

BOARD OF SUPERVISORS



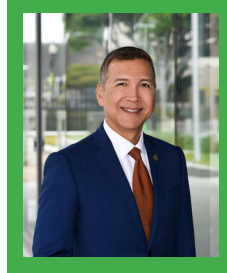
Donald Wagner - Chairman
Supervisor, Third District



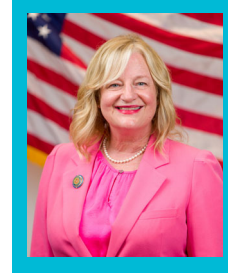
Doug Chaffee - Vice Chairman
Supervisor, Fourth District



Andrew Do
Supervisor, First District



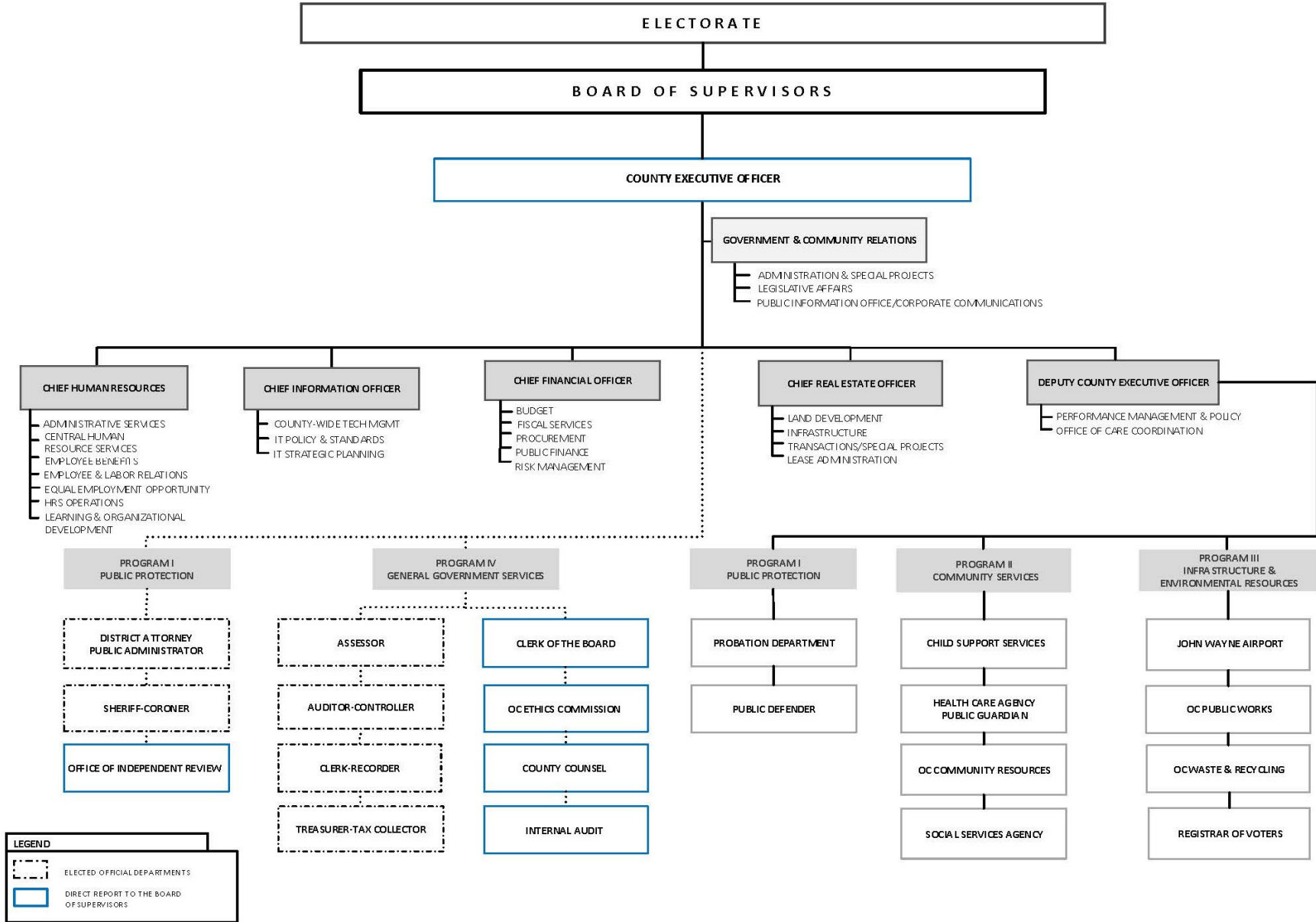
Vicente Sarmiento
Supervisor, Second District



Katrina Foley
Supervisor, Fifth District



ORGANIZATIONAL CHART





County of Orange

County Executive Office

August 27, 2024

To: Chairman Donald P. Wagner, Supervisor, Third District
Members, Board of Supervisors

From: Michelle Aguirre, Acting County Executive Officer
& Chief Financial Officer

Subject: Fiscal Year 2024-25 Annual Budget



On behalf of the County of Orange Executive Office, I am pleased to present the Fiscal Year (FY) 2024-25 Annual Budget, a balanced budget that reflects a responsible allocation of resources and an ongoing commitment to long-term fiscal strength.

