

CLERK OF THE BOARD OF SUPERVISORS
BOARD OF SUPERVISORS MEETING

TUESDAY, MARCH 11, 2025

Legislative Services Section: (619) 531-5434

INDEX:

Revised Pages

REVISED BACKUP:

- 11. PROVIDING FEDERALLY FUNDED PROGRAM RECIPIENTS WITH A NOTICE OF FUNDING AT RISK (DISTRICTS: ALL)**
- 13. ESTABLISHING AN UNSAFE CAMPING ORDINANCE IN SAN DIEGO COUNTY TO PREVENT WILDFIRE HAZARDS AND ENSURE PUBLIC SAFETY IN OUR COMMUNITIES (DISTRICTS: ALL)**

REVISED AGENDA PAGES AND BACKUP:

- 14. FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

NEW AGENDA PAGES AND BACKUP:

- 15. AUTHORIZE THE COUNTY OF SAN DIEGO TO OPT-IN TO THE BEHAVIORAL HEALTH COMMUNITY-BASED ORGANIZED NETWORKS OF EQUITABLE CARE AND TREATMENT (BH-CONNECT) INITIATIVE, EXECUTE RELATED AGREEMENTS, ACCEPT ADDITIONAL MEDI-CAL REVENUE, AND PURSUE ADDITIONAL FUNDING, AND REQUEST THE DEPARTMENT OF HEALTH CARE SERVICES TO ISSUE FINAL GUIDANCE FOR BH-CONNECT (DISTRICTS: ALL)**
- 16. CLOSED SESSION (DISTRICTS: ALL)**

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COUNTY OF SAN DIEGO BOARD OF SUPERVISORS
REGULAR MEETING

TUESDAY, MARCH 11, 2025, 9:00 AM AND WEDNESDAY, MARCH 12, 2025, 9:00 AM
COUNTY ADMINISTRATION CENTER,
BOARD CHAMBER, ROOM 310
1600 PACIFIC HIGHWAY, SAN DIEGO, CA 92101

GENERAL LEGISLATIVE SESSION
TUESDAY, MARCH 11, 2025, 9:00 AM

Order Of Business

- A. Roll Call
- B. Statement (just cause) and/or Consideration of a Request to Participate Remotely (emergency circumstances) by a Supervisor, if applicable.
- C. Invocation
- D. Pledge of Allegiance
- E. Presentation or Announcement of Proclamations and Awards
- F. Non-Agenda Public Communication: Individuals can address the Board on topics within its jurisdiction that are not on the agenda. According to the Board's Rules of Procedure, each person may speak at only one Non-Agenda Public Communication session per meeting. Speakers can choose to speak during either the General Legislative or Land Use Legislative Session.
- G. Approval of the Statement of Proceedings/Minutes for the sessions of February 25, 2025 and February 26, 2025.
- H. Consent Agenda
- I. Discussion Items
- J. **Time Certain: 5:00 p.m.**
Item 14: FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS
- K. Board Member Committee Updates. This is an opportunity for Members of the Board to provide informational updates on their committee assignments. No action may be taken.
- L. Recess to Wednesday, March 12, 2025, at 9:00 AM for the Land Use Legislative Session

NOTICE: THE BOARD OF SUPERVISORS MAY TAKE ANY ACTION WITH RESPECT TO THE ITEMS INCLUDED ON THIS AGENDA. RECOMMENDATIONS MADE BY COUNTY STAFF DO NOT LIMIT ACTIONS THAT THE BOARD OF SUPERVISORS MAY TAKE. MEMBERS OF THE PUBLIC SHOULD NOT RELY UPON THE RECOMMENDATIONS IN THE BOARD LETTER AS DETERMINATIVE OF THE ACTION THE BOARD OF SUPERVISORS MAY TAKE ON A PARTICULAR MATTER.

Supporting documentation and attachments for items listed on this agenda can be viewed online at www.sandiegocounty.gov/cob or in the Office of the Clerk of the Board of Supervisors at the County Administration Center, 1600 Pacific Highway, Room 402, San Diego, CA 92101. To access the meeting virtually and offer public comment via a call-in option, please go to: www.sandiegocounty.gov/telecomments for instructions.

ASSISTANCE FOR PERSONS WITH DISABILITIES:

Agendas and records are available in alternative formats upon request. Contact the Clerk of the Board of Supervisors office at 619-531-5434 with questions or to request a disability-related accommodation. Individuals requiring sign language interpreters should contact the Countywide ADA Title II Coordinator at (619) 531-4908. To the extent reasonably possible, requests for accommodation or assistance should be submitted at least 72 hours in advance of the meeting so that arrangements may be made. An area in the front of the room is designated for individuals requiring the use of wheelchair or other accessible devices.

LANGUAGE INTERPRETATION ASSISTANCE:

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LEVINE ACT NOTICE: DISCLOSURES REQUIRED ON SPECIFIED ITEMS (GOVERNMENT CODE § 84308)

The Levine Act states that parties to any proceeding involving a license, permit or other entitlement for use pending before the Board must disclose on the record of the proceeding any campaign contributions of more than \$500 (aggregated) made by the parties or their agents to Board Members within the preceding 12 months. Participants with financial interests, and agents of either parties or participants, are requested to disclose such contributions also. The disclosure must include the name of the party or participant and any other person making the contribution; the name of the recipient; the amount of the contribution; and the date the contribution was made. This disclosure can be made orally during the proceeding or in writing on a request to speak.

Board of Supervisors' Agenda Items

CONSENT AGENDA

All agenda items listed under this section are considered to be routine and will be acted upon with one motion. There will be no separate discussion of these items unless a member of the Board of Supervisors or the Chief Administrative Officer so requests, in which event, the item will be considered separately in its normal sequence.

Category	#	Subject
Public Safety	1.	SHERIFF - REQUEST TO APPROVE THE DEPARTMENT OF STATE HOSPITALS REVENUE CONTRACT FOR A JAIL-BASED COMPETENCY TREATMENT PROGRAM
	2.	RATIFICATION OF APPLICATION TO THE CALIFORNIA OFFICE OF EMERGENCY SERVICES PAUL COVERDELL FORENSIC SCIENCE (CQ) IMPROVEMENT GRANT PROGRAM AND ACCEPTANCE OF FUNDS
	3.	ADOPT A RESOLUTION TO RECEIVE FUNDS UNDER THE U.S. DEPARTMENT OF HOMELAND SECURITY/FEDERAL EMERGENCY MANAGEMENT AGENCY PRE-DISASTER MITIGATION GRANT PROGRAM, AUTHORIZE THE SIGNATURE OF FUTURE GRANT DOCUMENTS AND MAKE CEQA FINDINGS
Financial and General Government	4.	ADOPT THE MITIGATED NEGATIVE DECLARATION PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE JACUMBA FIRE STATION 43 PROJECT AND AWARD PHASE II, CONSTRUCTION SERVICES
	5.	APPROVAL OF CONFLICT-OF-INTEREST CODES FOR GROSSMONT- CUYAMACA COMMUNITY COLLEGE DISTRICT, GROSSMONT UNION HIGH SCHOOL, AND PUBLIC SAFETY GROUP
	6.	APPOINTMENTS: VARIOUS
	7.	COMMUNICATIONS RECEIVED

DISCUSSION ITEMS

Category	#	Subject
Health and Human Services	8.	NOTICED PUBLIC HEARING: FISCAL YEAR 2025-29 CONSOLIDATED PLAN AND FISCAL YEAR 2025-26 ANNUAL PLAN; 2025-29 CITIZEN PARTICIPATION PLAN; A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING THE FISCAL YEAR 2025-29 CONSOLIDATED PLAN AND FISCAL YEAR 2025-26 ANNUAL PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT, HOME INVESTMENT PARTNERSHIPS, HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS AND EMERGENCY SOLUTIONS GRANT; AUTHORIZE THE ACCEPTANCE AND ADMINISTRATION OF GRANT FUNDS FROM THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR THE FISCAL YEAR 2024-27 STATE EMERGENCY SOLUTIONS GRANT PROGRAM; AUTHORIZE TO APPLY FOR ADDITIONAL FUNDING OPPORTUNITIES TO SUPPORT FUTURE HOUSING OR COMMUNITY DEVELOPMENT
Financial and General Government	9.	ENDING SUPER SANCTUARY COUNTY STATUS BY REPEALING BOARD POLICY L-2
	10.	ADOPT REVISIONS TO THE SAN DIEGO COUNTY BOARD OF SUPERVISORS RULES OF PROCEDURE REGARDING SELECTION OF OFFICERS AND ADOPT AMENDMENTS TO BOARD POLICIES TO PROVIDE GUIDANCE FOR STAFF WHEN THERE IS AN UNANTICIPATED VACANCY ON THE BOARD OF SUPERVISORS
	11.	PROVIDING FEDERALLY FUNDED PROGRAM RECIPIENTS WITH A NOTICE OF FUNDING AT RISK
	12.	ADOPT AN ORDINANCE ADDING TITLE 3, DIVISION 1, CHAPTER 5 OF THE SAN DIEGO COUNTY CODE OF REGULATORY ORDINANCES RELATING TO PREDATORY PRACTICES AFTER THE DECLARATION OF AN EMERGENCY (3/11/2025 - First Reading; 4/8/25- Second Reading unless ordinance is modified on second reading)
	13.	ESTABLISHING AN UNSAFE CAMPING ORDINANCE IN SAN DIEGO COUNTY TO PREVENT WILDFIRE HAZARDS AND ENSURE PUBLIC SAFETY IN OUR COMMUNITIES
	14.	FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (4 VOTES)
		<u>(TIME CERTAIN: 5:00 P.M.)</u>

ADDITIONAL CONSENT ITEM

<u>Category</u>	<u>#</u>	<u>Subject</u>
<u>Health and Human Services</u>	<u>15.</u>	<u>AUTHORIZE THE COUNTY OF SAN DIEGO TO OPT-IN TO THE BEHAVIORAL HEALTH COMMUNITY-BASED ORGANIZED NETWORKS OF EQUITABLE CARE AND TREATMENT (BH- CONNECT) INITIATIVE, EXECUTE RELATED AGREEMENTS, ACCEPT ADDITIONAL MEDI-CAL REVENUE, AND PURSUE ADDITIONAL FUNDING, AND REQUEST THE DEPARTMENT OF HEALTH CARE SERVICES TO ISSUE FINAL GUIDANCE FOR BH- CONNECT</u>

ADDITIONAL DISCUSSION ITEM

<u>Category</u>	<u>#</u>	<u>Subject</u>
<u>Closed Session</u>	<u>16.</u>	<u>CLOSED SESSION</u>

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SUSTAINABILITY IMPACT STATEMENT

The recommended actions support the County of San Diego's Sustainability Goal #4 of protect the health and wellbeing of everyone in the region by addressing fire risk and protecting open space from the negative impacts of encampments in the unincorporated area.

FISCAL IMPACT

There is no fiscal impact associated with this item's recommendation. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

14. SUBJECT: FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)

OVERVIEW

This report summarizes the status of the County's Fiscal Year 2024-25 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 \$31.0 million (or 0.4% of the General Fund budget). The projected balance for all other funds combined is \$44.7 million (1.4% of the other funds combined budget). For all budgetary funds combined, the projected balance is \$75.7 million (or 0.7% of the overall budget). The projected fund balance anticipates an overall positive expenditure variance and an overall negative revenue variance from the Fiscal Year 2024-25 Amended Budget. The projection reflects the unused portion of the appropriation for contingency pursuant to Government Code §29084, assumes General Purpose Revenue will perform better than estimated, and business groups will produce operating balances, except for Public Safety Group.

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 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), recommendations include appropriation adjustments in the Sheriff's Office due to increased operational costs such as care support for the incarcerated, internal service fund costs in facilities management, property insurance, and public liability and in the Public Defender's Office increased costs in psychiatric evaluations, facility management internal services and leased space cost. The increased operational costs in the Sheriff's Office and Public Defender's Office are being addressed with additional appropriations supported by overrealized revenue this fiscal year, and will be resolved with today's recommendations. Ongoing funding strategies for these costs have been identified, and will be included in the upcoming Fiscal Year 2025-26 CAO Recommended Operational Plan.

In the Health and Human Services Agency (HHS), recommendations include appropriation adjustments to transfer unanticipated fund balances of CSA 17 San Dieguito Ambulance Fund & CSA 69 Heartland Paramedic Fund from the old funds to the new funds.

In the Land Use and Environment Group (LUEG), recommendations include appropriation adjustments for the purchase of replacement vehicles and equipment, for the Goldentop Road Water Quality Improvement Project, for the Campo Road Reconfiguration project, to support personnel and operations costs incurred by the North County Fire Protection District, for Calavo Park, for various Parks projects and for Sweetwater Lane County Park Energy Upgrade.

In the Finance and General Government Group (FGG), recommendations include appropriation adjustments for the Community Enhancement program, and for special elections to fill the vacant seat of Board of Supervisor First District ~~and for the Cannabis Equity Grant for Local Jurisdictions program and related administrative expenses.~~

Today's recommendations seek authority to establish and transfer appropriations in order to ensure efficient use of County resources and to maintain a structurally balanced budget.

RECOMMENDATION(S)**CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2024-25 second quarter report on projected year-end results.

Increases to the Overall Budget and/or Transfers Between Budgetary Funds (Recommendations 2 through 1716):

2. Establish appropriations of \$24,500,000 in the Sheriff's Office, Salaries & Benefits, to support increased operational costs in medical care support for the incarcerated, internal service fund costs such as facilities management, property insurance, and public liability that resulted in the reallocation of salaries and benefits appropriations at that time, based on over-realized General Purpose Revenue. **(4 VOTES)**
3. Establish appropriations of \$1,800,000 in the Public Defender's Office, Salaries & Benefits, to support increased costs in psychiatric evaluations, facility management internal services and lease space cost, that resulted in the reallocation of salaries and benefits appropriations, based on over-realized General Purpose Revenue. **(4 VOTES)**
4. Establish appropriations of \$140,000 in County Service Area (CSA) 17 San Dieguito Ambulance Fund (14065), Operating Transfers Out, and establish appropriations of \$140,000 in CSA 17 Fund (14995), Services & Supplies, to transfer unanticipated fund balance from old CSA 17 San Dieguito Ambulance Fund (14065) to new fund CSA 17 Fund (14995), based on the available prior year fund balance in the old fund. **(4 VOTES)**
5. Establish appropriations of \$240,000 in CSA 69 Heartland Paramedic Fund (14190), Operating Transfers Out, and establish appropriations of \$240,000 in the CSA 69 Fund (14996), Services & Supplies, to transfer unanticipated fund balance from old CSA 69 Heartland Paramedic Fund (14190) to new fund CSA 69 Fund (14996), based on the available prior year fund balance in the old fund. **(4 VOTES)**

6. Establish appropriations of \$5,500,000 in the Department of Public Works (DPW) Internal Service Funds (ISF) Equipment Acquisition Road Fund, Capital Assets Equipment, for the purchase of replacement vehicles and equipment, based on available prior year DPW ISF Equipment Acquisition Road Fund fund balance. **(4 VOTES)**
7. Establish appropriations of \$1,500,000 in the DPW ISF Equipment Acquisition Liquid Waste Fund, Capital Assets Equipment, for the purchase of replacement vehicles, based on available prior year DPW ISF Equipment Acquisition Liquid Waste Fund fund balance. **(4 VOTES)**
8. Transfer appropriations of \$916,000 within DPW General Fund, Services & Supplies to Operating Transfers Out; *and* establish appropriations of \$916,000 in the DPW Road Fund, Services & Supplies, for the Goldentop Road Water Quality Improvement Project, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
9. Establish appropriations of \$3,075,000 in the DPW Road Fund, Services & Supplies, for the Campo Road Reconfiguration project, based on a grant from SANDAG Housing Acceleration Program (\$2,500,000) and Regional Transportation Congestion Improvement Program (\$575,000). **(4 VOTES)**
10. Establish appropriations of \$18,791 in Community Facilities District (CFD) No. 2013-01 Horse Creek Ridge Maintenance - Special Tax C fund, Services & Supplies, to support personnel and operations costs incurred by the North County Fire Protection District, based on available prior year CFD No. 2013-01 Horse Creek Ridge Maintenance - Special Tax C Fund fund balance. **(4 VOTES)**
11. Establish appropriations of \$15,239 in CFD No. 2019-01 Meadowood Fire - Special Tax C fund, Services & Supplies, to support personnel and operations costs incurred by the North County Fire Protection District, based on available prior year CFD No. 2019-01 Meadowood Fire - Special Tax C fund balance. **(4 VOTES)**
12. Cancel appropriations of \$1,301,000 in Parkland Dedication Ordinance (PLDO) Area 20 Spring Valley; *and* establish appropriations of \$1,216,000 in PLDO Spring Valley Improvement Impact Fees, Operating Transfer Out, based on available prior year PLDO Spring Valley Improvement Impact Fees Fund fund balance; *and* establish appropriations of \$85,000 in PLDO Spring Valley in Lieu Fees, Operating Transfer Out, based on available prior year PLDO Spring Valley in Lieu Fees Fund fund balance. Funding for Capital Project 1022858 Calavo Park is included in Fiscal Year 2024-25 Operational Plan. This recommendation will add appropriations to the PLDO accounts as the funding sources for the project. **(4 VOTES)**
13. Transfer appropriations of \$30,700 from Department of Parks and Recreation, Services & Supplies, to Contribution to Capital Outlay Fund, Operating Transfers Out. This will enable a swap in revenue of \$30,700 in the Capital Outlay Fund for Capital Project 1027068 TJ River Valley Spooners Mesa Stormwater Improvement project (\$17,400), for Capital Project 1026654 Calavo Park Community Garden Project (\$9,000), and for Capital Project 1025464 Collier Park Community Garden Project (\$4,300) from ARPA to Operating Transfer In from the General fund. There is no change to projects total budget. **(4 VOTES)**

