

# State of the County 2014

**Shawn Nelson**  
**Chairman, Orange County Board of Supervisors**

May 31<sup>st</sup>, 2014  
OCEA Leadership Retreat





# Committee Assignments

- Orange County Transportation Authority (OCTA), Chair
- South Coast Air Quality management District (AQMD)
- Southern CA Regional Rail Authority (Metrolink)
- Transportation Corridor Agency – Foothill/Eastern
- Orange County Council of Governments (OCCOG)
- Southern California Association of Governments (SCAG)
- Commission to End Homelessness



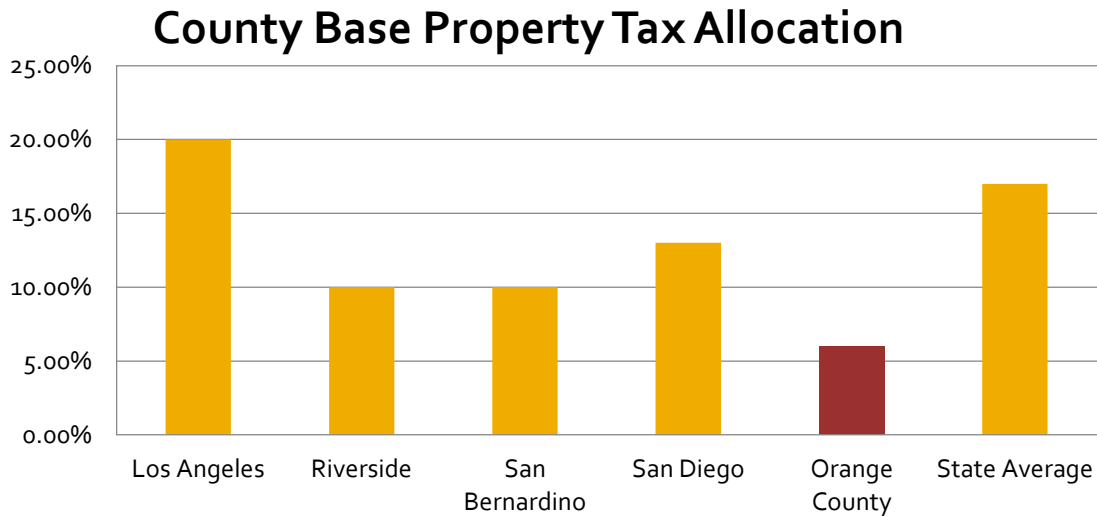
# County Budget

- The County budget was reduced from \$5.6 billion in FY 2012-13 to \$5.4 billion in FY 2013-2014. The recommended budget for FY 2014-2015 only grows by \$60.8 million – or 1%.
- The County has not only lost a structural \$73 million, but as part of AB 701, it must repay the State \$150 million over the next five years.
- In recent years, the County reduced its filled position count from a high of 17,509 to a low of 15,774. The total position count for FY 2014-15 is 18,035, with approximately 15,971 being filled.
- Since June 30, 2013, the County has filled 407 positions. No NCC added for these, which include SSA and HCA for the ACA and MHSA, respectively.



# County Base Property Tax Allocation

- Currently OC gets 6% or \$209.6 million of property tax. If we received the same as Riverside and San Bernardino Counties (10%), it would be \$349 million. The state average is 17% or \$593.3 million



- 1% increase in General Fund property tax allocation would result in an additional \$34,900,000 per year.**
- 1% increase in pay to OCEA = +/- \$10.5 million**