As the County continues to navigate through the high interest rate environment, inflationary pressures on the economy, and lower than budgeted revenue growth, we are committed to maintaining essential mandated services to the community and aligning discretionary projects and service delivery levels within available funding.

As the Legislature and the Governor have reached agreement on the Budget Act of 2024, specific impacts of the State's budget on the County will be determined and reconciled in the mid-year budget report process. Although certain program and service reductions were initially proposed in the Governor's January and May Revision proposals, the final budget agreement largely preserves critical investments in public health workforce and infrastructure, homelessness and housing, and CalWORKs administration.

Initiatives, either passed or pending, will or could have a significant impact on the County, most notable of which is the passage of Proposition 1, described below, which amends the Mental Health Services Act (MHSA), passed by voters in 2004. The County's Legislative Affairs Office continues to closely monitor these initiatives and their potential impacts on County operations and finances should they be approved.

Proposition 1, Behavioral Health Services Program and Bond Measure, was voted into law on March 5, 2024, as a single measure to approve:

- Modernization of MHSA categorical funding components; rename to the Behavioral Health Services Act (BHSA); expansion to include services for clients with substance use disorders; and a focus on homeless, conservatorship, and system-involved individuals.
- A \$6.4 billion bond to develop an array of treatment, residential care settings, and supportive housing to help provide appropriate care facilities for Californians experiencing mental health conditions and/or substance use disorders.

BHSA eliminates the innovation program component and mental health prevention services provided by counties. BHSA redirects funds from existing County mental health outpatient services and supports and programs for early intervention, including children and youth, to prioritize housing subsidies and intensive outpatient services, competitive grants to develop



supportive housing and treatment facilities for individuals, including veterans, experiencing or at risk of homelessness with behavioral health challenges. The County continues to evaluate and address the impacts of Proposition 1 prior to the July 2026 effective date.

The FY 2024-25 Annual Budget includes ongoing key initiatives and projects, described below, such as those in the County's five systems of care, the Master Plan for Aging, infrastructure and sustainability.

SYSTEMS OF CARE: The County's OC CARES initiative links the various systems of care in the County of Orange (Behavioral Health, Healthcare, Community Corrections, Housing and Benefits and Support Services) to provide full care coordination and services for individuals to address immediate and underlying issues and work towards self-sufficiency. A goal of OC CARES is to ensure services are provided in an efficient, cost-effective manner without duplication of effort and resources.

- **Behavioral Health:** Be Well Irvine, a second behavioral health campus on County-owned land in Irvine, is in development and will provide a myriad of mental health and substance use disorder services for adults, children and families. Plans currently involve three phases of development with the first phase anticipated to be implemented in Spring 2025.
- **Healthcare:** Coordinated case management, using the County's System of Care Data Integration System (SOCDIS), is in place to deliver services in a more effective manner including outreach and engagement services to high-utilizers to ensure discharge plans are followed and referrals to services are provided to encourage self-sufficiency.
- **Community Corrections:** The County continues to implement a comprehensive reentry system for individuals released from County jails or state prison to reduce recidivism and hold individuals accountable by providing a path to self-sufficiency. Prevention and intervention efforts target those at risk of entering the criminal justice system. Ongoing projects in the budget include development of transitional housing with supportive services for adults and juveniles; a workforce reentry center providing housing, vocational and educational training; a pre-arraignment diversion program for individuals who would benefit from treatment programs and services; and a comprehensive modernization of the County's juvenile corrections campus.
- **Housing:** In June 2018, the Board of Supervisors filed the Housing Funding Strategy with the goal of developing 2,700 units of permanent supportive housing. In December 2022, an update to the Housing Funding Strategy identified a new goal of developing an additional 2,396 units of permanent supportive housing. As of July 1, 2024, 1,364 units have been built, 810 units are under construction, and 863 units are in progress of funding, with a combined total of 3,037 supportive and affordable housing units completed or in the current pipeline.
- **Benefits and Support Services:** County departments continue to work collaboratively to remove barriers to accessing assistance programs such as Cal Fresh and Medi-Cal, especially for individuals upon release from custody to ensure continuity of treatment and services. Development and implementation of new programs and services geared toward youth to prevent involvement in the juvenile justice system is also a focus.

Master Plan for Aging: During FY 2024-25, results of a recent needs assessment will be compiled into a Master Plan for Aging to help the County understand the holistic needs of the aging population and establish a plan for efficient and effective delivery of services. The plan will address housing, inclusion and equity, caregiving, and economic security. Increased information and resources are already being implemented via a call center, home visitation services, care coordination, and case management services.