14. Establish appropriations of \$14,397 in the Community Enhancement Program budget (\$8,000 for District 1, \$4,584 for District 3, and \$1,813 for District 5 in Org 12900), Contribution to Other Agencies, based on the return of unused portions or prior year allocations so the funds can be allocated to other projects. **(4 VOTES)**
15. Approve the use of \$6,600,000 of FY 2024-25 Appropriation for Contingency; *and* transfer appropriations of \$6,600,000 from Finance Other, Services & Supplies, to the Registrar of Voters, Salaries & Benefits (\$3,300,000) and Services & Supplies (\$3,300,000), for costs associated with two elections to fill the vacant seat of Board of Supervisors First District, based on General Purpose Revenue. **(4 VOTES)**
- ~~16. Establish appropriations of \$1,413,134.46 in the Chief Administrative Office—Office of Equity and Racial Justice, Services & Supplies, for the Cannabis Equity Grant for Local Jurisdictions program and related administrative expenses, based on a grant from the California Governor’s Office of Business and Economic Development. **(4 VOTES)**~~
16. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, as noted in Appendix C, in the net amount of \$1,483,447 for major maintenance projects listed in Appendix C that were subsequently reclassified, based on capitalization thresholds, for financial reporting purposes; *and* establish, transfer and cancel appropriations, as noted in Appendix C for a net decrease of \$1,483,447 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)**

**Transfers Within Budgetary Funds and/or Cancellation of Appropriations
(Recommendations ~~1817~~ through ~~1918~~):**

17. Transfer appropriations of \$500,000 within the Capital Outlay Fund and related Operating Transfer In from the General Fund, to provide funding for Capital Project 1023728 Sweetwater Lane County Park Energy Upgrade, based on the transfer from Capital Project 1023065 Sweetwater Summit Regional Park Campground Expansion Phase II.
18. Transfer appropriations of \$15,000,000 in Contributions to Capital Outlay, Operating Transfers Out, from Capital Project 1020254, San Diego County Animal Shelter to Capital Project 1024604, County Public Health Laboratory. This will enable a swap in revenue of \$15,000,000 from proceeds from the 2023 Public Health Lab and Capital Improvements Certificates of Participation to General Fund fund balance for the County Public Health Laboratory. There is no change to either project’s total budget.

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.

FISCAL IMPACT

Funds associated with today's recommendations are partially included in the Fiscal Year 2024-25 Operational Plan. If approved, in the General Fund these actions will result in an increase to the overall budget of ~~\$27,727,531~~ ~~\$26,314,397~~, transfers between budgetary funds of \$7,993,020, transfers within budgetary funds of \$15,916,000, and no cancellation of appropriations. The funding sources for the increases are over-realized General Purpose Revenue (\$26,300,000), ~~grant from the California Governor's Office of Business and Economic Development (\$1,413,134)~~ and unused portions of prior year allocations for Community Enhancement Program (\$14,397).

In all other funds combined, these actions will result in a net increase to the overall budget of \$10,301,583, transfers between budgetary funds of \$121,127, transfers within budgetary funds of \$500,000, and cancellation of appropriations of \$3,040,147. The funding sources for the net increase are available prior year DPW ISF Equipment Acquisition Road Fund fund balance (\$5,500,000), SANDAG Housing Acceleration Program (\$2,500,000), available prior year DPW ISF Equipment Acquisition Liquid Waste Fund fund balance (\$1,500,000), available prior year Parkland Dedication Ordinance (PLDO) Spring Valley Improvement Impact Fees Fund fund balance (\$1,216,000), Operating Transfers In from various non-General Fund (\$580,000), Regional Transportation Congestion Improvement Program (\$575,000), available prior year CSA 17 & 69 fund balance (\$380,000), available prior year PLDO Spring Valley in Lieu Fees Fund fund balance (\$85,000), available prior year CFD No. 2013-01 Horse Creek Ridge Maintenance - Special Tax C Fund fund balance (\$18,791) and available prior year CFD No. 2019-01 Meadowood Fire - Special Tax C Fund fund balance (\$15,239). These are offset by decreases in available prior year PLDO Area 20 Spring Valley fund balance (\$1,301,000), Operating Transfers In from the General Fund (\$415,619), Operating Transfer In from the Library Fund (\$321,128), and American Rescue Plan Act (ARPA) (\$30,700).

BUSINESS IMPACT STATEMENT

N/A

- 15. SUBJECT: AUTHORIZE THE COUNTY OF SAN DIEGO TO OPT-IN TO THE BEHAVIORAL HEALTH COMMUNITY-BASED ORGANIZED NETWORKS OF EQUITABLE CARE AND TREATMENT (BH-CONNECT) INITIATIVE, EXECUTE RELATED AGREEMENTS, ACCEPT ADDITIONAL MEDI-CAL REVENUE, AND PURSUE ADDITIONAL FUNDING, AND REQUEST THE DEPARTMENT OF HEALTH CARE SERVICES TO ISSUE FINAL GUIDANCE FOR BH-CONNECT (DISTRICTS: ALL)**

OVERVIEW

In December 2024, the Centers for Medicare & Medicaid Services approved a Section 1115 demonstration project submitted by the California Department of Health Care Services (DHCS) entitled Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT), which establishes a robust continuum of evidence-based community services for people with significant behavioral health needs. BH-CONNECT is comprised of a new five-year Medicaid section 1115 demonstration, State Plan Amendments to expand coverage of Evidence-Based Practices (EBPs) available under Medi-Cal, and complementary guidance and policies to strengthen behavioral health services statewide.

By expanding community-based services and integrating EBPs, BH-CONNECT aims to reduce costly emergency department visits, hospitalizations, and institutional stays, including within carceral settings. The initiative will help Medi-Cal members with behavioral health conditions, including children and youth involved in child welfare, individuals and families experiencing or at risk of homelessness, and people involved in the justice system.

BH-CONNECT aligns with the County of San Diego (County) Health and Human Services Agency (HHSA) Behavioral Health Services (BHS) Optimal Care Pathways (OCP) efforts by providing opportunities to improve quality of care, enhance service capacity, invest in the development and retention of the behavioral health workforce, and optimize new revenue opportunities to expand the continuum of community-based care. BH-CONNECT represents a strategic shift in how California addresses behavioral health care. In partnership with county behavioral health plans throughout the state, BH-CONNECT is a multi-year initiative that aims to strengthen the workforce, incentivize measurable outcomes, and fill critical service gaps to create a more equitable and effective system of care.

Implementing BH-CONNECT, including EBPs, the Access, Reform, and Outcomes Incentive Program, and the Mental Health Institution of Mental Disease Federal Financial Participation Program, and future components, will expand the portfolio of covered benefits that Medi-Cal members have access to. BH-CONNECT utilizes proven treatment methods to improve outcomes through standardized high-fidelity EBPs and leverages additional federal revenue for essential care.

Today's actions request the San Diego County Board of Supervisors (Board) authorize agreements and documents required to implement BH-CONNECT, receive additional Medi-Cal funding through BH-CONNECT, and pursue additional funding opportunities to support successful BH-CONNECT implementation. Today's actions also request the Board to issue a letter to DHCS requesting the issuance of final guidance associated with the implementation of BH-CONNECT.

These actions support the County vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities. This will be accomplished through further strengthening the continuum of behavioral health services by expanding critical care in San Diego County.

RECOMMENDATION(S)**CHIEF ADMINISTRATIVE OFFICER**

1. Authorize the Deputy Chief Administrative Officer, Health and Human Services Agency (HHS), or designee, to execute agreements, plans, certification forms, and all necessary documents for submittal and regulatory processing for Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) implementation, including BH-CONNECT Evidence Based Practices, the Access, Reform, and Outcomes Incentive Program, and the Mental Health (MH) Institution of Mental Disease (IMD) Federal Financial Participation (FFP) Program.
2. Authorize the Deputy Chief Administrative Officer, HHS, or designee, to execute agreements, plans, certification forms, and all necessary documents for submittal and regulatory processing to allow the County to be reimbursed for behavioral health services that are or will become eligible for Medi-Cal reimbursement under BH-CONNECT.
3. Authorize the Chief Administrative Officer, or designee, to apply for any additional funding opportunities to ensure successful BH-CONNECT implementation in San Diego County.
4. Request the Board of Supervisors to issue a letter to the State of California, Department of Health Care Services requesting the issuance of final guidance associated with the implementation of BH-CONNECT to ensure the County can implement enhanced services for Medi-Cal beneficiaries and receive timely Medi-Cal reimbursement for the new benefits.

EQUITY IMPACT STATEMENT

The County of San Diego (County) Health and Human Services Agency, Behavioral Health Services (BHS) serves as the specialty mental health plan for Medi-Cal eligible residents within San Diego County who are experiencing serious mental illness (SMI) or serious emotional disturbance. BHS is also the service delivery system for Medi-Cal eligible residents with substance use care needs. In 2024, nearly one in three San Diegans were eligible for Medi-Cal, with Hispanic and Latino residents having the highest percentage of Medi-Cal eligibility at 44%.

For these Medi-Cal eligible residents who experience SMI or have a substance use care need, BHS offers County-operated and BHS-contracted programs that address the social determinants of health by being accessible, capable of meeting the needs of diverse populations, and culturally responsive, with the intent to equitably distribute services to those most in need. BHS strives to reduce behavioral health inequities by identifying needs and designing services to yield meaningful outcomes for those served. BH-CONNECT will help to further the development of behavioral health services that support access to treatment and care for populations who are underserved by social and behavioral health resources.

SUSTAINABILITY IMPACT STATEMENT

Today's actions support the County of San Diego (County) Sustainability Goal #2 to provide just and equitable access to County services and Sustainability Goal #4 to protect the health and well-being of everyone in the region. These goals will be accomplished by providing a wider availability and range of supportive, inclusive, and stigma-free options to those in need of behavioral health services. Access to a comprehensive continuum of behavioral health services will improve the overall health of communities.

FISCAL IMPACT

Funds for these requests are included in the Fiscal Years 2024-25 Operational Plan in the Health and Human Services Agency. If approved, today's recommendations will result in no new costs in both Fiscal Year (FY) 2024-25 and FY 2025-26. There will be new revenue estimated at up to \$3.0 million in 2024-25 and \$18.5 million in FY 2025-26, due to services becoming eligible for Medi-Cal reimbursement under the BH-CONNECT initiative. This will allow HHSA to reinvest funding sources, such as Realignment, general purpose revenue, and MHSA back into the behavioral health system. The funding source will be Short-Doyle Medi-Cal and Drug Medi-Cal. There may be additional fiscal impacts associated with implementation of BH-CONNECT components in subsequent years and funding requests. Staff will return to the Board with mid-year action to adjust the budget, if necessary, and/or into future budgets as funding becomes available. There will be no change in net General Fund cost and no additional staff years.

It is anticipated that opting in to the BH-CONNECT waiver will improve the quality of care, enhance member outcomes, and result in savings to local funds for programs that become eligible for Medi-Cal reimbursement through the 1115 demonstration project. The breadth of local savings will not be fully known until final guidance has been issued by the California Department of Health Care Services and subsequent analytic work is completed to establish reimbursement rates for services newly eligible for under reimbursement under BH-CONNECT. Savings resulting from the implementation of BH-CONNECT must be reinvested to support services that benefit Medi-Cal members served by BHS.

Additionally, impending federal policy changes that are being proposed may have significant impacts on the implementation of the BH-CONNECT initiative, a federal waiver, and the financial sustainability of existing and future local mental health and substance use treatment programs funded through Medicaid, or Medi-Cal in California. Any significant Medicaid policy changes will impact the County's ability to financially sustain behavioral health programs funded by Medi-Cal. Additionally, growth in realignment funding has not kept pace with the increased costs for services, which is utilized as a local match for Medi-Cal programs.

BUSINESS IMPACT STATEMENT

N/A

16. SUBJECT: CLOSED SESSION (DISTRICTS: ALL)

OVERVIEW

- A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**
(Paragraph (1) of subdivision (d) of Section 54956.9)
Benjamin Pietrowski v. County of San Diego, et al.; San Diego Superior Court Case
No.24CU012724C.
- B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to paragraph 2 of subdivision (d) of
Government Code section 54956.9: (Number of Potential Cases – 1)

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ITEM NO. 11 ATTACHMENT -
PROVIDING FEDERALLY FUNDED
PROGRAM RECIPIENTS WITH A
NOTICE OF FUNDING AT RISK

NOTIFICATION OF FUNDING AT RISK

BENEFIT RECIPIENT NAME: Jane Doe

BENEFIT RECIPIENT ADDRESS: 12345 Pacific Way, San Diego, CA

RECIPIENT BENEFITS FACING ELIMINATION: Medi-Cal, SNAP, CalWorks

We want to inform you of potential changes to the services you receive through the County of San Diego. Due to federal funding cuts being directed by the Trump Administration and Congressional leadership, essential County programs—including healthcare, disaster relief, homelessness prevention, behavioral health services, and food and housing assistance—are at risk of reductions or delays. If these proposed cuts move forward, they could directly impact program recipients and beneficiaries like yourself.

The County of San Diego has called on federal leadership to protect these critical services, but significant funding reductions have already been proposed and may take effect this year.

We understand how important these programs are to you and your family. We encourage you to stay informed and make your voice heard. If you have questions about these proposed federal cuts and how they may impact you, please contact:

White House Switchboard: 202-456-111 or Comments@whitehouse.gov
Department of Government Efficiency, @DOGE

San Diegans deserve reliable support and services.

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COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

VACANT
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: March 11, 2025

14

TO: Board of Supervisors

SUBJECT

**FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN STATUS
REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

OVERVIEW

This report summarizes the status of the County's Fiscal Year 2024-25 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 \$31.0 million (or 0.4% of the General Fund budget). The projected balance for all other funds combined is \$44.7 million (1.4% of the other funds combined budget). For all budgetary funds combined, the projected balance is \$75.7 million (or 0.7% of the overall budget). The projected fund balance anticipates an overall positive expenditure variance and an overall negative revenue variance from the Fiscal Year 2024-25 Amended Budget. The projection reflects the unused portion of the appropriation for contingency pursuant to Government Code §29084, assumes General Purpose Revenue will perform better than estimated, and business groups will produce operating balances, except for Public Safety Group.

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 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), recommendations include appropriation adjustments in the Sheriff's Office due to increased operational costs such as care support for the incarcerated, internal service fund costs in facilities management, property insurance, and public liability and in the Public Defender's Office increased costs in psychiatric evaluations, facility management internal services and leased space cost. The increased operational costs in the Sheriff's Office and Public Defender's Office are being addressed with additional appropriations supported by overrealized revenue this fiscal year, and will be resolved with today's recommendations. Ongoing funding strategies for these costs have been identified, and will be included in the upcoming Fiscal Year 2025-26 CAO Recommended Operational Plan.

**SUBJECT: FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN
STATUS REPORT AND BUDGET ADJUSTMENTS (DISTRICTS:
ALL)**

In the Health and Human Services Agency (HHSA), recommendations include appropriation adjustments to transfer unanticipated fund balances of CSA 17 San Dieguito Ambulance Fund & CSA 69 Heartland Paramedic Fund from the old funds to the new funds.

In the Land Use and Environment Group (LUEG), recommendations include appropriation adjustments for the purchase of replacement vehicles and equipment, for the Goldentop Road Water Quality Improvement Project, for the Campo Road Reconfiguration project, to support personnel and operations costs incurred by the North County Fire Protection District, for Calavo Park, for various Parks projects and for Sweetwater Lane County Park Energy Upgrade.

In the Finance and General Government Group (FGG), recommendations include appropriation adjustments for the Community Enhancement program, and for special elections to fill the vacant seat of Board of Supervisor First District ~~and for the Cannabis Equity Grant for Local Jurisdictions program and related administrative expenses.~~

Today's recommendations seek authority to establish and transfer appropriations in order to ensure efficient use of County resources and to maintain a structurally balanced budget.

**RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2024-25 second quarter report on projected year-end results.

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds
(Recommendations 2 through ~~17~~16):**

2. Establish appropriations of \$24,500,000 in the Sheriff's Office, Salaries & Benefits, to support increased operational costs in medical care support for the incarcerated, internal service fund costs such as facilities management, property insurance, and public liability that resulted in the reallocation of salaries and benefits appropriations at that time, based on over-realized General Purpose Revenue. **(4 VOTES)**
3. Establish appropriations of \$1,800,000 in the Public Defender's Office, Salaries & Benefits, to support increased costs in psychiatric evaluations, facility management internal services and lease space cost, that resulted in the reallocation of salaries and benefits appropriations, based on over-realized General Purpose Revenue. **(4 VOTES)**
4. Establish appropriations of \$140,000 in County Service Area (CSA) 17 San Dieguito Ambulance Fund (14065), Operating Transfers Out, and establish appropriations of \$140,000 in CSA 17 Fund (14995), Services & Supplies, to transfer unanticipated fund balance from old CSA 17 San Dieguito Ambulance Fund (14065) to new fund CSA 17 Fund (14995), based on the available prior year fund balance in the old fund. **(4 VOTES)**
5. Establish appropriations of \$240,000 in CSA 69 Heartland Paramedic Fund (14190), Operating Transfers Out, and establish appropriations of \$240,000 in the CSA 69 Fund (14996), Services

**SUBJECT: FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN
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ALL)**

- & Supplies, to transfer unanticipated fund balance from old CSA 69 Heartland Paramedic Fund (14190) to new fund CSA 69 Fund (14996), based on the available prior year fund balance in the old fund. **(4 VOTES)**
6. Establish appropriations of \$5,500,000 in the Department of Public Works (DPW) Internal Service Funds (ISF) Equipment Acquisition Road Fund, Capital Assets Equipment, for the purchase of replacement vehicles and equipment, based on available prior year DPW ISF Equipment Acquisition Road Fund fund balance. **(4 VOTES)**
 7. Establish appropriations of \$1,500,000 in the DPW ISF Equipment Acquisition Liquid Waste Fund, Capital Assets Equipment, for the purchase of replacement vehicles, based on available prior year DPW ISF Equipment Acquisition Liquid Waste Fund fund balance. **(4 VOTES)**
 8. Transfer appropriations of \$916,000 within DPW General Fund, Services & Supplies to Operating Transfers Out; *and* establish appropriations of \$916,000 in the DPW Road Fund, Services & Supplies, for the Goldentop Road Water Quality Improvement Project, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
 9. Establish appropriations of \$3,075,000 in the DPW Road Fund, Services & Supplies, for the Campo Road Reconfiguration project, based on a grant from SANDAG Housing Acceleration Program (\$2,500,000) and Regional Transportation Congestion Improvement Program (\$575,000). **(4 VOTES)**
 10. Establish appropriations of \$18,791 in Community Facilities District (CFD) No. 2013-01 Horse Creek Ridge Maintenance - Special Tax C fund, Services & Supplies, to support personnel and operations costs incurred by the North County Fire Protection District, based on available prior year CFD No. 2013-01 Horse Creek Ridge Maintenance – Special Tax C Fund fund balance. **(4 VOTES)**
 11. Establish appropriations of \$15,239 in CFD No. 2019-01 Meadowood Fire – Special Tax C fund, Services & Supplies, to support personnel and operations costs incurred by the North County Fire Protection District, based on available prior year CFD No. 2019-01 Meadowood Fire – Special Tax C fund balance. **(4 VOTES)**
 12. Cancel appropriations of \$1,301,000 in Parkland Dedication Ordinance (PLDO) Area 20 Spring Valley; *and* establish appropriations of \$1,216,000 in PLDO Spring Valley Improvement Impact Fees, Operating Transfer Out, based on available prior year PLDO Spring Valley Improvement Impact Fees Fund fund balance; *and* establish appropriations of \$85,000 in PLDO Spring Valley in Lieu Fees, Operating Transfer Out, based on available prior year PLDO Spring Valley in Lieu Fees Fund fund balance. Funding for Capital Project 1022858 Calavo Park is included in Fiscal Year 2024-25 Operational Plan. This recommendation will add appropriations to the PLDO accounts as the funding sources for the project. **(4 VOTES)**

**SUBJECT: FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN
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ALL)**

13. Transfer appropriations of \$30,700 from Department of Parks and Recreation, Services & Supplies, to Contribution to Capital Outlay Fund, Operating Transfers Out. This will enable a swap in revenue of \$30,700 in the Capital Outlay Fund for Capital Project 1027068 TJ River Valley Spooners Mesa Stormwater Improvement project (\$17,400), for Capital Project 1026654 Calavo Park Community Garden Project (\$9,000), and for Capital Project 1025464 Collier Park Community Garden Project (\$4,300) from ARPA to Operating Transfer In from the General fund. There is no change to projects total budget. **(4 VOTES)**
14. Establish appropriations of \$14,397 in the Community Enhancement Program budget (\$8,000 for District 1, \$4,584 for District 3, and \$1,813 for District 5 in Org 12900), Contribution to Other Agencies, based on the return of unused portions or prior year allocations so the funds can be allocated to other projects. **(4 VOTES)**
15. Approve the use of \$6,600,000 of FY 2024-25 Appropriation for Contingency; *and* transfer appropriations of \$6,600,000 from Finance Other, Services & Supplies, to the Registrar of Voters, Salaries & Benefits (\$3,300,000) and Services & Supplies (\$3,300,000), for costs associated with two elections to fill the vacant seat of Board of Supervisors First District, based on General Purpose Revenue. **(4 VOTES)**
- ~~16. Establish appropriations of \$1,413,134.46 in the Chief Administrative Office—Office of Equity and Racial Justice, Services & Supplies, for the Cannabis Equity Grant for Local Jurisdictions program and related administrative expenses, based on a grant from the California Governor's Office of Business and Economic Development. **(4 VOTES)**~~
16. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, as noted in Appendix C, in the net amount of \$1,483,447 for major maintenance projects listed in Appendix C that were subsequently reclassified, based on capitalization thresholds, for financial reporting purposes; *and* establish, transfer and cancel appropriations, as noted in Appendix C for a net decrease of \$1,483,447 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)**

**Transfers Within Budgetary Funds and/or Cancellation of Appropriations
(Recommendations ~~1817~~ through ~~1918~~):**

17. Transfer appropriations of \$500,000 within the Capital Outlay Fund and related Operating Transfer In from the General Fund, to provide funding for Capital Project 1023728 Sweetwater Lane County Park Energy Upgrade, based on the transfer from Capital Project 1023065 Sweetwater Summit Regional Park Campground Expansion Phase II.
18. Transfer appropriations of \$15,000,000 in Contributions to Capital Outlay, Operating Transfers Out, from Capital Project 1020254, San Diego County Animal Shelter to Capital Project 1024604, County Public Health Laboratory. This will enable a swap in revenue of \$15,000,000 from proceeds from the 2023 Public Health Lab and Capital Improvements

**SUBJECT: FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN
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Certificates of Participation to General Fund fund balance for the County Public Health Laboratory. There is no change to either project's total budget.

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.

FISCAL IMPACT

Funds associated with today's recommendations are partially included in the Fiscal Year 2024-25 Operational Plan. If approved, in the General Fund these actions will result in an increase to the overall budget of ~~\$27,727,531~~ \$26,314,397, transfers between budgetary funds of \$7,993,020, transfers within budgetary funds of \$15,916,000, and no cancellation of appropriations. The funding sources for the increases are over-realized General Purpose Revenue (\$26,300,000), ~~grant from the California Governor's Office of Business and Economic Development (\$1,413,134)~~ and unused portions of prior year allocations for Community Enhancement Program (\$14,397).

In all other funds combined, these actions will result in a net increase to the overall budget of \$10,301,583, transfers between budgetary funds of \$121,127, transfers within budgetary funds of \$500,000, and cancellation of appropriations of \$3,040,147. The funding sources for the net increase are available prior year DPW ISF Equipment Acquisition Road Fund fund balance (\$5,500,000), SANDAG Housing Acceleration Program (\$2,500,000), available prior year DPW ISF Equipment Acquisition Liquid Waste Fund fund balance (\$1,500,000), available prior year Parkland Dedication Ordinance (PLDO) Spring Valley Improvement Impact Fees Fund fund balance (\$1,216,000), Operating Transfers In from various non-General Fund (\$580,000), Regional Transportation Congestion Improvement Program (\$575,000), available prior year CSA 17 & 69 fund balance (\$380,000), available prior year PLDO Spring Valley in Lieu Fees Fund fund balance (\$85,000), available prior year CFD No. 2013-01 Horse Creek Ridge Maintenance – Special Tax C Fund fund balance (\$18,791) and available prior year CFD No. 2019-01 Meadowood Fire – Special Tax C Fund fund balance (\$15,239). These are offset by decreases in available prior year PLDO Area 20 Spring Valley fund balance (\$1,301,000), Operating Transfers

**SUBJECT: FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN
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In from the General Fund (\$415,619), Operating Transfer In from the Library Fund (\$321,128), and American Rescue Plan Act (ARPA) (\$30,700).

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 \$31.0 million is based on the estimate that expenditures will be approximately \$111.0 million less than the Fiscal Year 2024-25 Amended Budget and revenues will be a net \$80.0 million less than the Fiscal Year 2024-25 Amended Budget. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus approved year-to-date changes. The projected balance for all other funds combined is a net of \$44.7 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 \$438.7 million. This includes \$436.3 million of costs incurred from the beginning of the pandemic through May 11, 2023, when FEMA eligibility ended, and \$2.4 million for Fiscal Year 2024-25 for allowable administrative costs to manage the grant beyond the FEMA eligibility date. To date, a total of \$293.5 million in FEMA reimbursement payments have been received and projections anticipate receiving an additional \$6.4 million by December 31, 2025, for prior year efforts. The remaining balance of \$138.8 million, which includes the 10% withhold amount as part of the FEMA close out process, is anticipated to be received in future fiscal years. County staff continue to actively monitor federal actions and legislation, which may impact FEMA reimbursements or other federal revenues, and evaluating the potential impacts of these actions.

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. Schedule B shows the projected General Fund fund balance by business group split between operating and reserve balances. The Notes to Schedules A and B explain variances from budget by department, fund and for General Purpose Revenue.

GENERAL FUND EXPENDITURE VARIANCES

The projected lower than budgeted expenditures generating an overall positive expenditure variance of \$111.0 million in the General Fund are primarily attributable to the following:

- \$28.5 million in projected overall positive Salary & Benefits appropriation variance. As of January 13, 2025, the vacancy rate (including newly added positions) was 6.5% (1,328 of 20,491 positions).

**SUBJECT: FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN
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- In PSG, the projected overall positive expenditure variance of \$2.4 million is due to attrition, vacancies and modified positions. A projected negative variance in Sheriff's Office will be mitigated by an adjustment that will provide \$24.5 million in appropriations based on over-realized General Purpose Revenue and a projected negative variance in the Public Defender's Office will be partially mitigated by an adjustment that will provide \$1.8 million in appropriations based on over-realized General Purpose Revenue. These shortfalls are attributed to increased operational costs that resulted in the reallocation of Salaries & Benefits appropriations during the development of the Fiscal Year 2024-25 Operational Plan. The vacancy savings did not materialize for these departments due to lower department vacancy rates so additional appropriations are needed to cover the reallocation of Salaries & Benefits. The increased operational costs in the Sheriff's Office and Public Defender's Office are proposed to be addressed with additional appropriations supported by overrealized revenue this fiscal year, and will be resolved with today's recommendations. Ongoing funding strategies for these costs have been identified, and will be included in the upcoming Fiscal Year 2025-26 CAO Recommended Operational Plan. In HHSA, the projected overall positive expenditure variance of \$17.3 million is attributed to longer timeframes to hire staff, including hard to recruit classifications and vacancies due to attrition.
- In LUEG, the projected overall positive expenditure variance of \$7.2 million is primarily due to vacancies and under-filled positions.
- In FGG, the projected overall positive expenditure variance of \$1.6 million is primarily unanticipated vacancies and staff attrition.
- \$59.8 million in projected positive appropriation variance in Services & Supplies across the County.
 - In PSG, projected overall positive expenditure variance of \$4.5 million primarily in the Department of Child Support Services due to lower than anticipated expenses related to facility projects, information technology (IT), and contracted services, and in San Diego County Fire due to lower contracted services resulting from delays in obtaining Environmental Historical Preservation report approval from FEMA for Home Hardening projects.
 - In HHSA, projected overall positive variance of \$30.7 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 and substance use disorder programs to align with anticipated spending which adjusts for contractor staffing vacancies and projected utilization in residential bed days;
 - Public Health Services (PHS) primarily from procurement delays associated with identification and timing of lab equipment delivery, installation, and validation testing, lesser use of contracts in Immunizations program to align with projected spending with the grant resources and workplan, and in contracted temporary staffing costs associated with the demobilization of COVID-19 associated activities;

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- Aging & Independence Services (AIS) tied to lesser use in contracted services in Home Safe and California Department of Aging (CDA) programs by utilizing internal County staffing to support the programs and the roll out of Modernizing Older California Act (MOCA) programs over future fiscal years, an adjustment to align the budget to the anticipated In-Home Support Services (IHSS) Maintenance of Effort (MOE) for IHSS Individual Providers, and due to the phased implementation needed to accommodate the increasing number of participants in the San Diego Veterans Independence Service at Any Age (SD-VISA) program;
- Child and Family Well-Being (CFWB) associated with contracted services for transitional housing programs experiencing challenges in the rental market and group home costs as the program continues its transition into an eligible facility.

These are offset by a negative variance in Self-Sufficiency Services (SSS) primarily due to increases in contracted services based on revised allocations for CalWORKs Housing Support Program due to California Department of Social Services redistribution of unspent prior year funding.

- In LUEG, projected overall positive variance of \$11.8 million primarily in the Department of Planning & Development Services (PDS) primarily due to schedule changes to one-time only IT projects and reduced consultant contract spending and delayed spending related to grants, in LUEG Executive Office due to grant project related to air purifier that will no longer be managed through the LUEG Executive Office and will be managed by the Air Pollution Control District, and in Department of Environmental Health and Quality (DEHQ) due to a reduction in contract costs as a result of contracts not being awarded.
- In FGG, projected overall positive variance of \$12.8 million primarily in Assessor/Recorder/County Clerk (ARCC) due to delay or cancellation of trust fund funded projects, in Registrar of Voters (ROV) due to delays associated with an IT project for a new voter registration system and lower than anticipated ballot printing costs and in Board of Supervisors due to lower than anticipated one-time expenses.
- A projected positive appropriation variance of \$9.4 million in Other Charges primarily (HHSA) in SSS tied to Participant Benefits programs mainly in Child Care Stage 1 due to revised projected caseloads and in EBT Skimming mainly tied to estimated EBT Fraud payments, in CFWB mainly to align with the revised projected caseloads in assistance programs, and in Housing & Community Development Services (HCDS) primarily in HOME Tenant Based Rental Assistance (TBRA) due to lower-than-anticipated referral and a gradual transition in enrolling newly eligible participants under the Transitional Aged Youth (TAY) program.
- \$8.4 million budgeted for appropriations for contingency pursuant to Government Code §29084 is projected to be unspent at year-end in Capital Asset/ Land Acquisition.
- A projected positive appropriation variance of \$5.8 million in Capital Assets Equipment in HHSA primarily in PHS associated with longer than anticipated delivery of equipment, and in FGG primarily in ARCC due to the postponement of the acquisition of the vitals

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mobile and the replacement of the fire suppression system in the East County Office (ECO) Archives.

- A projected negative appropriation variance of \$2.5 million in Expenditure Transfer & Reimbursements in FGG primarily in ROV due to delayed IT project and in County Counsel due to less than anticipated reimbursements for staff costs in the health services area.
- A projected positive appropriation variance of \$1.6 million in Operating Transfers Out in HHSA primarily in AIS due to reduced funding needs for the IHSS Public Authority related to anticipated operational needs in the program with no impact to services.

GENERAL FUND REVENUE VARIANCES

The projected under-realized revenue of \$80.0 million includes positive variances totaling \$9.6 million and negative variances of \$89.6 million. In many instances, the negative revenue variances are directly associated with the positive expenditure variances described above, that is, the County does not receive the supporting revenue when a cost is not incurred.

The projected positive revenue variance of \$9.6 million is primarily attributable to the following categories:

- Taxes Other Than Current Secured are anticipated to be \$31.6 million above budget, and of this amount, \$26.3 million total will be appropriated in Sheriff's Office (\$24.5 million) and in Public Defender's Office (\$1.8 million), resulting in an adjusted projection of \$5.3 million.
 - The amounts appropriated in the Sheriff's Office and the Public Defender's Office are due to increased costs that resulted in the reallocation of Salaries & Benefits appropriations during the development of the Fiscal Year 2024-25 Operational Plan. The vacancy savings did not materialize for these departments due to lower department vacancy rates. The increased operational costs in the Sheriff's Office and Public Defender's Office will be resolved with today's recommendations, supported by overrealized revenue. Ongoing funding strategies for these costs have been identified, and will be included in the upcoming Fiscal Year 2025-26 CAO Recommended Operational Plan.
 - The revenue variances in Taxes Other Than Current Secured are mainly in Sales and Use Taxes mostly boosted by a state audit correction made to recover previously misallocated revenues as well as significant increase in business-industry related revenue, in Property Tax in Lieu of Vehicle License Fees (VLF) due to higher than budgeted growth in assessed valuation, in Teeter Taxes based on a higher collection of receivables from prior fiscal year and projected returned excess Teeter Tax Reserve requirement, in Property Tax Prior Secured Supplemental due to the increase in supplemental billings compared to prior year, in Other Tax Aircraft, Property Tax Prior Secured and Property Tax Prior Year Unsecured Supplemental due to higher than budget based on year-to-date current year actuals going higher than expected, and in Document Transfer Taxes due to projected home prices remaining high despite having projected lower sales volume.

