settlement Framework.

Recommendation 6

On July 12, 2021, the State of California enacted the State Budget through Senate Bill (SB) 129. The Budget Act allocates funds to local courts for both one-time and ongoing resources to support pretrial services programs. On February 8, 2022 (12), the Board of Supervisors approved the pretrial implementation plan, authorized the Chief Probation Officer to execute a Memorandum of Agreement (MOA) with the San Diego Superior Court for the administration of a pretrial services programs, including the authority to extend and amend the MOA as needed. Funds for the program were included in the Fiscal Year 2022-23 Adopted Operational Plan for Probation.

Recently, the Judicial Council of California approved the use of unspent funds from Fiscal Years 2021-22 and 2022-23 and made available to allocate to counties. If approved, these recommendations will establish appropriations of \$8,606,176 in Probation, Services & Supplies, for pretrial support services, which includes transfer of costs for support services from the Public Defender. The funding source is the Judicial Council of California. In addition, it will establish appropriations of \$2,500,000 in the Public Defender, Services & Supplies, based on Expenditure Transfer & Reimbursement from Probation.

Recommendation 7

This recommendation will establish appropriations of \$30,420 in Community Facilities District (CFD) No. 2013-01 Horse Creek Ridge Maintenance - Special Tax C fund, Services & Supplies,

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based on available prior year CFD No. 2013-01 Horse Creek Ridge Maintenance - Special Tax C fund balance to support costs incurred by the North County Fire Protection District.

Recommendation 8

This recommendation will establish appropriations of \$120,000 in Community Service Area CSA 128 San Miguel Park District Fund, Operating Transfers Out, based on available prior year CSA 128 San Miguel Park District Fund fund balance to complete an unanticipated Major Maintenance project to repair or replace gym equipment at the Spring Valley Community Center.

Recommendation 9

This recommendation will establish appropriations of \$100,000 in CSA 81 Fallbrook Local Park Fund, Operating Transfers Out, based on available prior year CSA 81 Fallbrook Local Park Fund fund balance to complete an unanticipated one-time Major Maintenance project to close and secure a well at Fallbrook Park.

Recommendation 10

On June 24, 2020 (12), the Board of Supervisors adopted resolutions authorizing LUEG Department Directors and/or their designee(s) to submit, negotiate, accept and execute all documents necessary to secure grant funding from non-profits, local, state and federal agencies through Fiscal Year 2024-25. On August 25, 2020, the Department of Environmental Health and Quality (DEHQ) received a Notice of Award for an Environmental Public Health and Emergency Response grant from the US Department of Health and Human Services, Centers for Disease Control and Prevention (CDC) Office of Financial Resources. The project awarded will work toward strengthening the County of San Diego's areas in the Temporary Event Food Program, Hazardous Materials Business Plan information, Recreational Water Programs, and Disaster Recovery. This is a multi-year, non-competitive grant and DEHQ was awarded \$39,824 for Year 1, \$39,972 for Year 2 and \$38,363 for Year 3. Future year funding will be subject to satisfactory programmatic progress and the availability of funds for the project period of September 1, 2020, through August 31, 2025. This is a request to establish appropriations of \$46,972 in DEHQ in Services & Supplies for award in Year 4 for expenditures related to Strengthening the County of San Diego's Hazardous Materials Business Plan information and Disaster Recovery projects, based on unanticipated revenue from Environmental Public Health and Emergency Response grant funds for the project period of September 1, 2023 through August 31, 2024.

Recommendation 11

This request will establish appropriations of \$18,000 in the Fish and Game Propagation Fund, Other Charges, based on available prior year Fish and Game Propagation Fund fund balance generated by fines for violations of the State Fish and Game Code. These funds will be awarded to qualifying applicants meeting the guidelines for distribution of Fish and Game State Fines and Forfeitures monies to the public through a grant program supporting habitat improvement in the region.

Recommendation 12

This recommendation will establish appropriations of \$850,000 in DPW Airport Enterprise Fund (AEF), for the Ramona Airport 09-27 Runway Rehabilitation Project, based on unanticipated

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revenue from the Federal Aviation Administration (\$765,000) and available fund balance from the prior year AEF (\$85,000). Previous Board actions on March 14, 2023 (24) and June 27, 2023 (17) appropriated \$588,000 in the AEF for preparation of a geotechnical survey, the project design, and environmental processing. Today's request will provide additional funds for the project design and environmental processing based on the most recent engineering estimate. Completing the project design and environmental processing will position the project for a Federal Aviation Administration grant. Total project cost is estimated at \$9,400,000 and the project is anticipated to be complete Spring 2026. There is no increase in overall project cost. DPW will return to the Board at a later date for advertisement and award of a construction contract and to appropriate funds for project construction.

Recommendation 13

This recommendation will establish appropriations of \$400,000 in DPW Airport Enterprise Fund (AEF), for the Borrego Valley Airport Taxiway Alpha Rehabilitation Project, based on unanticipated revenue from the Federal Aviation Administration (\$360,000) and available fund balance from the prior year AEF (\$40,000). Previous Board action on June 27, 2023 (17) appropriated \$354,000 in the AEF for preparation of the project design and environmental processing. Today's request will provide additional funds for the project design and environmental processing based on the most recent engineering estimate. Completing the project design and environmental processing will position the project for a Federal Aviation Administration grant. Total project cost is estimated at \$4,400,000 and the project is anticipated to be complete Spring 2026. There is no increase in overall project cost. DPW will return to the Board at a later date for advertisement and award of a construction contract and to appropriate funds for project construction.