OC Builds: The FY 24-25 Budget includes funding for various infrastructure projects. Update of critical infrastructure, such as bridges, roads, and flood control channels is a priority for the safety and efficient transportation of Orange County residents. The County maintains and annually updates a 10-year Facilities Master Plan that outlines all real estate projects currently in progress and completed. Enhancement of John Wayne Airport's infrastructure, including significant investments in reconstructing taxiways and modernizing the passenger processing system, is included to ensure a world-class airport experience that is safe and facilitates efficient travel.

- **Civic Center Facilities Strategic Plan:** CEO Real Estate and departments continue to strategically assess the County's long-term occupancy in the Orange County Civic Center with a focus on improved delivery of services to the community, efficient and effective space usage and departmental adjacencies, addressing the aging portfolio of County facilities, and exploring options for development projects that would use County assets to generate ongoing revenue streams.
- **Information Technology & Cybersecurity:** The County continues to invest in its technological infrastructure to modernize systems with an emphasis on innovation, mobility, and a focus on strengthening system and data security.

Environmental Sustainability: Various efforts aimed towards environmental sustainability and green technologies are underway with the goal of developing greener, more sustainable infrastructure that reduces greenhouse gas emissions, prioritizes the use of renewable energy, preserves natural landscapes and resources, and decreases food and consumer waste.

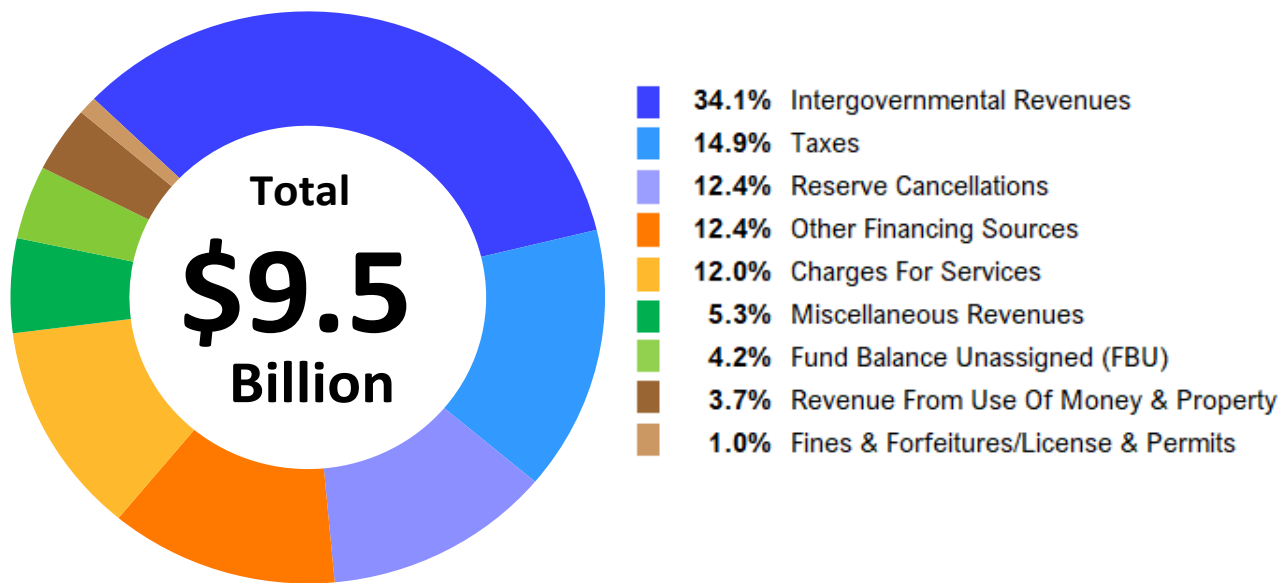
Fiscal Sustainability: The FY 2024-25 Budget includes funding of reserves at targeted amounts through responsible fiscal management, strategic planning, and prudent allocation of resources. Regular maintenance and replenishment of a prudent reserve balance is necessary to provide financial resiliency, flexibility, long-term sustainability, and to maintain the Government Finance Officers Association's recommended target amounts.

The County strives to provide high quality services and advance major initiatives that enrich the lives of its residents. The combined efforts of the Board of Supervisors and County employees toward careful and responsible fiscal management will position the County to overcome new challenges as they arise, while continuing to fulfill the County's mission to make Orange County "a safe, healthy, and fulfilling place to live, work, and play."