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- Taxes Current Property (\$4.3 million) primarily in Current Secured Property Taxes due to greater than anticipated assessed value growth and in Current Unsecured Property Taxes due to projected higher revenue based on prior year receipts.

The projected negative revenue variance of \$89.6 million is primarily attributed to:

- Intergovernmental Revenues (\$56.1 million)
 - In HHSA, primarily tied to aligning projected spending and includes reductions in Behavioral Health Realignment and Mental Health Services Act funding offset by increases in federal funding tied to anticipated billable service units under payment reform, in COVID-19 Expanding Laboratory Capacity and in COVID Health Disparities grant to align with projected spending, in Immunization Action Plan (IAP) grant to align with workplan, in Future of Public Health due to revised allocation estimate, and in California Children's Services (CCS) tied to prior year revenue adjustments, in Realignment based on estimated receipts and in social services administrative revenues to align with anticipated federal and State funding and projected expenditures, tied to reduced expenditures in the IHSS MOE and IHSS Public Authority program, tied to the ending of one-time Community Health Workers Resilient grant and Health Disparities grant, due to Future of Public Health (FOPH) revenue aligning with the State's revised allocation and lower-than-anticipated COVID-19 Expanding Laboratory Capacity grant funding, in CalSAWs revenue based on estimated receipts, and in federal revenue primarily to align with projected costs associated with the HOME Tenant Based Rental Assistance (TBRA).
 - In LUEG, primarily due to delays in grant related projects, in grant project and associated revenue to be managed by the Air Pollution Control District, and due to less than anticipated reimbursements related to state contracts.
 - In PSG, primarily due to lower grant reimbursements related to the expenditures from delays in obtaining Environmental Historical Preservation report approval from FEMA for Home Hardening projects, due to lower than anticipated State and federal reimbursement revenue related to expenditure savings related to facility projects, IT, and contracted services, and due to lower than expected eligible case activities funded by CARE Act and staff attritions during mid-year funded by Justice Assistance Grant and state mandated reimbursements.
- Charges for Current Services (\$21.9 million) primarily in Recorder Trust Funds revenues due to delay, cancellation, or postponement of the acquisition of the vitals mobile and the replacement of the fire suppression system in the ECO Archives, due to a decline in billable activities for land development, project planning, and building projects due to staff vacancies, tied to a decrease in Intergovernmental Transfer (IGT) revenue primarily due to decrease in census enrollment days for Medi-Cal and due to less than anticipated services requested by customers.
- Revenue from Use of Money & Property (\$6.9 million) primarily due to a lower projected average daily cash balance than what was budgeted which was used to calculate the interest revenue.

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- Fines, Forfeitures & Penalties (\$2.9 million) primarily due to lower costs for the Cal-ID program.
- Miscellaneous Revenues (\$0.9 million) primarily due to lower expenditures in Regional Communication System (RCS) projects and due to the recoupment of payments in contracted services from prior year adjustments.
- Licenses, Permits & Franchises (\$0.5 million) primarily due to under-realized permit payment revenue resulting from less staff to perform services.
- Other Financing Sources (\$0.4 million) due to lower transfers from the Incarcerated Peoples' Welfare Fund and Jail Commissary Enterprise Fund associated with vacant positions.

Adjustments to the Fiscal Year 2024-25 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 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 1716):**

Recommendation 2

This recommendation will establish appropriations of \$24,500,000 in Sheriff's Office, Salaries & Benefits. During the Fiscal Year 2024-26 Operational Plan budget build, the Sheriff reallocated savings anticipated from vacancies to offset increased operational costs in medical care support for the incarcerated, internal service fund costs such as facilities management, property insurance, and public liability. The vacancy savings have not materialized, so additional appropriations are needed to cover the reallocation of Salaries & Benefits. The increased operational costs in the Sheriff's Office will be resolved with today's recommendations. Ongoing funding strategies for these costs have been identified, and will be included in the upcoming Fiscal Year 2025-26 CAO Recommended Operational Plan. The funding source is based on over-realized General Purpose Revenue.

Recommendation 3

This recommendation will establish appropriations of \$1,800,000 in Public Defenders Office, Salaries & Benefits. During the Fiscal Year 2024-26 Operational Plan budget build, the Public Defender Office reduced Salaries & Benefits costs to fund increased costs in psychiatric evaluations resulting from higher evaluation costs required for these types of evaluations by external consultants, facility management internal services costs and increases in lease space cost. The vacancy savings have not materialized so additional appropriations are needed to cover the

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reallocation of Salaries & Benefits. The Public Defender's Office originally projected a negative expenditure variance of \$3.9 million in Salaries & Benefits. The adjustment of \$1,800,000 will partially mitigate the shortfall based on over-realized General Purpose Revenue to support Salaries & Benefits costs. The department will continue to monitor salary and benefit costs as well contract costs and case related activities in order to mitigate the remaining negative variance. The increased operational costs in the Public Defender's Office will be resolved with today's recommendations. Ongoing funding strategies for these costs have been identified, and will be included in the upcoming Fiscal Year 2025-26 CAO Recommended Operational Plan. The funding source for the \$1,800,000 is based on over-realized General Purpose Revenue.

Recommendations 4 & 5

In Fiscal Year 2021-22, the Board approved the reorganization to transfer Emergency Medical Services (EMS) under San Diego County Fire (Public Safety Group) to enhance the alignment of the integrated functions of San Diego County Fire and EMS. These recommendations will transfer the remaining fund balances of \$140,000 from old fund (14065) to new fund (14995) for County Service Area 17 and \$240,000 from old fund (14190) to new fund (14996) for County Service Area 69. The remaining fund balance was generated due to prior year adjustment associated with the reclassification of deferred revenue from the old funds.

Recommendation 6

If approved, this recommendation will establish appropriations of \$5,500,000 in the Department of Public Works (DPW) Internal Service Funds (ISF) Equipment Acquisition Road Fund for the purchase of vehicles and equipment that were not available during the previous budget planning cycle. The funding source is available prior year DPW ISF Equipment Acquisition Road Fund fund balance.

Recommendation 7

If approved, this recommendation will establish appropriations of \$1,500,000 in the DPW ISF Equipment Acquisition Liquid Waste Fund for increased costs of vehicles and purchase of units that were not budgeted due to availability. The funding source is available prior year DPW ISF Equipment Acquisition Liquid Waste Fund fund balance.

Recommendation 8

This recommendation will establish appropriations of \$916,000 in the DPW Road Fund to fund the construction for the Goldentop Road Water Quality Improvement Project. Capital project bid pricing is anticipated to be higher than currently budgeted. If approved, this request will establish the appropriations to ensure funding is available when the construction is anticipated to be awarded. The total estimated project is \$1,962,500 and is anticipated to be completed by October 2025. This funding source is available prior year general fund fund balance from FY 2023-24.

Recommendation 9

On June 24, 2020 (12), the Board of Supervisors adopted a resolution authorizing LUEG departments to apply and accept grant funds for the implementation of projects and programmatic activities in support of the County's vision and strategic initiatives, through the end of Fiscal Year

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2024-25. In October 2024, Planning & Development Services received award notification for the SANDAG Housing Acceleration Program (HAP) grant. This recommendation will establish appropriations of \$3,075,000 in the Department to Public Works Road Fund to fund the Final Design and Engineering for the Campo Road Reconfiguration project. If approved, this request will establish the appropriations to ensure funding is available when the design and engineering is anticipated to be awarded. The total estimated project cost is \$3,075,000 and is anticipated to be completed by March 2026. The funding source is grant from the SANDAG HAP (\$2,500,000) and Regional Transportation Congestion Improvement Program (\$575,000).

Recommendation 10

This recommendation will establish appropriations of \$18,791 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 personnel and operations costs incurred by the North County Fire Protection District. On February 26, 2014 the Board authorized the levy of a special tax C to pay for associated fire services within CFD No. 2013-01 Horse Creek Ridge Maintenance by the North County Fire Protection District. These costs include engineers' salaries and benefits and operations costs.

Recommendation 11

This recommendation will establish appropriations of \$15,239 in CFD No. 2019-01 Meadowood Fire – Special Tax C fund, based on available prior year CFD No. 2019-01 Meadowood Fire – Special Tax C fund balance to support personnel and operations costs incurred by the North County Fire Protection District. On April 10, 2019 the Board authorized the levy of a special tax C to pay for associated fire services within CFD No. 2019-01 Meadowood Fire by the North County Fire Protection District. These costs include personnel salaries and benefits and operations costs.

Recommendation 12

This recommendation changes the funding source for Capital Project 1022858 Calavo Park and will cancel appropriations of \$1,301,000 in Parkland Dedication Ordinance (PLDO) Area 20 Spring Valley, establish appropriations of \$1,216,000 in PLDO Spring Valley Improvement Impact Fees, Operating Transfer Out, based on available prior year PLDO Spring Valley Improvement Impact Fees Fund fund balance, and establish appropriations of \$85,000 in PLDO Spring Valley in Lieu Fees, Operating Transfer Out, based on available prior year PLDO Spring Valley in Lieu Fees Fund fund balance. Funding for Capital Project 1022858 Calavo Park is included in FY 2024-25 Operational Plan. This recommendation will add appropriations to the PLD accounts as the funding sources for the project. The estimated total cost of the Capital project is \$19,204,000 and the anticipated completion date is Summer 2025.

Recommendation 13

This recommendation will transfer appropriations of \$30,700 within the Department of Parks and Recreation, Services & Supplies to Operating Transfers Out. This will enable a swap in revenue of \$30,700 in the Capital Outlay Fund for Capital Project 1027068 TJ River Valley Spooners Mesa Stormwater Improvement project (\$17,400), for Capital Project 1026654 Calavo Park Community

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Garden Project (\$9,000), and for Capital Project 1025464 Collier Park Community Garden Project (\$4,300) from ARPA to Operating Transfer In from the General fund. There is no change to projects total budget This recommendation is needed due to disallowed American Rescue Plan Act (ARPA) costs.

Recommendation 14

This recommendation establishes appropriations of \$14,397 in the Community Enhancement Program budget (\$8,000 for District 1, \$4,584 for District 3, and \$1,813 for District 5 in Org 12900), Contribution to Other Agencies, 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 15

On December 20, 2024, the Board of Supervisors was notified that First District Supervisor Nora Vargas would not be assuming her next term, vacating the seat effective January 6, 2025. The San Diego County Charter gives the Board of Supervisors the authority and responsibility to take action to fill the vacant position within thirty days either by appointment, by appointment until a special election, or by calling a special election. On January 14, 2025, the Board of Supervisors voted 4-0 to call a special election for April 8, 2025, and if necessary, a general election for July 1, 2025, to determine the candidate to fill the vacant seat. The proposed appropriation increase will cover the estimated costs of conducting two elections according to the current Vote Center model, and will be based on General Purpose Revenue. The Fiscal Year 2024-25 Operational Plan includes Contingency Reserve appropriations for purposes such as this, and must be approved by a Board of Supervisors four/fifths vote for proposed uses, pursuant to California Government Code section 29125.

Recommendation 16

~~On December 10, 2024 (26), the Board of Supervisors authorized the Office of Equity and Racial Justice to apply for and accept grant funding from the California Governor's Office of Business and Economic Development Cannabis Equity Grants Program for Local Jurisdictions. On January 24, 2025, the Office of Equity and Racial Justice received a notification of grant award in the amount of \$1,413,134.46. Funds for this program are to be used for direct grants to social equity applicants, with a 10% allowance for County staff administrative costs and 10% allowance for technical assistance.~~

Recommendation 17 16

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 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

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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 decrease of appropriations in the MMCOF of \$1,483,447, which includes a transfer of savings from a nearly completed Parks MMCOF project (in the same area) to the Capital Outlay Fund and reclassification of major maintenance projects which are supported by existing department budgets.

**Transfers Within Budgetary Funds and/or Cancellation of Appropriations
(Recommendations 1817 through 1918):**

Recommendation 1817

This recommendation will transfer appropriations of \$500,000 within the Capital Outlay Fund and related Operating Transfer In from the General Fund, to provide funding for Capital Project 1023728 Sweetwater Lane County Park Energy Upgrade, based on the transfer from Capital Project 1023065 Sweetwater Summit Regional Park Campground Expansion Phase II. The estimated total cost of the Sweetwater Lane project is \$2,500,000 and the anticipated completion date is December 2025.

Recommendation 1918

This recommendation will swap in revenues to ensure that all of the proceeds from the 2023 Public Health Lab and Capital Improvements Certificates of Participation (2023 COPs) are used within applicable deadlines related to the tax-exempt status of the 2023 COPs and facilitate accurate financial reporting. All related required adjustments for the two capital projects. \$15,000,000 of existing proceeds from the 2023 COPs will be repurposed for the San Diego County Animal Shelter Project. \$15,000,000 of General Fund fund balance from the San Diego County Animal Shelter Project will be moved to the County Public Health Lab (PHL). There is no change to either capital project total budget.

The PHL currently under construction includes a 52,000 square foot laboratory and parking structure. The new laboratory will feature new and expanded service delivery, including whole genome sequencing, molecular surge, Covid-19 testing services, tuberculosis testing services, and a robust Biosafety Level 3 (BLS-3) program. The PHL will be able to provide laboratory services regionwide, 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 parking structure was completed in Fall 2024 and PHL construction is expected to be completed in Spring 2025. The total budget for Capital Project 1024604, County Public Health Laboratory will remain at \$127,000,000.

The San Diego County Animal Shelter project will add a 21,000 square foot facility in Santee to offer animal intake and care during local disaster events, to serve as an emergency response deployment hub, and to facilitate adoptions, spay/neuter efforts, and vaccinations of animals. The total budget for Capital Project 1020254, San Diego County Animal Shelter, will remain at

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\$37,573,133. Construction for the San Diego Animal Shelter is in progress and is estimated to be completed in Spring 2026.

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 2025-2030 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,



EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

Schedule A

Schedule B

Notes to Schedules A and B

Appendix C: MMCOF Adjustments (Rec #1716)



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

VACANT
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: March 11, 2025

14

TO: Board of Supervisors

SUBJECT

**FISCAL YEAR 2024-25 SECOND QUARTER OPERATIONAL PLAN STATUS
REPORT AND BUDGET ADJUSTMENTS (DISTRICTS: ALL)**

OVERVIEW

This report summarizes the status of the County's Fiscal Year 2024-25 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 \$31.0 million (or 0.4% of the General Fund budget). The projected balance for all other funds combined is \$44.7 million (1.4% of the other funds combined budget). For all budgetary funds combined, the projected balance is \$75.7 million (or 0.7% of the overall budget). The projected fund balance anticipates an overall positive expenditure variance and an overall negative revenue variance from the Fiscal Year 2024-25 Amended Budget. The projection reflects the unused portion of the appropriation for contingency pursuant to Government Code §29084, assumes General Purpose Revenue will perform better than estimated, and business groups will produce operating balances, except for Public Safety Group.

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 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), recommendations include appropriation adjustments in the Sheriff's Office due to increased operational costs such as care support for the incarcerated, internal service fund costs in facilities management, property insurance, and public liability and in the Public Defender's Office increased costs in psychiatric evaluations, facility management internal services and leased space cost. The increased operational costs in the Sheriff's Office and Public Defender's Office are being addressed with additional appropriations supported by overrealized revenue this fiscal year, and will be resolved with today's recommendations. Ongoing funding strategies for these costs have been identified, and will be included in the upcoming Fiscal Year 2025-26 CAO Recommended Operational Plan.

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In the Health and Human Services Agency (HHSA), recommendations include appropriation adjustments to transfer unanticipated fund balances of CSA 17 San Dieguito Ambulance Fund & CSA 69 Heartland Paramedic Fund from the old funds to the new funds.

In the Land Use and Environment Group (LUEG), recommendations include appropriation adjustments for the purchase of replacement vehicles and equipment, for the Goldentop Road Water Quality Improvement Project, for the Campo Road Reconfiguration project, to support personnel and operations costs incurred by the North County Fire Protection District, for Calavo Park, for various Parks projects and for Sweetwater Lane County Park Energy Upgrade.

In the Finance and General Government Group (FGG), recommendations include appropriation adjustments for the Community Enhancement program and for special elections to fill the vacant seat of Board of Supervisor First District.

Today's recommendations seek authority to establish and transfer appropriations in order to ensure efficient use of County resources and to maintain a structurally balanced budget.

**RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER**

1. Accept the Fiscal Year 2024-25 second quarter report on projected year-end results.

**Increases to the Overall Budget and/or Transfers Between Budgetary Funds
(Recommendations 2 through 16):**

2. Establish appropriations of \$24,500,000 in the Sheriff's Office, Salaries & Benefits, to support increased operational costs in medical care support for the incarcerated, internal service fund costs such as facilities management, property insurance, and public liability that resulted in the reallocation of salaries and benefits appropriations at that time, based on over-realized General Purpose Revenue. **(4 VOTES)**
3. Establish appropriations of \$1,800,000 in the Public Defender's Office, Salaries & Benefits, to support increased costs in psychiatric evaluations, facility management internal services and lease space cost, that resulted in the reallocation of salaries and benefits appropriations, based on over-realized General Purpose Revenue. **(4 VOTES)**
4. Establish appropriations of \$140,000 in County Service Area (CSA) 17 San Dieguito Ambulance Fund (14065), Operating Transfers Out, and establish appropriations of \$140,000 in CSA 17 Fund (14995), Services & Supplies, to transfer unanticipated fund balance from old CSA 17 San Dieguito Ambulance Fund (14065) to new fund CSA 17 Fund (14995), based on the available prior year fund balance in the old fund. **(4 VOTES)**
5. Establish appropriations of \$240,000 in CSA 69 Heartland Paramedic Fund (14190), Operating Transfers Out, and establish appropriations of \$240,000 in the CSA 69 Fund (14996), Services & Supplies, to transfer unanticipated fund balance from old CSA 69 Heartland Paramedic Fund

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(14190) to new fund CSA 69 Fund (14996), based on the available prior year fund balance in the old fund. **(4 VOTES)**

6. Establish appropriations of \$5,500,000 in the Department of Public Works (DPW) Internal Service Funds (ISF) Equipment Acquisition Road Fund, Capital Assets Equipment, for the purchase of replacement vehicles and equipment, based on available prior year DPW ISF Equipment Acquisition Road Fund fund balance. **(4 VOTES)**
7. Establish appropriations of \$1,500,000 in the DPW ISF Equipment Acquisition Liquid Waste Fund, Capital Assets Equipment, for the purchase of replacement vehicles, based on available prior year DPW ISF Equipment Acquisition Liquid Waste Fund fund balance. **(4 VOTES)**
8. Transfer appropriations of \$916,000 within DPW General Fund, Services & Supplies to Operating Transfers Out; *and* establish appropriations of \$916,000 in the DPW Road Fund, Services & Supplies, for the Goldentop Road Water Quality Improvement Project, based on an Operating Transfer In from the General Fund. **(4 VOTES)**
9. Establish appropriations of \$3,075,000 in the DPW Road Fund, Services & Supplies, for the Campo Road Reconfiguration project, based on a grant from SANDAG Housing Acceleration Program (\$2,500,000) and Regional Transportation Congestion Improvement Program (\$575,000). **(4 VOTES)**
10. Establish appropriations of \$18,791 in Community Facilities District (CFD) No. 2013-01 Horse Creek Ridge Maintenance - Special Tax C fund, Services & Supplies, to support personnel and operations costs incurred by the North County Fire Protection District, based on available prior year CFD No. 2013-01 Horse Creek Ridge Maintenance – Special Tax C Fund fund balance. **(4 VOTES)**
11. Establish appropriations of \$15,239 in CFD No. 2019-01 Meadowood Fire – Special Tax C fund, Services & Supplies, to support personnel and operations costs incurred by the North County Fire Protection District, based on available prior year CFD No. 2019-01 Meadowood Fire – Special Tax C fund balance. **(4 VOTES)**
12. Cancel appropriations of \$1,301,000 in Parkland Dedication Ordinance (PLDO) Area 20 Spring Valley; *and* establish appropriations of \$1,216,000 in PLDO Spring Valley Improvement Impact Fees, Operating Transfer Out, based on available prior year PLDO Spring Valley Improvement Impact Fees Fund fund balance; *and* establish appropriations of \$85,000 in PLDO Spring Valley in Lieu Fees, Operating Transfer Out, based on available prior year PLDO Spring Valley in Lieu Fees Fund fund balance. Funding for Capital Project 1022858 Calavo Park is included in Fiscal Year 2024-25 Operational Plan. This recommendation will add appropriations to the PLDO accounts as the funding sources for the project. **(4 VOTES)**
13. Transfer appropriations of \$30,700 from Department of Parks and Recreation, Services & Supplies, to Contribution to Capital Outlay Fund, Operating Transfers Out. This will enable a

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swap in revenue of \$30,700 in the Capital Outlay Fund for Capital Project 1027068 TJ River Valley Spooners Mesa Stormwater Improvement project (\$17,400), for Capital Project 1026654 Calavo Park Community Garden Project (\$9,000), and for Capital Project 1025464 Collier Park Community Garden Project (\$4,300) from ARPA to Operating Transfer In from the General fund. There is no change to projects total budget. **(4 VOTES)**

14. Establish appropriations of \$14,397 in the Community Enhancement Program budget (\$8,000 for District 1, \$4,584 for District 3, and \$1,813 for District 5 in Org 12900), Contribution to Other Agencies, based on the return of unused portions or prior year allocations so the funds can be allocated to other projects. **(4 VOTES)**
15. Approve the use of \$6,600,000 of FY 2024-25 Appropriation for Contingency; *and* transfer appropriations of \$6,600,000 from Finance Other, Services & Supplies, to the Registrar of Voters, Salaries & Benefits (\$3,300,000) and Services & Supplies (\$3,300,000), for costs associated with two elections to fill the vacant seat of Board of Supervisors First District, based on General Purpose Revenue. **(4 VOTES)**
16. Transfer appropriations within departments between Services & Supplies and Operating Transfers Out, as noted in Appendix C, in the net amount of \$1,483,447 for major maintenance projects listed in Appendix C that were subsequently reclassified, based on capitalization thresholds, for financial reporting purposes; *and* establish, transfer and cancel appropriations, as noted in Appendix C for a net decrease of \$1,483,447 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)**

**Transfers Within Budgetary Funds and/or Cancellation of Appropriations
(Recommendations 17 through 18):**

17. Transfer appropriations of \$500,000 within the Capital Outlay Fund and related Operating Transfer In from the General Fund, to provide funding for Capital Project 1023728 Sweetwater Lane County Park Energy Upgrade, based on the transfer from Capital Project 1023065 Sweetwater Summit Regional Park Campground Expansion Phase II.
18. Transfer appropriations of \$15,000,000 in Contributions to Capital Outlay, Operating Transfers Out, from Capital Project 1020254, San Diego County Animal Shelter to Capital Project 1024604, County Public Health Laboratory. This will enable a swap in revenue of \$15,000,000 from proceeds from the 2023 Public Health Lab and Capital Improvements Certificates of Participation to General Fund fund balance for the County Public Health Laboratory. There is no change to either project's total budget.

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

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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.

FISCAL IMPACT

Funds associated with today's recommendations are partially included in the Fiscal Year 2024-25 Operational Plan. If approved, in the General Fund these actions will result in an increase to the overall budget of \$26,314,397, transfers between budgetary funds of \$7,993,020, transfers within budgetary funds of \$15,916,000, and no cancellation of appropriations. The funding sources for the increases are over-realized General Purpose Revenue (\$26,300,000) and unused portions of prior year allocations for Community Enhancement Program (\$14,397).

In all other funds combined, these actions will result in a net increase to the overall budget of \$10,301,583, transfers between budgetary funds of \$121,127, transfers within budgetary funds of \$500,000, and cancellation of appropriations of \$3,040,147. The funding sources for the net increase are available prior year DPW ISF Equipment Acquisition Road Fund fund balance (\$5,500,000), SANDAG Housing Acceleration Program (\$2,500,000), available prior year DPW ISF Equipment Acquisition Liquid Waste Fund fund balance (\$1,500,000), available prior year Parkland Dedication Ordinance (PLDO) Spring Valley Improvement Impact Fees Fund fund balance (\$1,216,000), Operating Transfers In from various non-General Fund (\$580,000), Regional Transportation Congestion Improvement Program (\$575,000), available prior year CSA 17 & 69 fund balance (\$380,000), available prior year PLDO Spring Valley in Lieu Fees Fund fund balance (\$85,000), available prior year CFD No. 2013-01 Horse Creek Ridge Maintenance – Special Tax C Fund fund balance (\$18,791) and available prior year CFD No. 2019-01 Meadowood Fire – Special Tax C Fund fund balance (\$15,239). These are offset by decreases in available prior year PLDO Area 20 Spring Valley fund balance (\$1,301,000), Operating Transfers In from the General Fund (\$415,619), Operating Transfer In from the Library Fund (\$321,128), and American Rescue Plan Act (ARPA) (\$30,700).

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

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BACKGROUND

As shown in Schedule A, the General Fund year-end fund balance projection of \$31.0 million is based on the estimate that expenditures will be approximately \$111.0 million less than the Fiscal Year 2024-25 Amended Budget and revenues will be a net \$80.0 million less than the Fiscal Year 2024-25 Amended Budget. The Amended Budget consists of the Adopted Budget plus encumbrances carried over from the prior year, plus approved year-to-date changes. The projected balance for all other funds combined is a net of \$44.7 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 \$438.7 million. This includes \$436.3 million of costs incurred from the beginning of the pandemic through May 11, 2023, when FEMA eligibility ended, and \$2.4 million for Fiscal Year 2024-25 for allowable administrative costs to manage the grant beyond the FEMA eligibility date. To date, a total of \$293.5 million in FEMA reimbursement payments have been received and projections anticipate receiving an additional \$6.4 million by December 31, 2025, for prior year efforts. The remaining balance of \$138.8 million, which includes the 10% withhold amount as part of the FEMA close out process, is anticipated to be received in future fiscal years. County staff continue to actively monitor federal actions and legislation, which may impact FEMA reimbursements or other federal revenues, and evaluating the potential impacts of these actions.

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. Schedule B shows the projected General Fund fund balance by business group split between operating and reserve balances. The Notes to Schedules A and B explain variances from budget by department, fund and for General Purpose Revenue.

GENERAL FUND EXPENDITURE VARIANCES

The projected lower than budgeted expenditures generating an overall positive expenditure variance of \$111.0 million in the General Fund are primarily attributable to the following:

- \$28.5 million in projected overall positive Salary & Benefits appropriation variance. As of January 13, 2025, the vacancy rate (including newly added positions) was 6.5% (1,328 of 20,491 positions).
 - In PSG, the projected overall positive expenditure variance of \$2.4 million is due to attrition, vacancies and modified positions. A projected negative variance in Sheriff's Office will be mitigated by an adjustment that will provide \$24.5 million in appropriations based on over-realized General Purpose Revenue and a projected negative variance in the Public Defender's Office will be partially mitigated by an adjustment that will provide \$1.8 million in appropriations based on over-realized General Purpose Revenue. These shortfalls are attributed to increased operational costs that resulted in the reallocation of Salaries & Benefits appropriations during the development of the Fiscal Year 2024-25 Operational Plan. The vacancy savings

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did not materialize for these departments due to lower department vacancy rates so additional appropriations are needed to cover the reallocation of Salaries & Benefits. The increased operational costs in the Sheriff's Office and Public Defender's Office are proposed to be addressed with additional appropriations supported by overrealized revenue this fiscal year, and will be resolved with today's recommendations. Ongoing funding strategies for these costs have been identified, and will be included in the upcoming Fiscal Year 2025-26 CAO Recommended Operational Plan. In HHSA, the projected overall positive expenditure variance of \$17.3 million is attributed to longer timeframes to hire staff, including hard to recruit classifications and vacancies due to attrition.

- In LUEG, the projected overall positive expenditure variance of \$7.2 million is primarily due to vacancies and under-filled positions.
- In FGG, the projected overall positive expenditure variance of \$1.6 million is primarily unanticipated vacancies and staff attrition.
- \$59.8 million in projected positive appropriation variance in Services & Supplies across the County.
 - In PSG, projected overall positive expenditure variance of \$4.5 million primarily in the Department of Child Support Services due to lower than anticipated expenses related to facility projects, information technology (IT), and contracted services, and in San Diego County Fire due to lower contracted services resulting from delays in obtaining Environmental Historical Preservation report approval from FEMA for Home Hardening projects.
 - In HHSA, projected overall positive variance of \$30.7 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 and substance use disorder programs to align with anticipated spending which adjusts for contractor staffing vacancies and projected utilization in residential bed days;
 - Public Health Services (PHS) primarily from procurement delays associated with identification and timing of lab equipment delivery, installation, and validation testing, lesser use of contracts in Immunizations program to align with projected spending with the grant resources and workplan, and in contracted temporary staffing costs associated with the demobilization of COVID-19 associated activities;
 - Aging & Independence Services (AIS) tied to lesser use in contracted services in Home Safe and California Department of Aging (CDA) programs by utilizing internal County staffing to support the programs and the roll out of Modernizing Older California Act (MOCA) programs over future fiscal years, an adjustment to align the budget to the anticipated In-Home Support Services (IHSS) Maintenance of Effort (MOE) for IHSS Individual Providers, and due to the phased implementation needed to accommodate the increasing number of participants in the San Diego Veterans Independence Service at Any Age (SD-VISA) program;

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- Child and Family Well-Being (CFWB) associated with contracted services for transitional housing programs experiencing challenges in the rental market and group home costs as the program continues its transition into an eligible facility.

These are offset by a negative variance in Self-Sufficiency Services (SSS) primarily due to increases in contracted services based on revised allocations for CalWORKs Housing Support Program due to California Department of Social Services redistribution of unspent prior year funding.

- In LUEG, projected overall positive variance of \$11.8 million primarily in the Department of Planning & Development Services (PDS) primarily due to schedule changes to one-time only IT projects and reduced consultant contract spending and delayed spending related to grants, in LUEG Executive Office due to grant project related to air purifier that will no longer be managed through the LUEG Executive Office and will be managed by the Air Pollution Control District, and in Department of Environmental Health and Quality (DEHQ) due to a reduction in contract costs as a result of contracts not being awarded.
- In FGG, projected overall positive variance of \$12.8 million primarily in Assessor/Recorder/County Clerk (ARCC) due to delay or cancellation of trust fund funded projects, in Registrar of Voters (ROV) due to delays associated with an IT project for a new voter registration system and lower than anticipated ballot printing costs and in Board of Supervisors due to lower than anticipated one-time expenses.
- A projected positive appropriation variance of \$9.4 million in Other Charges primarily (HHSA) in SSS tied to Participant Benefits programs mainly in Child Care Stage 1 due to revised projected caseloads and in EBT Skimming mainly tied to estimated EBT Fraud payments, in CFWB mainly to align with the revised projected caseloads in assistance programs, and in Housing & Community Development Services (HCDS) primarily in HOME Tenant Based Rental Assistance (TBRA) due to lower-than-anticipated referral and a gradual transition in enrolling newly eligible participants under the Transitional Aged Youth (TAY) program.
- \$8.4 million budgeted for appropriations for contingency pursuant to Government Code §29084 is projected to be unspent at year-end in Capital Asset/ Land Acquisition.
- A projected positive appropriation variance of \$5.8 million in Capital Assets Equipment in HHSA primarily in PHS associated with longer than anticipated delivery of equipment, and in FGG primarily in ARCC due to the postponement of the acquisition of the vitals mobile and the replacement of the fire suppression system in the East County Office (ECO) Archives.
- A projected negative appropriation variance of \$2.5 million in Expenditure Transfer & Reimbursements in FGG primarily in ROV due to delayed IT project and in County Counsel due to less than anticipated reimbursements for staff costs in the health services area.
- A projected positive appropriation variance of \$1.6 million in Operating Transfers Out in HHSA primarily in AIS due to reduced funding needs for the IHSS Public Authority related to anticipated operational needs in the program with no impact to services.

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GENERAL FUND REVENUE VARIANCES

The projected under-realized revenue of \$80.0 million includes positive variances totaling \$9.6 million and negative variances of \$89.6 million. In many instances, the negative revenue variances are directly associated with the positive expenditure variances described above, that is, the County does not receive the supporting revenue when a cost is not incurred.

The projected positive revenue variance of \$9.6 million is primarily attributable to the following categories:

- Taxes Other Than Current Secured are anticipated to be \$31.6 million above budget, and of this amount, \$26.3 million total will be appropriated in Sheriff's Office (\$24.5 million) and in Public Defender's Office (\$1.8 million), resulting in an adjusted projection of \$5.3 million.
 - The amounts appropriated in the Sheriff's Office and the Public Defender's Office are due to increased costs that resulted in the reallocation of Salaries & Benefits appropriations during the development of the Fiscal Year 2024-25 Operational Plan. The vacancy savings did not materialize for these departments due to lower department vacancy rates. The increased operational costs in the Sheriff's Office and Public Defender's Office will be resolved with today's recommendations, supported by overrealized revenue. Ongoing funding strategies for these costs have been identified, and will be included in the upcoming Fiscal Year 2025-26 CAO Recommended Operational Plan.
 - The revenue variances in Taxes Other Than Current Secured are mainly in Sales and Use Taxes mostly boosted by a state audit correction made to recover previously misallocated revenues as well as significant increase in business-industry related revenue, in Property Tax in Lieu of Vehicle License Fees (VLF) due to higher than budgeted growth in assessed valuation, in Teeter Taxes based on a higher collection of receivables from prior fiscal year and projected returned excess Teeter Tax Reserve requirement, in Property Tax Prior Secured Supplemental due to the increase in supplemental billings compared to prior year, in Other Tax Aircraft, Property Tax Prior Secured and Property Tax Prior Year Unsecured Supplemental due to higher than budget based on year-to-date current year actuals going higher than expected, and in Document Transfer Taxes due to projected home prices remaining high despite having projected lower sales volume.
- Taxes Current Property (\$4.3 million) primarily in Current Secured Property Taxes due to greater than anticipated assessed value growth and in Current Unsecured Property Taxes due to projected higher revenue based on prior year receipts.