Recommendation 14

On August 1, 2017 (14), the Board established appropriations of \$1,000,000 for the renovation of the Palomar Mountain Fire Station and design and construction of approximately 2,000 square foot living quarters. An additional \$800,000 was appropriated March 27, 2018 (4) and \$2,800,000 was appropriated in the Fiscal Year 2020-21 Adopted Operational Plan. On December 8, 2020 (14), \$650,000 in appropriations was transferred to Capital Project 1021892, Mount Laguna Fire Station. Total project budget is currently \$3,950,000. The construction of the living quarters was completed March 2022. As part of the remodel, County Fire now needs an emergency water retention tank and a pumping system which will enable the quick filling of fire trucks. This recommendation will establish appropriations of \$335,000 based on an Operating Transfer In from the General Fund, budgeted in San Diego County Fire. If approved, today's request will result in total project budget of \$4,285,000, based on General Fund Fund Balance (\$1,500,000), 2003 Firestorm Trust Fund (\$300,000) and General Fund (\$2,485,000). Construction of the water tank is anticipated to be completed in December 2023.

Recommendation 15

On December 13, 2022 (34), the Board of Supervisors authorized OERJ to apply for and accept grant funding from the Governor's Office of Business and Economic Development (GO-Biz) to assist local commercial cannabis equity applicants and licensees through grant and/or loan programs. This recommendation will establish appropriations of \$350,000 in OERJ for this

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purpose based on State grant funds subsequently awarded to the County from the GO-Biz Cannabis Equity Grants Program for Local Jurisdictions.

Recommendation 16

This recommendation will establish appropriations totaling \$179,388 in the Neighborhood Reinvestment Program budget (\$150,060 in Org 15655 for District 2; \$20,495 in Org 15660 for District 3; \$8,205 in Org 15665 for District 4; and \$628 in Org 15670 for District 5) 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 17

This recommendation establishes appropriations of \$4,145 in the Community Enhancement Program budget (Org 12900 for District 4) 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 18

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 C along with the related required adjustments.

This recommendation will result in a net increase of appropriations in the MMCOF of \$4,430,001 and reclassification of major maintenance projects which are supported by existing department budgets.

Recommendation 19

This recommendation will establish appropriations of \$667,307 based on over-realized General Purpose Revenue to provide funding for one-time needs in the Board of Supervisors' offices for various Services & Supplies costs.

**Transfers Within Budgetary Funds and/or Cancellation of Appropriations
(Recommendations 20 through 24):**

Recommendation 20

This recommendation will transfer appropriations of \$124,732.28 within the Capital Outlay Fund and related Operating Transfer In from the General Fund to provide funding for Capital Project 1025568 Sweetwater Bike Skills Park Restrooms to support the design and environmental analysis of additional parking and a restroom building based on transfer from Capital Project 1021150

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South County Bicycle Skills Course. The funding is available to be transferred out as a result of the project completion. Total project cost is estimated at \$2,125,000 (increase of 6.2% to total project cost) and the project is anticipated to be complete in April 2025.

Recommendation 21

This recommendation will transfer appropriations of \$271,237.96 within the Capital Outlay Fund and related Operating Transfer In from the General Fund to provide funding for Capital Project 1025569 TRVRP Active Recreation and Community Park from Capital Project 1010973 TJRV Sports Complex Concept Plan. The funding is available to be transferred out as a result of the project completion. Total project cost is estimated at \$2,271,000 (increase of 13.5% to total project cost) and the project is anticipated to be complete in June 2024.

Recommendation 22

This recommendation will transfer appropriations of \$2,653,624.63 within the Capital Outlay Fund and related Operating Transfer In from the General Fund to provide funding for Capital Project 1021895 San Luis Rey River Park (Moosa) based on the transfer from Capital Project 1000036 San Luis Rey River Park to support with construction of this park. The funding is available to be transferred out as a result of the project completion. Total project cost is estimated at \$29,960,000 (increase of 9.7% to total project cost). The construction for this project is anticipated to begin in 2024 and be complete in 2026.

Recommendation 23

This recommendation will cancel appropriations of \$588,000 in the Capital Outlay Fund and related Operating Transfer In from the General Fund for Capital Project 1024598 San Diego Botanic master Garden Project to match the actual funds received from the San Diego Botanic Garden. The original funding source of appropriation that are being cancelled were from the San Diego Botanical Garden.

Recommendation 24

On December 13, 2022 (30), the Board of Supervisors approved the initial County of San Diego Housing Blueprint and authorized procurement of consulting services to create an Office of Housing Strategy within the CAO and enhance the draft Housing Blueprint. A contract was entered into with Lesar Development Consultants for these services in the amount of \$946,800 on July 31, 2023. This recommendation will transfer existing appropriations for these contracted consultant services, based on General Purpose Revenue from Countywide General Expense to the CAO to align costs for the contract with management of the program.

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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,

A handwritten signature in black ink, appearing to read "Helen N. Robbins-Meyer".

HELEN N. ROBBINS-MEYER
Interim Chief Administrative Officer

ATTACHMENT(S)

Schedule A

Schedule B

Notes to Schedules A and B

Appendix C