FY 2024-25 ANNUAL BUDGET AT A GLANCE

Total County Revenues by Source

FY 2024-2025 Final Budget Total = \$9.5 Billion

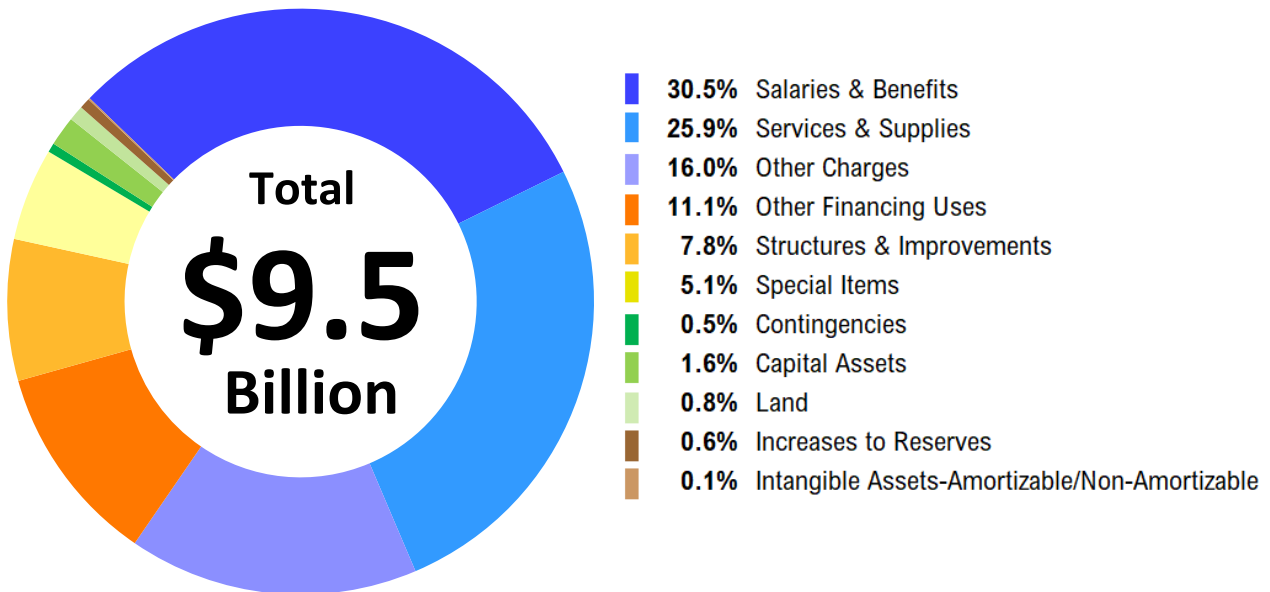


County Revenue Source (in Million Dollars)

Name	FY 2022-2023	FY 2023-2024	FY 2024-2025
	Actual Budget	Modified Budget	Final Budget
Intergovernmental Revenues	\$ 3,225.7	\$ 3,601.6	\$ 3,243.7
Fund Balance Unassigned (FBU)	0	477.0	396.5
Charges For Services	993.5	1,066.5	1,147.2
Taxes	1,322.6	1,339.1	1,426.5
Miscellaneous Revenues	488.6	519.4	509.5
Other Financing Sources	1,903.1	1,750.6	1,186.0
Revenue From Use Of Money & Property	314.2	296.5	354.6
Reserve Cancellations	578.2	1,258.2	1,185.4
Fines & Forfeitures/License & Permits	94.2	90.8	97.3
Total	\$ 8,920.1	\$ 10,399.7	\$ 9,546.7

Total County Appropriations

FY 2024-2025 Final Budget Total = \$9.5 Billion



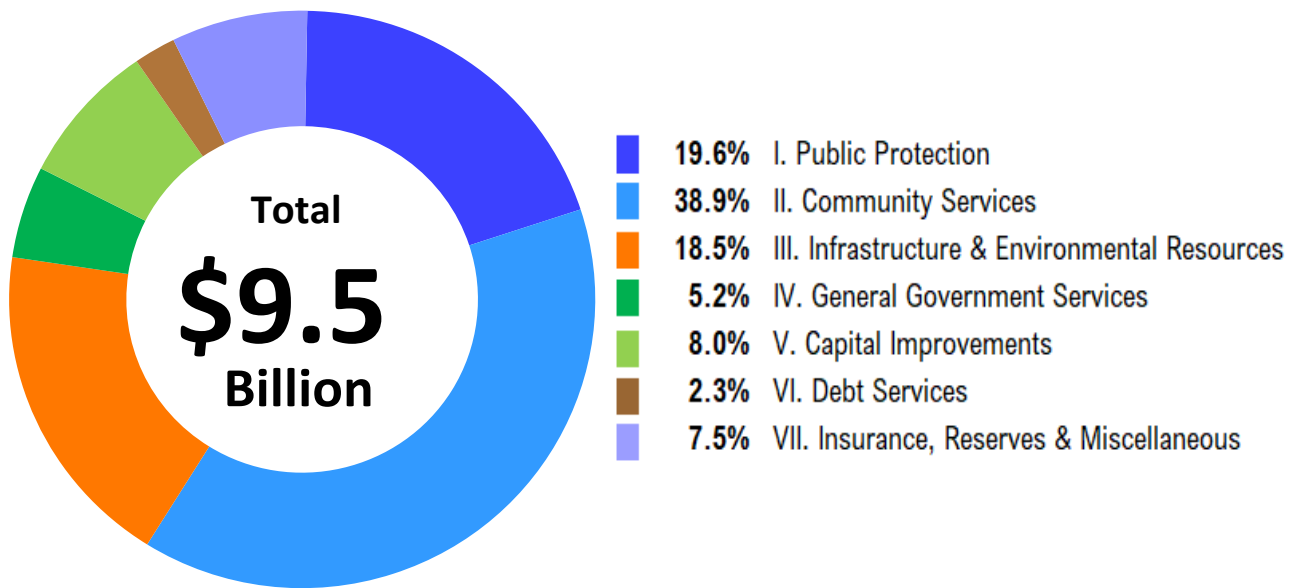
County Appropriations (in Million Dollars)