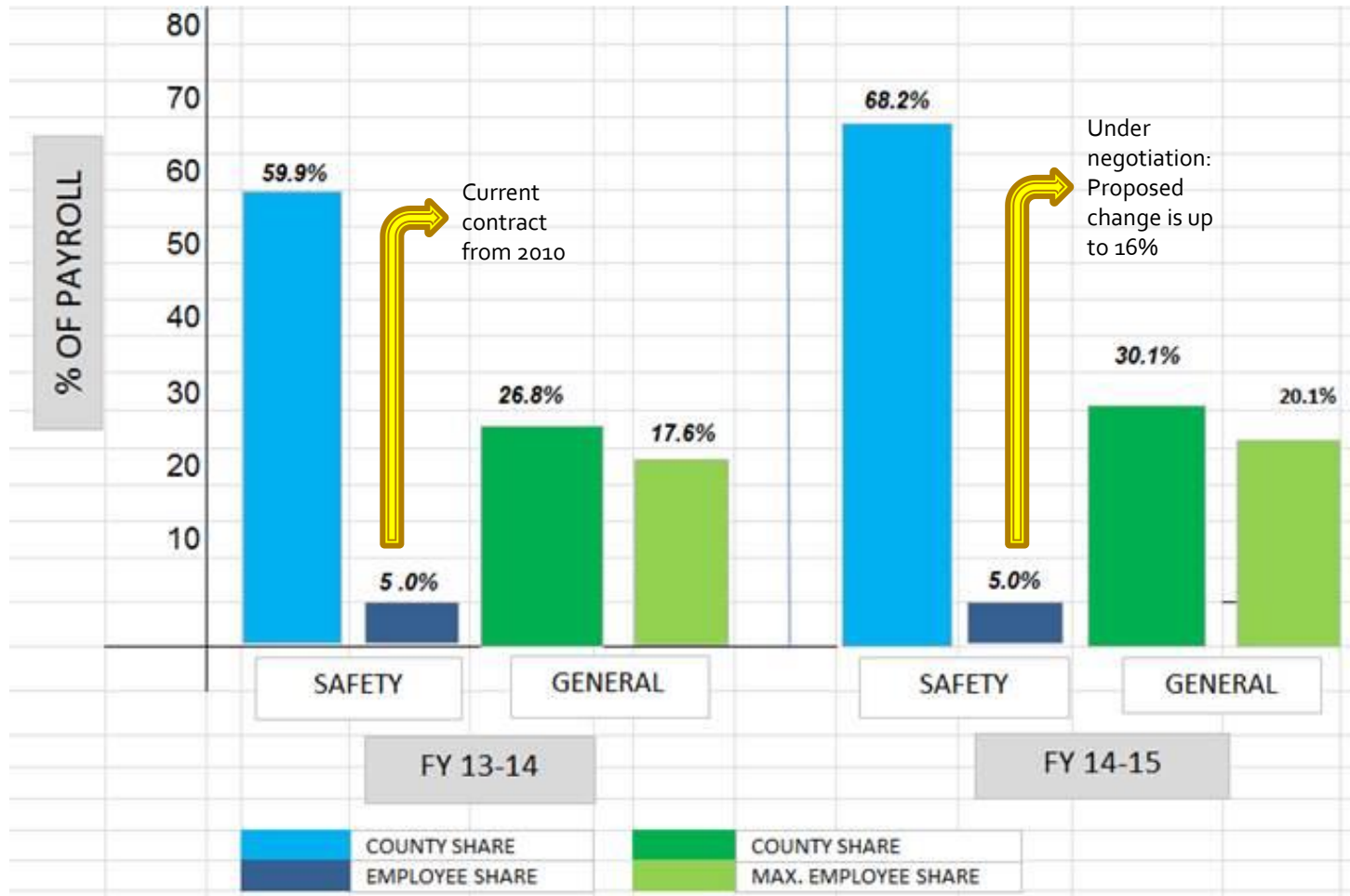


# Capitalizing OC Property Assets

- Newly created Chief Real Estate Officer position
- Long-term plan to improve County balance sheet and generate revenue from diverse County real-estate assets
- Currently developing approximately 1,900 acres of County owned land with private developers as partners
  - Example: 177 acres at former Marine Corps Air Station El Toro
  - Revenues from lease and rent payments are estimated at approximately \$3.7 billion over the 75-year term
- Developing strategic plan to use County facilities more efficiently and cost-effectively
- New bid solicitation website: [www.ocreprojects.com](http://www.ocreprojects.com)



# Employee Costs



- New formula as of 1/1/2013: [1.62@65](#); [2.7@57](#) Safety



# More Mandates, Less Funding

- State owes the County \$97 million to cover various program costs since 2004.
- OC received \$57.5 million this FY for State “realignment” requiring inmates to serve time in county jails who went to state prison (AB 109).
- The County will receive \$4 million less this coming FY in AB 109 funds: \$2 million less for Sheriff’s Department, \$1 million less for Probation and \$900,000 less for Health Care Agency.
- The County faced an \$11.8 million shortfall in AB 109 funding in FY 2012-13: \$10.7 million less than what was needed for Sheriff’s Department and \$1.1 million less for Health Care Agency.
- Half of AB 109 inmates have mental health issues or other serious long-term medical conditions. Nearly a third of all disciplinary incidents are attributed to AB 109 inmates.