The projected negative revenue variance of \$89.6 million is primarily attributed to:

- Intergovernmental Revenues (\$56.1 million)
 - In HHSA, primarily tied to aligning projected spending and includes reductions in Behavioral Health Realignment and Mental Health Services Act funding offset by increases in federal funding tied to anticipated billable service units under payment reform, in COVID-19 Expanding Laboratory Capacity and in COVID Health

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Disparities grant to align with projected spending, in Immunization Action Plan (IAP) grant to align with workplan, in Future of Public Health due to revised allocation estimate, and in California Children's Services (CCS) tied to prior year revenue adjustments, in Realignment based on estimated receipts and in social services administrative revenues to align with anticipated federal and State funding and projected expenditures, tied to reduced expenditures in the IHSS MOE and IHSS Public Authority program, tied to the ending of one-time Community Health Workers Resilient grant and Health Disparities grant, due to Future of Public Health (FOPH) revenue aligning with the State's revised allocation and lower-than-anticipated COVID-19 Expanding Laboratory Capacity grant funding, in CalSAWs revenue based on estimated receipts, and in federal revenue primarily to align with projected costs associated with the HOME Tenant Based Rental Assistance (TBRA).

- In LUEG, primarily due to delays in grant related projects, in grant project and associated revenue to be managed by the Air Pollution Control District, and due to less than anticipated reimbursements related to state contracts.
- In PSG, primarily due to lower grant reimbursements related to the expenditures from delays in obtaining Environmental Historical Preservation report approval from FEMA for Home Hardening projects, due to lower than anticipated State and federal reimbursement revenue related to expenditure savings related to facility projects, IT, and contracted services, and due to lower than expected eligible case activities funded by CARE Act and staff attritions during mid-year funded by Justice Assistance Grant and state mandated reimbursements.
- Charges for Current Services (\$21.9 million) primarily in Recorder Trust Funds revenues due to delay, cancellation, or postponement of the acquisition of the vitals mobile and the replacement of the fire suppression system in the ECO Archives, due to a decline in billable activities for land development, project planning, and building projects due to staff vacancies, tied to a decrease in Intergovernmental Transfer (IGT) revenue primarily due to decrease in census enrollment days for Medi-Cal and due to less than anticipated services requested by customers.
- Revenue from Use of Money & Property (\$6.9 million) primarily due to a lower projected average daily cash balance than what was budgeted which was used to calculate the interest revenue.
- Fines, Forfeitures & Penalties (\$2.9 million) primarily due to lower costs for the Cal-ID program.
- Miscellaneous Revenues (\$0.9 million) primarily due to lower expenditures in Regional Communication System (RCS) projects and due to the recoupment of payments in contracted services from prior year adjustments.
- Licenses, Permits & Franchises (\$0.5 million) primarily due to under-realized permit payment revenue resulting from less staff to perform services.
- Other Financing Sources (\$0.4 million) due to lower transfers from the Incarcerated Peoples' Welfare Fund and Jail Commissary Enterprise Fund associated with vacant positions.

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Adjustments to the Fiscal Year 2024-25 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 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 16):**

Recommendation 2

This recommendation will establish appropriations of \$24,500,000 in Sheriff's Office, Salaries & Benefits. During the Fiscal Year 2024-26 Operational Plan budget build, the Sheriff reallocated savings anticipated from vacancies to offset increased operational costs in medical care support for the incarcerated, internal service fund costs such as facilities management, property insurance, and public liability. The vacancy savings have not materialized, so additional appropriations are needed to cover the reallocation of Salaries & Benefits. The increased operational costs in the Sheriff's Office will be resolved with today's recommendations. Ongoing funding strategies for these costs have been identified, and will be included in the upcoming Fiscal Year 2025-26 CAO Recommended Operational Plan. The funding source is based on over-realized General Purpose Revenue.

Recommendation 3

This recommendation will establish appropriations of \$1,800,000 in Public Defenders Office, Salaries & Benefits. During the Fiscal Year 2024-26 Operational Plan budget build, the Public Defender Office reduced Salaries & Benefits costs to fund increased costs in psychiatric evaluations resulting from higher evaluation costs required for these types of evaluations by external consultants, facility management internal services costs and increases in lease space cost. The vacancy savings have not materialized so additional appropriations are needed to cover the reallocation of Salaries & Benefits. The Public Defender's Office originally projected a negative expenditure variance of \$3.9 million in Salaries & Benefits. The adjustment of \$1,800,000 will partially mitigate the shortfall based on over-realized General Purpose Revenue to support Salaries & Benefits costs. The department will continue to monitor salary and benefit costs as well contract costs and case related activities in order to mitigate the remaining negative variance. The increased operational costs in the Public Defender's Office will be resolved with today's recommendations. Ongoing funding strategies for these costs have been identified, and will be included in the upcoming Fiscal Year 2025-26 CAO Recommended Operational Plan. The funding source for the \$1,800,000 is based on over-realized General Purpose Revenue.

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Recommendations 4 & 5

In Fiscal Year 2021-22, the Board approved the reorganization to transfer Emergency Medical Services (EMS) under San Diego County Fire (Public Safety Group) to enhance the alignment of the integrated functions of San Diego County Fire and EMS. These recommendations will transfer the remaining fund balances of \$140,000 from old fund (14065) to new fund (14995) for County Service Area 17 and \$240,000 from old fund (14190) to new fund (14996) for County Service Area 69. The remaining fund balance was generated due to prior year adjustment associated with the reclassification of deferred revenue from the old funds.

Recommendation 6

If approved, this recommendation will establish appropriations of \$5,500,000 in the Department of Public Works (DPW) Internal Service Funds (ISF) Equipment Acquisition Road Fund for the purchase of vehicles and equipment that were not available during the previous budget planning cycle. The funding source is available prior year DPW ISF Equipment Acquisition Road Fund fund balance.

Recommendation 7

If approved, this recommendation will establish appropriations of \$1,500,000 in the DPW ISF Equipment Acquisition Liquid Waste Fund for increased costs of vehicles and purchase of units that were not budgeted due to availability. The funding source is available prior year DPW ISF Equipment Acquisition Liquid Waste Fund fund balance.

Recommendation 8

This recommendation will establish appropriations of \$916,000 in the DPW Road Fund to fund the construction for the Goldentop Road Water Quality Improvement Project. Capital project bid pricing is anticipated to be higher than currently budgeted. If approved, this request will establish the appropriations to ensure funding is available when the construction is anticipated to be awarded. The total estimated project is \$1,962,500 and is anticipated to be completed by October 2025. This funding source is available prior year general fund fund balance from FY 2023-24.

Recommendation 9

On June 24, 2020 (12), the Board of Supervisors adopted a resolution authorizing LUEG departments to apply and accept grant funds for the implementation of projects and programmatic activities in support of the County's vision and strategic initiatives, through the end of Fiscal Year 2024-25. In October 2024, Planning & Development Services received award notification for the SANDAG Housing Acceleration Program (HAP) grant. This recommendation will establish appropriations of \$3,075,000 in the Department to Public Works Road Fund to fund the Final Design and Engineering for the Campo Road Reconfiguration project. If approved, this request will establish the appropriations to ensure funding is available when the design and engineering is anticipated to be awarded. The total estimated project cost is \$3,075,000 and is anticipated to be completed by March 2026. The funding source is grant from the SANDAG HAP (\$2,500,000) and Regional Transportation Congestion Improvement Program (\$575,000).

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Recommendation 10

This recommendation will establish appropriations of \$18,791 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 personnel and operations costs incurred by the North County Fire Protection District. On February 26, 2014 the Board authorized the levy of a special tax C to pay for associated fire services within CFD No. 2013-01 Horse Creek Ridge Maintenance by the North County Fire Protection District. These costs include engineers' salaries and benefits and operations costs.

Recommendation 11

This recommendation will establish appropriations of \$15,239 in CFD No. 2019-01 Meadowood Fire – Special Tax C fund, based on available prior year CFD No. 2019-01 Meadowood Fire – Special Tax C fund balance to support personnel and operations costs incurred by the North County Fire Protection District. On April 10, 2019 the Board authorized the levy of a special tax C to pay for associated fire services within CFD No. 2019-01 Meadowood Fire by the North County Fire Protection District. These costs include personnel salaries and benefits and operations costs.

Recommendation 12

This recommendation changes the funding source for Capital Project 1022858 Calavo Park and will cancel appropriations of \$1,301,000 in Parkland Dedication Ordinance (PLDO) Area 20 Spring Valley, establish appropriations of \$1,216,000 in PLDO Spring Valley Improvement Impact Fees, Operating Transfer Out, based on available prior year PLDO Spring Valley Improvement Impact Fees Fund fund balance, and establish appropriations of \$85,000 in PLDO Spring Valley in Lieu Fees, Operating Transfer Out, based on available prior year PLDO Spring Valley in Lieu Fees Fund fund balance. Funding for Capital Project 1022858 Calavo Park is included in FY 2024-25 Operational Plan. This recommendation will add appropriations to the PLD accounts as the funding sources for the project. The estimated total cost of the Capital project is \$19,204,000 and the anticipated completion date is Summer 2025.

Recommendation 13

This recommendation will transfer appropriations of \$30,700 within the Department of Parks and Recreation, Services & Supplies to Operating Transfers Out. This will enable a swap in revenue of \$30,700 in the Capital Outlay Fund for Capital Project 1027068 TJ River Valley Spooners Mesa Stormwater Improvement project (\$17,400), for Capital Project 1026654 Calavo Park Community Garden Project (\$9,000), and for Capital Project 1025464 Collier Park Community Garden Project (\$4,300) from ARPA to Operating Transfer In from the General fund. There is no change to projects total budget This recommendation is needed due to disallowed American Rescue Plan Act (ARPA) costs.

Recommendation 14

This recommendation establishes appropriations of \$14,397 in the Community Enhancement Program budget (\$8,000 for District 1, \$4,584 for District 3, and \$1,813 for District 5 in Org 12900), Contribution to Other Agencies, based on unused portions of prior year allocations that

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were returned in the current fiscal year. This will allow the recently returned funds to be allocated to other projects.

Recommendation 15

On December 20, 2024, the Board of Supervisors was notified that First District Supervisor Nora Vargas would not be assuming her next term, vacating the seat effective January 6, 2025. The San Diego County Charter gives the Board of Supervisors the authority and responsibility to take action to fill the vacant position within thirty days either by appointment, by appointment until a special election, or by calling a special election. On January 14, 2025, the Board of Supervisors voted 4-0 to call a special election for April 8, 2025, and if necessary, a general election for July 1, 2025, to determine the candidate to fill the vacant seat. The proposed appropriation increase will cover the estimated costs of conducting two elections according to the current Vote Center model, and will be based on General Purpose Revenue. The Fiscal Year 2024-25 Operational Plan includes Contingency Reserve appropriations for purposes such as this, and must be approved by a Board of Supervisors four/fifths vote for proposed uses, pursuant to California Government Code section 29125.

Recommendation 16

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 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 decrease of appropriations in the MMCOF of \$1,483,447, which includes a transfer of savings from a nearly completed Parks MMCOF project (in the same area) to the Capital Outlay Fund and reclassification of major maintenance projects which are supported by existing department budgets.

**Transfers Within Budgetary Funds and/or Cancellation of Appropriations
(Recommendations 17 through 18):**

Recommendation 17

This recommendation will transfer appropriations of \$500,000 within the Capital Outlay Fund and related Operating Transfer In from the General Fund, to provide funding for Capital Project 1023728 Sweetwater Lane County Park Energy Upgrade, based on the transfer from Capital Project 1023065 Sweetwater Summit Regional Park Campground Expansion Phase II. The estimated total cost of the Sweetwater Lane project is \$2,500,000 and the anticipated completion date is December 2025.

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Recommendation 18

This recommendation will swap in revenues to ensure that all of the proceeds from the 2023 Public Health Lab and Capital Improvements Certificates of Participation (2023 COPs) are used within applicable deadlines related to the tax-exempt status of the 2023 COPs and facilitate accurate financial reporting. All related required adjustments for the two capital projects. \$15,000,000 of existing proceeds from the 2023 COPs will be repurposed for the San Diego County Animal Shelter Project. \$15,000,000 of General Fund fund balance from the San Diego County Animal Shelter Project will be moved to the County Public Health Lab (PHL). There is no change to either capital project total budget.

The PHL currently under construction includes a 52,000 square foot laboratory and parking structure. The new laboratory will feature new and expanded service delivery, including whole genome sequencing, molecular surge, Covid-19 testing services, tuberculosis testing services, and a robust Biosafety Level 3 (BLS-3) program. The PHL will be able to provide laboratory services regionwide, 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 parking structure was completed in Fall 2024 and PHL construction is expected to be completed in Spring 2025. The total budget for Capital Project 1024604, County Public Health Laboratory will remain at \$127,000,000.

The San Diego County Animal Shelter project will add a 21,000 square foot facility in Santee to offer animal intake and care during local disaster events, to serve as an emergency response deployment hub, and to facilitate adoptions, spay/neuter efforts, and vaccinations of animals. The total budget for Capital Project 1020254, San Diego County Animal Shelter, will remain at \$37,573,133. Construction for the San Diego Animal Shelter is in progress and is estimated to be completed in Spring 2026.

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 2025-2030 Strategic Plan by fully committing to use County resources to meet the highest priority needs of residents.

Respectfully submitted,



EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

Schedule A
Schedule B

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Notes to Schedules A and B

Appendix C: MMCOF Adjustments (Rec #16)

Appendix C: Major Maintenance Capital Outlay Fund (MMCOF) Adjustments for Fiscal Year 2024-2025 (2ND QUARTER)

GROUP	DEPT.	PROJECT NUMBER	PROJECT NAME	FUND	ORG	ACCOUNT	NOTES 1 thru 11	DEPARTMENTS (Acct - 56321 Opt Transfer Out)	DEPARTMENTS (Acct - 56321 Opt Trx Out)	MMCOF (Acct - 54202 Fixed Asset)	COF (Acct - 54202 Fixed Asset)	RATIFICATION Yes/No	Description
Increase (Decrease) of Appropriation													
PSG	SHF	1024625	MMCOF7827 SDCI Security and Emergency Power Equipment Modernization	10100	39884	52737	3	25,000	(25,000)	25,000		No	Spending plan amendment
LUG	DPR	1023949	MMCOF7699 Undo Lake Playground Structure Replacement	10100	52811	52737	4	(96,000)	96,000	(96,000)	96,000	No	Spending plan amendment; Transferred to CDDP CP 1023931
			Subtotal General Fund					(71,000.00)	71,000.00	(71,000.00)	96,000.00		
FGG	DGS	1026824	MMCOF7998 Energy Measures Implementation at Various RMS Facilities	37600	87875	52370	3	200,000	(200,000)	200,000		No	Spending plan amendment (DGS Energy)
			Subtotal Other Funds					200,000.00	(200,000.00)	200,000.00			
LUG	LIB	1025466	MMCOF7875 Rancho San Diego Library Bathroom Remodel and Shade Sail	12200	57330	52737	5	(104,176)	104,176	(104,176)		No	Project is complete and can be closed
FGG	ROV	1026091	MMCOF7933 ROV COC Security Enhancements Ballot Tabulation Expansion and HR Redesign	10100	47484/47481	54958/52332	5	(372,193)	372,193	(372,193)		No	Project is complete and can be closed
PSG	GES	1023626	MMCOF7752 San Pasqual Fire Station Emergency Generator	10100	30231	52737	5	(47,202)	47,202	(47,202)		No	Project is complete and can be closed
PSG	GES	1023627	MMCOF7753 Lake Morena Fire Station Emergency Generator	10100	30231	52737	5	(1,235)	1,235	(1,235)		No	Project is complete and can be closed
PSG	GES	1023628	MMCOF7754 Deerhorn Fire Station Emergency Generator	10100	30231	52737	5	(3,573)	3,573	(3,573)		No	Project is complete and can be closed
PSG	GES	1023629	MMCOF7755 Sunshine Summit Fire Station Emergency Generator	10100	30231	52737	5	(8,494)	8,494	(8,494)		No	Project is complete and can be closed
PSG	GES	1024620	MMCOF7822 Ranchita FS 58 Stormwater Repairs and Paving	10100	30231	52737	5	(65,095)	65,095	(65,095)		No	Project is complete and can be closed
PSG	DAO	1025244	MMCOF7822 El Cajon City Hall 6th Floor Renovation	10100	37475	52396	5	(793,128)	793,128	(793,128)		No	Project is complete and can be closed
LUG	LIB	1025444	MMCOF7872 Ramona Library Moisture Barrier, Shade Sail, Bollards	12200	57330	52737	8	(24,372)	24,372	(24,372)		No	Project is complete and can be closed
LUG	LIB	1024591	MMCOF7810 Crest Library Remodel	12200	57330	52737	5	(24,372)	24,372	(24,372)		No	Project is complete and can be closed
LUG	LIB	1026094	MMCOF7936 Alpine Library Security Camera Safety Improvement	12200	57330	52737	8	(71,547)	71,547	(71,547)		No	Project is cancelled
			Subtotal Completed/Cancelled Projects					(1,612,447.37)	1,612,447.37	(1,612,447.37)			
Total Increase (Decrease) of Appropriation								(1,483,447)	1,483,447	(1,483,447)	96,000		
Board Letter Recommendation								REC #43 16		REC #47 16			