Name	FY 2022-2023	FY 2023-2024	FY 2024-2025
	Actual Budget	Modified Budget	Final Budget
Salaries & Benefits	\$ 2,583.1	\$ 2,830.3	\$ 2,980.7
Services & Supplies	1,945.8	2,589.7	2,542.7
Other Charges	1,327.4	1,614.2	1,576.6
Capital Assets	103.6	182.4	160.5
Land	87.6	133.1	83.3
Structures & Improvements	262.6	703.4	766.0
Intangible Assets-Amortizable/Non-Amortizable	3.1	3.7	8.4
Other Financing Uses	1,606.9	1,576.4	1,086.4
Special Items	0	930.5	502.0
Contingencies	0	8.8	50.0
Increases to Reserves	1,235.7	101.9	58.0
Intrafund Transfers	(209.4)	(249.9)	(258.9)
Total	\$ 8,946.4	\$ 10,424.5	\$ 9,546.7

NOTE: Intrafund Transfers account for (2.7%) of County Appropriations, approximately (\$259M) which are recovered from other funds within the county.

Total County Appropriations by Program

FY 2024-2025 Final Budget Total = \$9.5 Billion

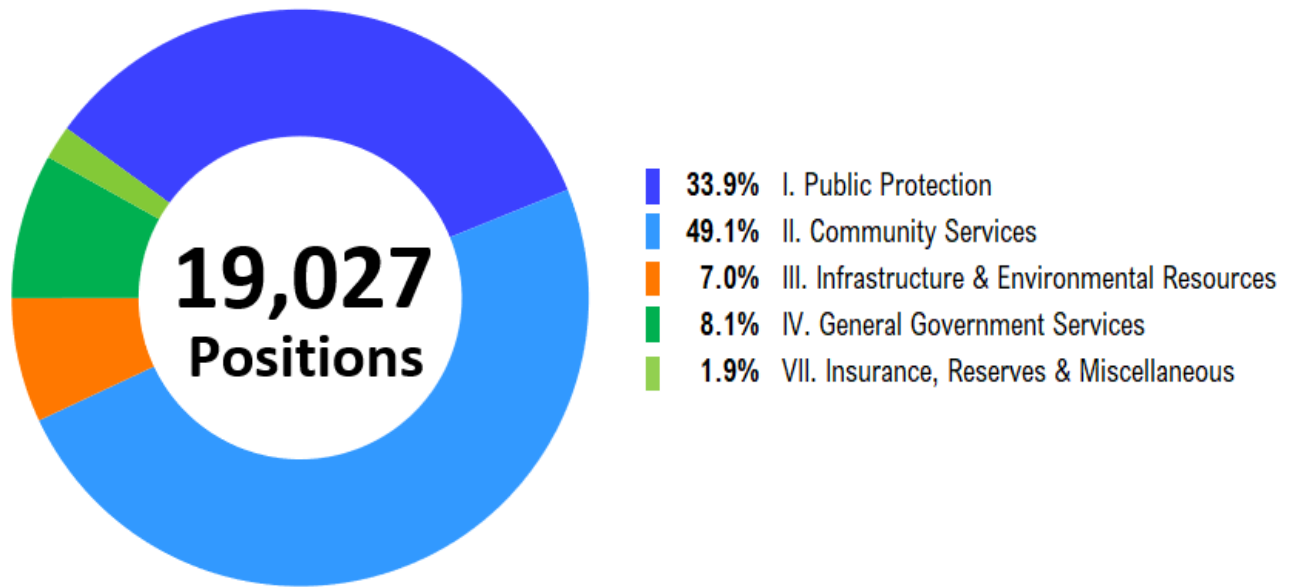


County Program Appropriations (in Million Dollars)

Code	Name	FY 2022-2023		FY 2023-2024		FY 2024-2025
		Actual	Budget	Modified	Budget	Final Budget
I	Public Protection	\$ 1,955.5	\$ 1,955.5	\$ 1,826.6	\$ 1,826.6	\$ 1,878.6
II	Community Services	3,253.4	3,253.4	3,752.5	3,752.5	3,714.5
III	Infrastructure & Environmental Resources	1,179.6	1,179.6	2,017.1	2,017.1	1,763.6
IV	General Government Services	591.4	591.4	938.2	938.2	492.4
V	Capital Improvements	479.3	479.3	750.7	750.7	759.1
VI	Debt Service	373.9	373.9	287.4	287.4	221.1
VII	Insurance, Reserves & Miscellaneous	1,113.3	1,113.3	852.0	852.0	717.4
Total		\$ 8,946.4	\$ 8,946.4	\$ 10,424.5	\$ 10,424.5	\$ 9,546.7