# Wellness Center

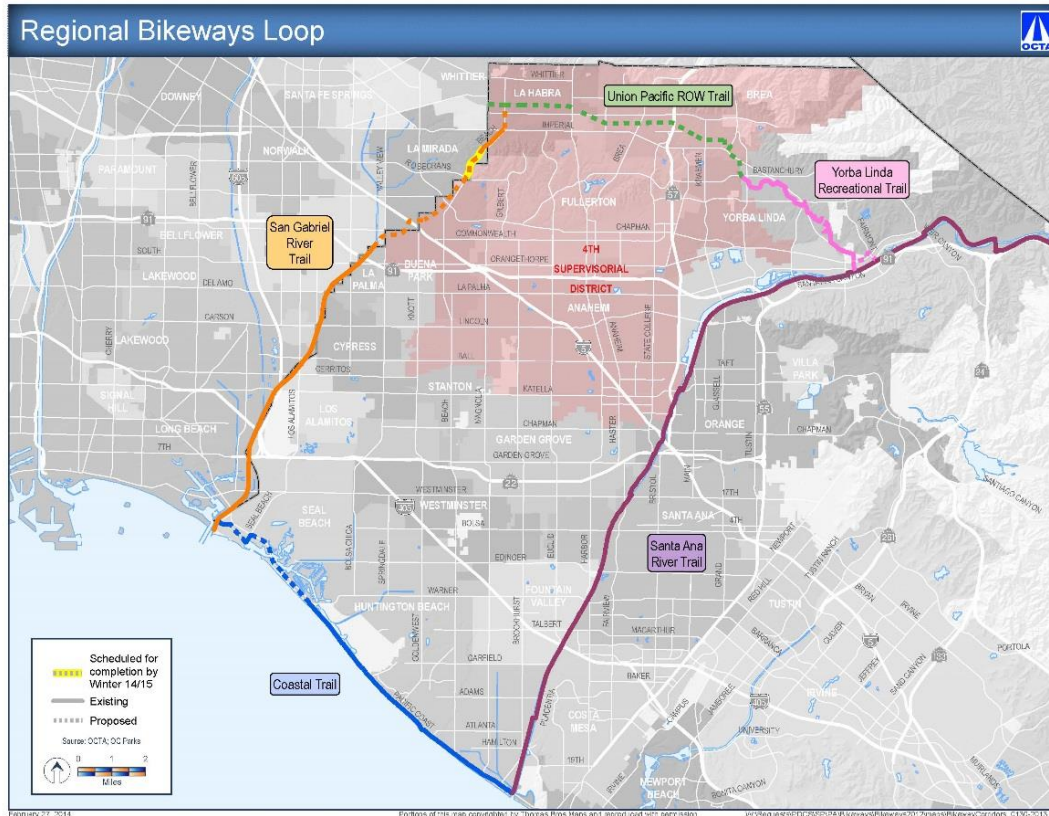


- **Location:** 205 W. Civic Center Drive, Santa Ana
- **Size:** 27,331 square feet
- **Details:**
  - Owned by City of Santa Ana since 1990. Currently vacant and in disrepair.
  - Negotiations are underway among the City, St. Joseph Health Center and Taller San Jose to renovate the historic structure for a Neighborhood Fitness and Wellness Center that would also provide job-training programs.





# The OC Bike Loop



Grant Applications submitted on May 21, 2014 by OC Parks

## Carbon Creek Segment

- Amount requested \$300,000 (15% of \$2 million total cost)

## El Cajon Segment

- Amount requested \$525,000 (15% of \$3.5 million total cost)



# Final Thoughts



**Questions?**