NOTES:

- MMCOF Project identified as MMISF (maintenance/not capital)
- MMISF Project identified as MMCOF
- MMCOF Spending plan increased
- MMCOF Project complete and remaining funds are transferred to Dept. Services & Supplies
- MMCOF Project complete and remaining funds are transferred to an existing MMCOF project
- MMCOF Project complete and remaining funds are transferred to a new MMCOF walk-in project

- MMCOF Project complete and remaining funds are transferred to a new MMCOF walk-in project
- MMCOF Project cancelled and funding source returned to Services & Supplies for department's operation
- MMCOF Project cancelled and funding transferred to an existing MMCOF project
- MMCOF Project cancelled and funding transferred to a new MMCOF walk-in project
- Completed MMCOF to MMCOF transfers that have already been processed
- Change in revenue source

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Appendix C: Major Maintenance Capital Outlay Fund (MMCOF) Adjustments for Fiscal Year 2024-2025 (2ND QUARTER)

GROUP	DEPT.	PROJECT NUMBER	PROJECT NAME	FUND	FUNDING SOURCE	NOTES	DEPARTMENTS (Acct - 56321 Opt Transfer Out)	DEPARTMENTS (Acct - 5XXXX Services & Supplies) or (Acct - 56311 Opt Trx Out)	MMCOF (Acct - 54202 Fixed Asset)	COF (Acct - 54202 Fixed Asset)	RATIFICATION	Description
Increase (Decrease) of Appropriation												
					ORG	ACCOUNT	1 thru 11	Inc (Dec)	Inc (Dec)	Inc (Dec)	Yes/No	
PSG	SHF	1024675	MMCOF787 SOC Security and Emergency Power Equipment Modernization	10100	39884	52737	3	25,000	(25,000)	25,000	No	Spending plan amendment
LUG	DPR	102949	MMCOF7699 Indo Lake Playground Structure Replacement	10100	52811	52737	4	(96,000)	96,000	(96,000)	No	Spending plan amendment, Transferred to COF CP 1022931
			Subtotal General Fund					(71,000.00)	71,000.00	(71,000.00)		
FGG	DGS	1026824	MMCOF7998 Energy Measures Implementation at Various RMS Facilities	37600	87875	52370	3	200,000	(200,000)	200,000	No	Spending plan amendment (DGS Energy)
			Subtotal Other Funds					200,000.00	(200,000.00)	200,000.00		
LUG	UB	1025466	MMCOF7875 Rancho San Diego Library Bathroom Remodel and Shade Sail	12200	57330	52737	5	(104,176)	104,176	(104,176)	No	Project is complete and can be closed
FGG	ROV	1026091	MMCOF7933 ROV COC Security Enhancements Ballot Tabulation Expansion and HR Redesign	10100	47484/47481	54958/52332	5	(372,193)	372,193	(372,193)	No	Project is complete and can be closed
PSG	OES	1023626	MMCOF7752 San Pasqual Fire Station Emergency Generator	10100	30231	52737	5	(47,202)	47,202	(47,202)	No	Project is complete and can be closed
PSG	OES	1023627	MMCOF7753 Lake Morena Fire Station Emergency Generator	10100	30231	52737	5	(1,235)	1,235	(1,235)	No	Project is complete and can be closed
PSG	OES	1023628	MMCOF7754 Deerhorn Fire Station Emergency Generator	10100	30231	52737	5	(3,973)	3,973	(3,973)	No	Project is complete and can be closed
PSG	OES	1023629	MMCOF7755 Sunshine Summit Fire Station Emergency Generator	10100	30231	52737	5	(8,494)	8,494	(8,494)	No	Project is complete and can be closed
PSG	OES	1024620	MMCOF7822 Ranchita ES 58 Stormwater Repairs and Paving	10100	30231	52737	5	(65,095)	65,095	(65,095)	No	Project is complete and can be closed
PSG	DAO	1025244	MMCOF7852 El Cajon City Hall 6th Floor Renovation	10100	37475	52396	5	(793,128)	793,128	(793,128)	No	Project is complete and can be closed
LUG	UB	1025444	MMCOF7872 Ramona Library Moisture Barrier, Shade Sail, Bollards	12200	57330	52737	8	(121,032)	121,032	(121,032)	No	Project is complete and can be closed
LUG	UB	1024591	MMCOF7810 Crest Library Remodel	12200	57330	52737	5	(24,372)	24,372	(24,372)	No	Project is complete and can be closed
LUG	UB	1026094	MMCOF7936 Alpine Library Security Cameras Safety Improvement	12200	57330	52737	8	(71,547)	71,547	(71,547)	No	Project is cancelled
			Subtotal Completed/Cancelled Projects					(1,612,447.37)	1,612,447.37	(1,612,447.37)		
Total Increase (Decrease) of Appropriation								(1,483,447)	1,483,447	(1,483,447)		
Board Letter Recommendation										96,000		

- NOTES:
- MMCOF Project identified as MMISF (maintenance/not capital)
 - MMCOF Project identified as MMCOF
 - MMCOF Spending plan increased
 - MMCOF Spending plan decreased
 - MMCOF Project complete and remaining funds are transferred to Dept. Services & Supplies
 - MMCOF Project complete and remaining funds are transferred to an existing MMCOF project
 - MMCOF Project complete and remaining funds are transferred to a new MMCOF walk-in project
 - MMCOF Project cancelled and funding returned to Services & Supplies for department's operation
 - MMCOF Project cancelled and funding transferred to an existing MMCOF project
 - MMCOF Project cancelled and funding transferred to a new MMCOF walk-in project
 - Completed MMCOF to MMCOF transfers that have already been processed
 - Change in revenue source

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COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

VACANT
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: March 11, 2025

15

TO: Board of Supervisors

SUBJECT

AUTHORIZE THE COUNTY OF SAN DIEGO TO OPT-IN TO THE BEHAVIORAL HEALTH COMMUNITY-BASED ORGANIZED NETWORKS OF EQUITABLE CARE AND TREATMENT (BH-CONNECT) INITIATIVE, EXECUTE RELATED AGREEMENTS, ACCEPT ADDITIONAL MEDICAL REVENUE, AND PURSUE ADDITIONAL FUNDING, AND REQUEST THE DEPARTMENT OF HEALTH CARE SERVICES TO ISSUE FINAL GUIDANCE FOR BH-CONNECT (DISTRICTS: ALL)

OVERVIEW

In December 2024, the Centers for Medicare & Medicaid Services approved a Section 1115 demonstration project submitted by the California Department of Health Care Services (DHCS) entitled Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT), which establishes a robust continuum of evidence-based community services for people with significant behavioral health needs. BH-CONNECT is comprised of a new five-year Medicaid section 1115 demonstration, State Plan Amendments to expand coverage of Evidence-Based Practices (EBPs) available under Medi-Cal, and complementary guidance and policies to strengthen behavioral health services statewide.

By expanding community-based services and integrating EBPs, BH-CONNECT aims to reduce costly emergency department visits, hospitalizations, and institutional stays, including within carceral settings. The initiative will help Medi-Cal members with behavioral health conditions, including children and youth involved in child welfare, individuals and families experiencing or at risk of homelessness, and people involved in the justice system.

BH-CONNECT aligns with the County of San Diego (County) Health and Human Services Agency (HHSA) Behavioral Health Services (BHS) Optimal Care Pathways (OCP) efforts by providing opportunities to improve quality of care, enhance service capacity, invest in the development and retention of the behavioral health workforce, and optimize new revenue opportunities to expand the continuum of community-based care. BH-CONNECT represents a strategic shift in how California addresses behavioral health care. In partnership with county behavioral health plans throughout the state, BH-CONNECT is a multi-year initiative that aims to strengthen the workforce, incentivize measurable outcomes, and fill critical service gaps to create a more equitable and effective system of care.

SUBJECT: AUTHORIZE THE COUNTY OF SAN DIEGO TO OPT-IN TO THE BEHAVIORAL HEALTH COMMUNITY-BASED ORGANIZED NETWORKS OF EQUITABLE CARE AND TREATMENT (BH-CONNECT) INITIATIVE, EXECUTE RELATED AGREEMENTS, ACCEPT ADDITIONAL MEDI-CAL REVENUE, AND PURSUE ADDITIONAL FUNDING, AND REQUEST THE DEPARTMENT OF HEALTH CARE SERVICES TO ISSUE FINAL GUIDANCE FOR BH-CONNECT (DISTRICTS: ALL)

Implementing BH-CONNECT, including EBPs, the Access, Reform, and Outcomes Incentive Program, and the Mental Health Institution of Mental Disease Federal Financial Participation Program, and future components, will expand the portfolio of covered benefits that Medi-Cal members have access to. BH-CONNECT utilizes proven treatment methods to improve outcomes through standardized high-fidelity EBPs and leverages additional federal revenue for essential care.

Today's actions request the San Diego County Board of Supervisors (Board) authorize agreements and documents required to implement BH-CONNECT, receive additional Medi-Cal funding through BH-CONNECT, and pursue additional funding opportunities to support successful BH-CONNECT implementation. Today's actions also request the Board to issue a letter to DHCS requesting the issuance of final guidance associated with the implementation of BH-CONNECT.

These actions support the County vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities. This will be accomplished through further strengthening the continuum of behavioral health services by expanding critical care in San Diego County.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Authorize the Deputy Chief Administrative Officer, Health and Human Services Agency (HHSA), or designee, to execute agreements, plans, certification forms, and all necessary documents for submittal and regulatory processing for Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) implementation, including BH-CONNECT Evidence Based Practices, the Access, Reform, and Outcomes Incentive Program, and the Mental Health (MH) Institution of Mental Disease (IMD) Federal Financial Participation (FFP) Program.
2. Authorize the Deputy Chief Administrative Officer, HHSA, or designee, to execute agreements, plans, certification forms, and all necessary documents for submittal and regulatory processing to allow the County to be reimbursed for behavioral health services that are or will become eligible for Medi-Cal reimbursement under BH-CONNECT.
3. Authorize the Chief Administrative Officer, or designee, to apply for any additional funding opportunities to ensure successful BH-CONNECT implementation in San Diego County.
4. Request the Board of Supervisors to issue a letter to the State of California, Department of Health Care Services requesting the issuance of final guidance associated with the implementation of BH-CONNECT to ensure the County can implement enhanced services for Medi-Cal beneficiaries and receive timely Medi-Cal reimbursement for the new benefits.

SUBJECT: AUTHORIZE THE COUNTY OF SAN DIEGO TO OPT-IN TO THE BEHAVIORAL HEALTH COMMUNITY-BASED ORGANIZED NETWORKS OF EQUITABLE CARE AND TREATMENT (BH-CONNECT) INITIATIVE, EXECUTE RELATED AGREEMENTS, ACCEPT ADDITIONAL MEDI-CAL REVENUE, AND PURSUE ADDITIONAL FUNDING, AND REQUEST THE DEPARTMENT OF HEALTH CARE SERVICES TO ISSUE FINAL GUIDANCE FOR BH-CONNECT (DISTRICTS: ALL)

EQUITY IMPACT STATEMENT

The County of San Diego (County) Health and Human Services Agency, Behavioral Health Services (BHS) serves as the specialty mental health plan for Medi-Cal eligible residents within San Diego County who are experiencing serious mental illness (SMI) or serious emotional disturbance. BHS is also the service delivery system for Medi-Cal eligible residents with substance use care needs. In 2024, nearly one in three San Diegans were eligible for Medi-Cal, with Hispanic and Latino residents having the highest percentage of Medi-Cal eligibility at 44%.

For these Medi-Cal eligible residents who experience SMI or have a substance use care need, BHS offers County-operated and BHS-contracted programs that address the social determinants of health by being accessible, capable of meeting the needs of diverse populations, and culturally responsive, with the intent to equitably distribute services to those most in need. BHS strives to reduce behavioral health inequities by identifying needs and designing services to yield meaningful outcomes for those served. BH-CONNECT will help to further the development of behavioral health services that support access to treatment and care for populations who are underserved by social and behavioral health resources.

SUSTAINABILITY IMPACT STATEMENT

Today's actions support the County of San Diego (County) Sustainability Goal #2 to provide just and equitable access to County services and Sustainability Goal #4 to protect the health and well-being of everyone in the region. These goals will be accomplished by providing a wider availability and range of supportive, inclusive, and stigma-free options to those in need of behavioral health services. Access to a comprehensive continuum of behavioral health services will improve the overall health of communities.

FISCAL IMPACT

Funds for these requests are included in the Fiscal Years 2024-25 Operational Plan in the Health and Human Services Agency. If approved, today's recommendations will result in no new costs in both Fiscal Year (FY) 2024-25 and FY 2025-26. There will be new revenue estimated at up to \$3.0 million in 2024-25 and \$18.5 million in FY 2025-26, due to services becoming eligible for Medi-Cal reimbursement under the BH-CONNECT initiative. This will allow HHSA to reinvest funding sources, such as Realignment, general purpose revenue, and MHSA back into the behavioral health system. The funding source will be Short-Doyle Medi-Cal and Drug Medi-Cal. There may be additional fiscal impacts associated with implementation of BH-CONNECT components in subsequent years and funding requests. Staff will return to the Board with mid-year action to adjust the budget, if necessary, and/or into future budgets as funding becomes available. There will be no change in net General Fund cost and no additional staff years.

It is anticipated that opting in to the BH-CONNECT waiver will improve the quality of care, enhance member outcomes, and result in savings to local funds for programs that become eligible

SUBJECT: AUTHORIZE THE COUNTY OF SAN DIEGO TO OPT-IN TO THE BEHAVIORAL HEALTH COMMUNITY-BASED ORGANIZED NETWORKS OF EQUITABLE CARE AND TREATMENT (BH-CONNECT) INITIATIVE, EXECUTE RELATED AGREEMENTS, ACCEPT ADDITIONAL MEDI-CAL REVENUE, AND PURSUE ADDITIONAL FUNDING, AND REQUEST THE DEPARTMENT OF HEALTH CARE SERVICES TO ISSUE FINAL GUIDANCE FOR BH-CONNECT (DISTRICTS: ALL)

for Medi-Cal reimbursement through the 1115 demonstration project. The breadth of local savings will not be fully known until final guidance has been issued by the California Department of Health Care Services and subsequent analytic work is completed to establish reimbursement rates for services newly eligible for under reimbursement under BH-CONNECT. Savings resulting from the implementation of BH-CONNECT must be reinvested to support services that benefit Medi-Cal members served by BHS.

Additionally, impending federal policy changes that are being proposed may have significant impacts on the implementation of the BH-CONNECT initiative, a federal waiver, and the financial sustainability of existing and future local mental health and substance use treatment programs funded through Medicaid, or Medi-Cal in California. Any significant Medicaid policy changes will impact the County's ability to financially sustain behavioral health programs funded by Medi-Cal. Additionally, growth in realignment funding has not kept pace with the increased costs for services, which is utilized as a local match for Medi-Cal programs.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

At their regular meeting on February 6, 2025, the Behavioral Health Advisory Board received a presentation on Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment.

BACKGROUND

In December 2024, the Centers for Medicare & Medicaid Services approved a Section 1115 demonstration project submitted by the California Department of Health Care Services (DHCS) entitled, Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT), which establishes a robust continuum of evidence-based community services for people with significant behavioral health needs.

By expanding community-based services and integrating evidence-based practices (EBPs), BH-CONNECT aims to reduce costly emergency department visits, hospitalizations, and institutional stays, including within carceral settings. The initiative will help Medi-Cal members with behavioral health conditions, including children and youth involved in child welfare, individuals and families experiencing or at risk of homelessness, and people involved in the justice system.

BH-CONNECT aligns with the County of San Diego (County) Health and Human Services Agency (HHSA) Behavioral Health Services (BHS) Optimal Care Pathways (OCP) efforts by providing opportunities to improve quality of care, enhance service capacity, invest in the development and retention of the behavioral health workforce, and optimize new revenue

SUBJECT: AUTHORIZE THE COUNTY OF SAN DIEGO TO OPT-IN TO THE BEHAVIORAL HEALTH COMMUNITY-BASED ORGANIZED NETWORKS OF EQUITABLE CARE AND TREATMENT (BH-CONNECT) INITIATIVE, EXECUTE RELATED AGREEMENTS, ACCEPT ADDITIONAL MEDI-CAL REVENUE, AND PURSUE ADDITIONAL FUNDING, AND REQUEST THE DEPARTMENT OF HEALTH CARE SERVICES TO ISSUE FINAL GUIDANCE FOR BH-CONNECT (DISTRICTS: ALL)

opportunities to expand the continuum of community-based care. BH-CONNECT represents a strategic shift in how California addresses behavioral health care.