Authorized Positions by Program

FY 2024-2025 Total = 19,027



Authorized Program Positions

	Code	Name	FY 2022-2023	FY 2023-2024	FY 2024-2025
			Actual Budget	Modified Budget	Final Budget
	I	Public Protection	6,415	6,452	6,441
	II	Community Services	9,030	9,344	9,356
	III	Infrastructure & Environmental Resources	1,298	1,329	1,327
	IV	General Government Services	1,474	1,516	1,543
	VII	Insurance, Reserves & Miscellaneous	359	359	360
	Total		18,576	19,000	19,027

ORANGE COUNTY PROFILE

Orange County Profile

Founded	August 1, 1889
Size	799 square miles
Coastline	42 miles
Highest Elevation	5,689 feet (Santiago Peak)
Incorporated Cities	34

Real Gross Domestic Product (\$ thousands)	
2022	270,440,831
2021	238,228,949
2020	222,683,756
2019	230,680,258
2018	225,920,029

Source: U.S. Bureau of Economic Analysis

Orange County’s Gross Domestic Product ranks third in the State, behind Los Angeles (first) and Santa Clara (second) counties, and ninth in the Nation.

Population	
2023	3,142,277
2022	3,154,042
2021	3,164,848
2020	3,188,652
2019	3,191,365

Source: State of California, Department of Finance, E-2. California County Population Estimates and Components of Change by Year — July 1, 2010–2021, released December 2021 & July 1, 2020–2023, released December 2023

Orange County is the third most populous county in California and the sixth most populous in the United States.

Homeless Population			
	Sheltered	Unsheltered	Total
2024	3,149	4,173	7,322
2022	2,661	3,057	5,718
2019	2,899	3,961	6,860

Source: Point-in-Time Count

The U.S. Department of Housing and Urban Development (HUD) requires that all Continuum of Care jurisdictions conduct a biennial unsheltered count and an annual sheltered count of all individuals experiencing homelessness on a single point in time during the last ten days of January.

Form of Government

The County functions under a Charter adopted in 2002, including subsequent amendments. A five-member Board of Supervisors governs the County. Each elected member serves a four-year term, with a maximum of two terms, and the Board annually elects a Chair and Vice Chair. The supervisors represent districts that are each approximately equal in population.

County Mission and Vision Statements

The County is committed to providing Orange County residents with the highest quality programs and services. Supporting the County’s mission is a set of vision statements for business and cultural values:

Mission	
<i>Making Orange County a safe, healthy, and fulfilling place to live, work, and play, today and for generations to come, by providing outstanding, cost-effective regional public services.</i>	
Vision Statement for Business Values	Vision Statement for Cultural Values
We strive to be a high quality model governmental agency that delivers services to the community in ways that demonstrate: Excellence Provide responsive and timely services Leadership Leverage available resources as we partner with regional businesses and other governmental agencies Stewardship Seek cost-effective and efficient methods Innovation Use leading-edge, innovative technology	We commit to creating a positive, service-oriented culture which: Attracts and retains the best and the brightest Fosters a spirit of collaboration and partnership internally and externally Supports creativity, innovation, and responsiveness Demonstrates a “can-do” attitude in accomplishing timely results Creates a fun, fulfilling and rewarding working environment Models the following core values in everything we do: Respect - Integrity - Caring - Trust - Excellence



ECONOMIC ENVIRONMENT

Economic Indicators

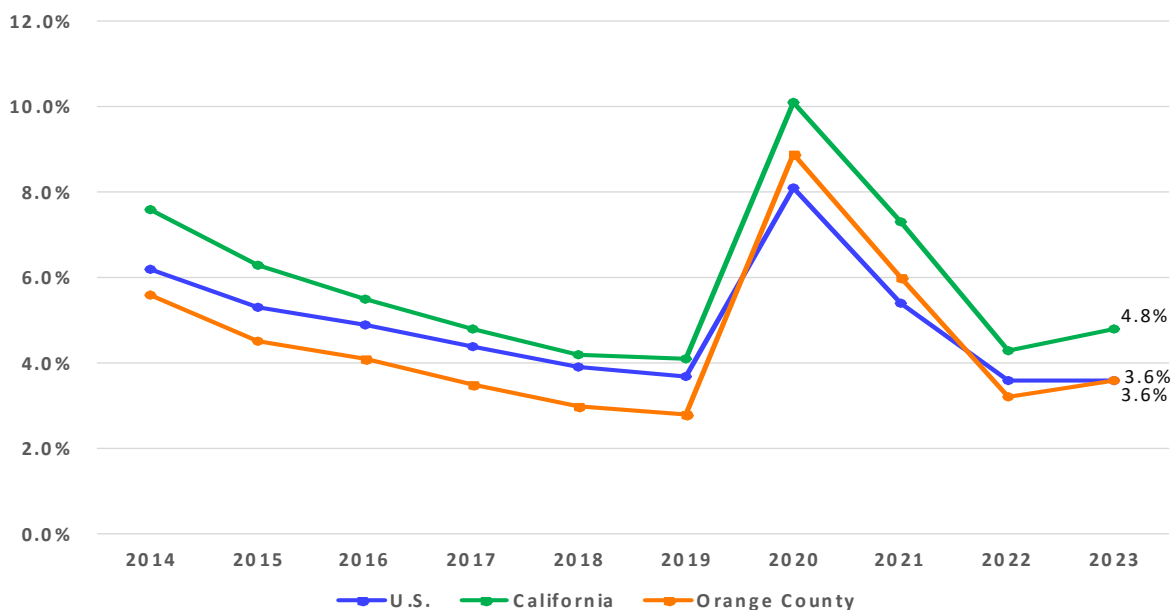
Key factors that influence the local Orange County economy include the unemployment rate, job growth, inflation, incomes, housing market, and taxable sales. The County consistently monitors how well the local economy performs relative to (a) surrounding counties, the State, and the Nation and (b) its own historical trends. While economists and prior forecasts were anticipating a possible contraction in the economy, mainly due to the consequence of elevated interest rates set forth by the Federal Reserve Board to combat inflation, the June 2024 UCLA Anderson Forecast predicts an expansionary fiscal policy as the Federal Funds Rate is projected to be reduced within the forecast period as inflation is slowly making its way towards the Federal Reserve's target goal of 2%. However, there are certain risks to the forecast that may impact growth with the current state of geopolitical events and the upcoming election cycle. Due to these uncertainties, the forecast is highlighting the possibility of weaker business investment towards the latter part of 2024. In terms of historical trends, current and projected activity suggests that economic growth at the local level will generally follow national and state trends. This section provides trend data for various indicators that summarize the current and projected economic outlook for Orange County.

ORANGE COUNTY HISTORICAL EMPLOYMENT STATISTICS

Year	Total Labor Force	Number of Employed	Percent Unemployment
2023	1,588,900	1,532,400	3.6%
2022	1,579,300	1,528,500	3.2%
2021	1,557,200	1,464,100	6.0%
2020	1,563,800	1,424,300	8.9%
2019	1,613,900	1,568,400	2.8%

Source: State of California Employment Development Department; Annual average for the calendar year.

HISTORICAL UNEMPLOYMENT RATES U.S., CALIFORNIA AND ORANGE COUNTY



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, State of California Employment Development Department; Annual average for the calendar year.

COMPARATIVE UNEMPLOYMENT RATES

County	Percent Unemployment (as of June)
Los Angeles	5.9%
Riverside	5.4%
San Bernardino	5.2%
Ventura	4.5%
San Diego	4.5%
Orange	4.0%

Source: State of California Employment Development Department; July 2024

ORANGE COUNTY EMPLOYMENT STATISTICS

Labor Force Sector	Number of Jobs Change Year-Over-Year (as of June)	Percent Change Year-Over-Year (as of June)
Non-Farm Employment	23,800	1.4%
Education and Health Services	14,600	5.6%
Leisure and Hospitality	5,700	2.4%
Government	3,400	2.1%
Other Services	2,300	4.2%

Source: State of California Employment Development Department, Labor Market Information Division, July 19, 2024

ORANGE COUNTY HISTORICAL JOB GROWTH

Year	Percent Payroll Employment
2024 Forecast	1.4%
2023	0.9%
2022	4.9%
2021	3.6%
2020	(8.5%)
2019	1.3%

Source: UCLA Anderson Forecast, Orange County 2024

Prior to the pandemic, Orange County’s unemployment rate remained below that of the Nation and the State. However, that trend was disrupted during the pandemic in 2020 and 2021 as Orange County’s unemployment rate remained below the State rate but above the Nation. As of June 2024, the unemployment rate trend returned to pre-pandemic levels as the County had the lowest unemployment rate of 4.0% among all surrounding Southern California counties, the State (5.2%) and the Nation (4.1%). Orange County’s year-over-year non-farm employment increased by 1.4% with education and health services and leisure and hospitality sectors having the largest impact. The April 2024 UCLA Anderson Forecast for Orange County is anticipating a job growth of 1.4% with leisure and hospitality, professional business services, and healthcare sectors accounting for 89% of the total job creation in 2024. In particular, the healthcare sector is not showing any signs of slowing down. The forecast is calling for only a modest increase in the unemployment rate from 3.6% in 2023 to 4% in 2024 as the labor markets will continue to absorb more resident and commuting workers from adjacent counties, and it is also anticipating more office-using jobs in 2024.