In partnership with county behavioral health plans throughout the state, BH-CONNECT is a multi-year initiative that aims to strengthen the behavioral health workforce, incentivize measurable outcomes, and fill critical service gaps to create a more equitable and effective system of care. Funding for BH-CONNECT includes \$8.0 billion in State and federal resources over five years. A portion of this funding was secured through a recently approved federal Medicaid waiver running from January 1, 2025, to December 31, 2029. BH-CONNECT also expands and clarifies Medi-Cal coverage of adult, children, and youth focused EBPs.

Components of BH-CONNECT

Some components of BH-CONNECT will operate under the federal waiver, while others are funded entirely through State resources. Implementation will include both statewide and county opt-in programs. Key components of BH-CONNECT include:

- *EBPs:* Expands and enhances Medi-Cal funding for Assertive Community Treatment (ACT), forensic ACT, individual placement and support model of supported employment, enhanced community health workers (CHWs), clubhouse services, peer support services specialization, and coordinated specialty care for first episode psychosis, as available options for county implementation.
- *Clarification of Existing Services:* Provides guidelines for therapies like Functional Family Therapy (FFT), Multi-Systemic Therapy (MST), and Parent-Child Interaction Therapy (PCIT) to ensure broader access for children and youth.
- *Centers of Excellence:* Provides training, technical assistance and fidelity monitoring to Medi-Cal specialty behavioral health providers and county behavioral health plans implementing EBPs.
- *Access, Reform, and Outcomes Incentive Program:* Provides \$1.9 billion of financial rewards to counties that improve care access and reduce disparities for Medi-Cal members.
- *Support for Children and Youth:* Enhances care and resources for children and youth in child welfare who need specialty mental health services.
- *Workforce Investments:* Invests up to \$1.9 billion to support a robust and diverse behavioral health workforce initiative that includes scholarships, loan repayment programs, recruitment incentives, residency and fellowship expansions, and professional development. The workforce initiative will be managed by the Department of Health Care Access and Information (HCAI).
- *Transitional Rent Assistance:* Provides up to six months of rental or temporary housing support for eligible Medi-Cal members transitioning from institutions, congregate settings, or homelessness.

SUBJECT: AUTHORIZE THE COUNTY OF SAN DIEGO TO OPT-IN TO THE BEHAVIORAL HEALTH COMMUNITY-BASED ORGANIZED NETWORKS OF EQUITABLE CARE AND TREATMENT (BH-CONNECT) INITIATIVE, EXECUTE RELATED AGREEMENTS, ACCEPT ADDITIONAL MEDI-CAL REVENUE, AND PURSUE ADDITIONAL FUNDING, AND REQUEST THE DEPARTMENT OF HEALTH CARE SERVICES TO ISSUE FINAL GUIDANCE FOR BH-CONNECT (DISTRICTS: ALL)

- *Community Transition In-Reach Services:* Offers continuous support for individuals reintegrating into communities after long-term institutional care.
- *Short-Term Inpatient Psychiatric Care:* Allows flexibility for counties to leverage Medi-Cal funding for short-term mental health care provided in certain residential treatment settings that were previously subject to the Institute of Mental Disease (IMD) exclusion and therefore were not able to drawdown federal funding. To receive Medi-Cal reimbursement for short term stays in IMDs, counties must implement certain EBPs within a timeframe outlined by the California Department of Health Care Services (DHCS), including enhanced CHWs and specialized peer support services, which must be in place prior to claiming federal funding for IMD stays.

From a broader perspective, BH-CONNECT builds on nearly \$15.0 billion in other State investments and aligns with transformative initiatives, such as Behavioral Health Transformation Proposition 1, the Children and Youth Behavioral Health Initiative, Behavioral Health Continuum Infrastructure Program, Behavioral Health Bridge Housing program, Justice-Involved Reentry Initiative, Behavioral Health Payment Reform, Medi-Cal Transformation, and 988 Expansion.

The federal Medicaid waiver is an essential source of funding for BH-CONNECT. While the federal administration has the authority to rescind or modify the waiver or withhold funding, doing so would require navigating complex legal and administrative processes. In addition, such actions could provoke legal challenges from state officials and advocacy organizations.

Opting Into BH-CONNECT

In January 2025, DHCS released initial draft guidance indicating that county behavioral health plans are required to submit a letter to DHCS prior to the proposed commencement of services stating a request to cover one or more BH-CONNECT EBPs as Medi-Cal services. Additionally, the letter is to specify which EBPs the county intends to cover, and the dates the coverage will begin.

In early February 2025, DHCS issued draft guidance to counties regarding the opportunity for participation in an incentive program available as part of BH-CONNECT. Under this program, counties can earn incentive payments for demonstrating improvements in access to behavioral health services, outcomes among Medi-Cal members living with significant behavioral health needs, and delivery system capabilities.

In mid-February 2025, DHCS issued draft guidance specifying the process to opt-in to the Mental Health Institution of Mental Disease Federal Financial Participation Program (MH IMD FFP Program) that allows counties to drawdown Medi-Cal for adults with short-term stays of 60 days or less in mental health residential or inpatient psychiatric settings classified as IMDs. Currently, counties cannot receive reimbursement from Medi-Cal for services provided to Medi-Cal members

SUBJECT: AUTHORIZE THE COUNTY OF SAN DIEGO TO OPT-IN TO THE BEHAVIORAL HEALTH COMMUNITY-BASED ORGANIZED NETWORKS OF EQUITABLE CARE AND TREATMENT (BH-CONNECT) INITIATIVE, EXECUTE RELATED AGREEMENTS, ACCEPT ADDITIONAL MEDI-CAL REVENUE, AND PURSUE ADDITIONAL FUNDING, AND REQUEST THE DEPARTMENT OF HEALTH CARE SERVICES TO ISSUE FINAL GUIDANCE FOR BH-CONNECT (DISTRICTS: ALL)

receiving care within freestanding IMDs that have more than 16 beds. To receive reimbursement requirements must be met by the county and the individual IMD facilities. In advance of claiming for Medi-Cal through the MH IMD FFP Program, counties must submit and secure DHCS approval of a BH-CONNECT Implementation Plan.

As required for the MH IMD FFP program, counties must implement two EBPs before receiving Medi-Cal reimbursement for short-term stays within IMDs. This involves enhanced CHWs and peer support services, including forensic specialization, in mental health and substance use programs. Additional EBPs will be required for implementation in the future, utilizing a phased approach, as outlined by DHCS. For reimbursement to occur for stays within eligible IMDs, several activities will be required within the IMD, including but not limited to screenings for certain conditions, discharge planning, post discharge contact, closed loop referrals, and bed tracking and availability.

While full and finalized guidance from DHCS is still pending, today's actions request authority from the San Diego County Board of Supervisors (Board) to opt-in to BH-CONNECT, which makes new benefits and federal funding available to the County. This creates opportunities to expand the portfolio of covered benefits to Medi-Cal members residing in San Diego County, utilize proven treatment methods to improve outcomes through implementation of standardized high fidelity EBPs, and leverage additional federal revenue for essential care. Through BH-CONNECT, an array of existing services currently funded through local County funds will become eligible for Medi-Cal reimbursement. Today's actions also request the Board to receive additional Medi-Cal funding through BH-CONNECT and pursue additional funding opportunities to support successful BH-CONNECT implementation.

While the information we have received from DHCS allows us to opt-in to BH-CONNECT, there is still additional guidance that is needed before counties can implement the enhanced services to Medi-Cal beneficiaries and receive timely reimbursement for these new benefits. The sooner the guidance is received, the sooner BHS can begin providing these benefits to our community. Therefore, today's actions also request the Board to issue a letter to DHCS requesting the issuance of final guidance associated with the implementation of BH-CONNECT to ensure the County can implement enhanced services for Medi-Cal beneficiaries and receive timely Medi-Cal reimbursement for the new benefits.

SUBJECT: AUTHORIZE THE COUNTY OF SAN DIEGO TO OPT-IN TO THE BEHAVIORAL HEALTH COMMUNITY-BASED ORGANIZED NETWORKS OF EQUITABLE CARE AND TREATMENT (BH-CONNECT) INITIATIVE, EXECUTE RELATED AGREEMENTS, ACCEPT ADDITIONAL MEDI-CAL REVENUE, AND PURSUE ADDITIONAL FUNDING, AND REQUEST THE DEPARTMENT OF HEALTH CARE SERVICES TO ISSUE FINAL GUIDANCE FOR BH-CONNECT (DISTRICTS: ALL)

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the County of San Diego 2025-2030 Strategic Plan initiatives of Equity (Health) and Community (Quality of Life) as well as the regional *Live Well San Diego* vision, by implementing new services that are designed to improve outcomes for people with mental illness and substance use disorders and ensuring access to a comprehensive continuum of behavioral health services is administered through accessible behavioral health programs.

Respectfully submitted,



FOR

EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

N/A

**County of San Diego Board of Supervisors
AGENDA ITEM INFORMATION SHEET**

AGENDA ITEM SUBJECT/TITLE:

AUTHORIZE THE COUNTY OF SAN DIEGO TO OPT-IN TO THE BEHAVIORAL HEALTH COMMUNITY-BASED ORGANIZED NETWORKS OF EQUITABLE CARE AND TREATMENT (BH-CONNECT) INITIATIVE, EXECUTE RELATED AGREEMENTS, ACCEPT ADDITIONAL MEDICAL REVENUE, AND PURSUE ADDITIONAL FUNDING, AND REQUEST THE DEPARTMENT OF HEALTH CARE SERVICES TO ISSUE FINAL GUIDANCE FOR BH-CONNECT (DISTRICTS: ALL)

REQUIRES FOUR VOTES:

Yes ☐ No ☒

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION §1000.1 REQUIRED:

Yes ☐ No ☒

NOTICED PUBLIC HEARING REQUIRED:

Yes ☐ No ☒

PROJECT UNDER CEQA:

Yes ☐ No ☒

If Yes, approval of CEQA document required?

Yes ☐ No ☒

DECISION WITHIN GOVERNMENT CODE SECTION 84308:

Yes ☐ No ☒

PREVIOUS RELEVANT BOARD ACTIONS:

N/A

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):

ORIGINATING DEPARTMENT: Health and Human Services Agency

OTHER CONCURRENCE(S): N/A

INTERNAL REVIEW COMPLETED:

YES ☒

NO ☐

Alexandra Foster

Digitally signed by Alexandra

Foster

Date: 2025.03.06 17:41:03 -08'00'

Signature

CONTACT PERSON(S):

Luke Bergmann

Name

619-515-6923

Phone

Luke.Bergmann@sdcounty.ca.gov

E-mail

LUKE BERGMANN,

Ph.D., Director

Signature

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Nadia Privara

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E-mail

Nadia Privara

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Signature



BOARD LETTER APPROVAL LOG

BOARD LETTER TITLE:	AUTHORIZE THE COUNTY OF SAN DIEGO TO OPT-IN TO THE BEHAVIORAL HEALTH COMMUNITY-BASED ORGANIZED NETWORKS OF EQUITABLE CARE AND TREATMENT (BH-CONNECT) INITIATIVE, EXECUTE RELATED AGREEMENTS, ACCEPT ADDITIONAL MEDICAL REVENUE, AND PURSUE ADDITIONAL FUNDING, AND REQUEST THE DEPARTMENT OF HEALTH CARE SERVICES TO ISSUE FINAL GUIDANCE FOR BH-CONNECT (DISTRICTS: ALL)
ATTACHMENTS:	N/A
ORIGINATING DEPT:	Health and Human Services Agency

Approval Signature

Kimberly Giardina

Patty Kay Danon


Amy Thompson (Mar 6, 2025 20:20 PST)

Andrew Gregor

Kathleen Mendoza

Signature Verification

Kimberly Giardina

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SAN DIEGO COUNTY

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Amy Thompson

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Kathleen Mendoza

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SAN DIEGO COUNTY

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County of San Diego

KIMBERLY GIARDINA, DSW, MSW
DEPUTY CHIEF ADMINISTRATIVE OFFICER

HEALTH AND HUMAN SERVICES AGENCY
1600 PACIFIC HIGHWAY, SUITE 206, MAIL STOP P-501
SAN DIEGO, CA 92101-2417
(619) 515-6555 • FAX (619) 515-6556

PATTY KAY DANON
CHIEF OPERATIONS OFFICER

REQUEST FOR ADDITION OF LATE ITEM/BACK-UP TO THE BOARD OF SUPERVISORS AGENDA ALREADY DISTRIBUTED

March 6, 2025

To: Supervisor Terra Lawson-Remer, Vice Chair
From: Kimberly Giardina, DSW, MSW, Deputy Chief Administrative Officer
Health and Human Services Agency

MEETING DATE REQUESTED: March 11, 2025

SUBJECT OF ITEM: AUTHORIZE THE COUNTY OF SAN DIEGO TO OPT-IN TO THE BEHAVIORAL HEALTH COMMUNITY-BASED ORGANIZED NETWORKS OF EQUITABLE CARE AND TREATMENT (BH-CONNECT) INITIATIVE, EXECUTE RELATED AGREEMENTS, ACCEPT ADDITIONAL MEDI-CAL REVENUE, AND PURSUE ADDITIONAL FUNDING, AND REQUEST THE DEPARTMENT OF HEALTH CARE SERVICES TO ISSUE FINAL GUIDANCE FOR BH-CONNECT (DISTRICTS: ALL)

STATE THE REASONS WHY YOUR REQUEST IS TIME SENSITIVE AND SHOULD BE CONSIDERED:

Recent guidance from the California Department of Health Care Services clarified the need for the County of San Diego (County) to opt into Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT), as soon as possible, to quickly expand the array of benefits available to Medi-Cal beneficiaries and to drawdown additional Medi-Cal revenue related to those expanded benefits. The immediate components for implementation include opting into evidence-based practices, the Access, Reform, and Outcomes Incentive Program, and the Mental Health Institution of Mental Disease Federal Financial Participation Program.

REASON ITEM CANNOT BE PLACED ON FUTURE AGENDA:

This requested item must be placed on the March 11 agenda to ensure timely access to new benefits for Medi-Cal beneficiaries. Placing this item on a future agenda would result in delayed access to expanded benefits for Medi-Cal beneficiaries, a delayed ability for the County to receive Medi-Cal reimbursement for short-term stays of 60 days or less in Institutes of Mental Disease, and other potential Medi-Cal revenue loss across newly reimbursable services.

Respectfully,

KIMBERLY GIARDINA, DSW, MSW
Deputy Chief Administrative Officer
Health and Human Services Agency

DISPOSITION: APPROVED/DISAPPROVED

SIGNATURE OF SUPERVISOR TERRA LAWSON-REMER, VICE CHAIR

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COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

VACANT
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: March 11, 2025

TO: Board of Supervisors

16

SUBJECT

CLOSED SESSION (DISTRICTS: ALL)

OVERVIEW

- A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9)
Benjamin Pietrowski v. County of San Diego, et al.; San Diego Superior Court
Case No.24CU012724C.
- B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph 2 of subdivision (d) of
Government Code section 54956.9: (Number of Potential Cases – 1)

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

At the direction of the Board.

EQUITY IMPACT STATEMENT

N/A

SUSTAINABILITY IMPACT STATEMENT

N/A

FISCAL IMPACT

N/A

BUSINESS IMPACT STATEMENT

N/A

SUBJECT: CLOSED SESSION (DISTRICTS: ALL)

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

N/A

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

N/A

Respectfully submitted,

Claudia.Silva@s

dcounty.ca.gov

CLAUDIA G. SILVA

County Counsel

Digitally signed by
Claudia.Silva@sdcounty.ca.gov
Date: 2025.03.06 17:00:51
-08'00'

ATTACHMENT(S)

N/A

**County of San Diego Board of Supervisors
AGENDA ITEM INFORMATION SHEET**

AGENDA ITEM SUBJECT/TITLE:
CLOSED SESSION (DISTRICTS: ALL)

REQUIRES FOUR VOTES:

Yes ☐ No ☒

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION §1000.1 REQUIRED:

Yes ☐ No ☒

NOTICED PUBLIC HEARING REQUIRED:

Yes ☐ No ☒

PROJECT UNDER CEQA:

Yes ☐ No ☒

If Yes, approval of CEQA document required?

Yes ☐ No ☐

DECISION WITHIN GOVERNMENT CODE SECTION 84308:

Yes ☐ No ☒

PREVIOUS RELEVANT BOARD ACTIONS:
N/A

BOARD POLICIES APPLICABLE:
N/A

BOARD POLICY STATEMENTS:
N/A

MANDATORY COMPLIANCE:
N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):
N/A

ORIGINATING DEPARTMENT: County Counsel

OTHER CONCURRENCE(S): N/A

INTERNAL REVIEW COMPLETED: YES ☒ NO ☐

Claudia.Silva@sdco
nty.ca.gov
Signature
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CONTACT PERSON(S):

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Signature

Name

Phone

E-mail

Signature

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