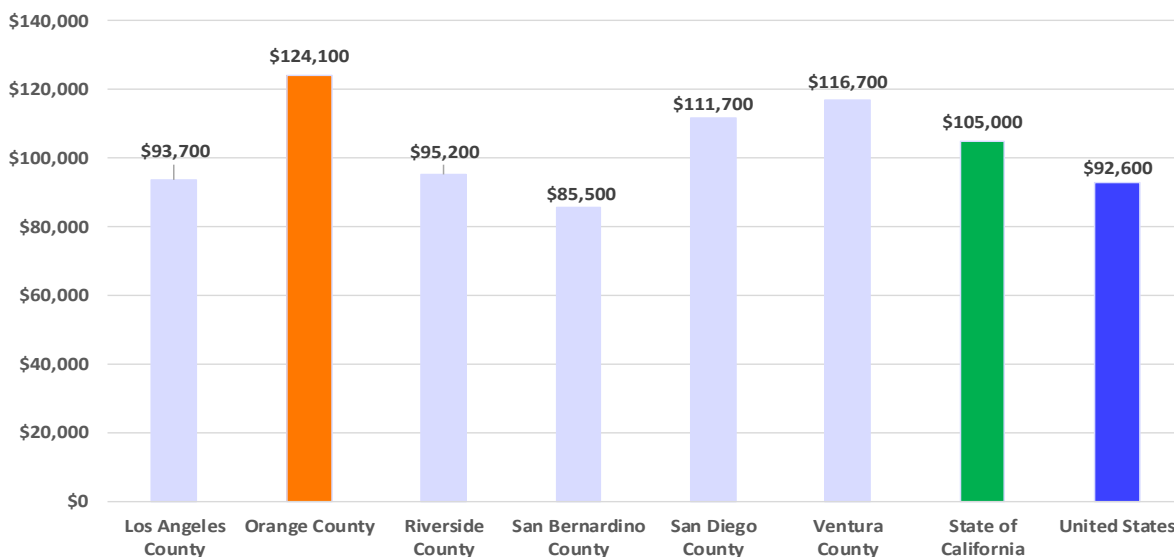
CONSUMER PRICE INDEX

Year	Orange County	California	United States
2024-25 Forecast	3.0%	3.0%	2.6%
2023-24 Forecast	3.2%	3.4%	3.4%
2022-23	5.4%	5.7%	6.3%
2021-22	6.5%	6.6%	7.2%
2020-21	2.0%	2.3%	2.3%
2019-20	2.5%	2.3%	1.6%

Source: Bureau of Labor Statistics, California Department of Finance

Inflation, as measured by the Consumer Price Index (CPI), is forecasted at 3.0% in FY 2024-25 for Orange County, which is equal to the state and higher than the national level of 2.6%. Although we have seen CPI decrease from the high of 6.5% in FY 2021-22, the Federal Open Market Committee (FOMC) continues to combat inflation by keeping interest rates higher for longer. According to the FOMC's minutes during their June 2024 meeting, modest further progress has been made toward the 2% inflation objective, however the Committee does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is sustaining a move towards 2%.

MEDIAN FAMILY INCOME



Source: U.S. Census Bureau, 2022 American Community Survey 5-Year Estimates

The U.S. Census 2022 American Community Survey estimated Orange County's median family income at \$124,100, the highest of surrounding Southern California counties and higher than those of the State and Nation.

The April 2024 UCLA Anderson Forecast for Orange County continues to highlight the challenges of affording a home in Orange County as an estimate predicts only 17% of households can afford an entry level single family home in the County, valued at \$1,104,580. To put in perspective, the monthly mortgage payment, excluding taxes and insurance, increased from \$6,470 in 2023 to \$6,842 in 2024. In addition, it is predicted that home values will continue to rise as there is a continued mismatch of homes for sale compared to interested parties looking to buy a home.

HOUSING COMPARISON

County	Median Home Price			Sales
	June 2023	June 2024	Percent Change	Year-Over-Year Percent Change
Los Angeles	\$832,310	\$889,180	6.8%	(15.5%)
Orange	\$1,260,000	\$1,450,000	15.1%	(11.9%)
Riverside	\$628,000	\$643,500	2.5%	(13.5%)
San Bernardino	\$470,000	\$522,500	11.2%	(12.6%)
San Diego	\$958,250	\$1,054,180	10.0%	(1.9%)
Ventura	\$927,500	\$964,500	4.0%	(5.7%)

Source: Press Release on 07/17/2024 California Association of Realtors (C.A.R.)

Orange County had the highest median home price and, like the rest of the surrounding Counties, had a year-over-year decrease in home sales in the Southern California region in June 2024. The UCLA forecast for Orange County in 2024 calls for home sales to increase 11% over the year while having modest home price appreciation.

ORANGE COUNTY ANNUAL TAXABLE SALES

Calendar Year	Taxable Sales (Billions)	Percent Change
2024 Forecast	\$84.3	(2.8%)
2023	\$86.7	(1.6%)
2022	\$88.0	12.5%
2021	\$78.3	22.6%
2020	\$63.8	(8.4%)
2019	\$69.7	3.3%

Sources: California Department of Tax and Fee Administration for 2019-2023; Chapman University Economic & Business Review, December 2023 for 2024 Taxable Sales Forecast

Chapman University forecasts taxable sales of \$84.3 billion in 2024, a decrease of 2.8% from 2023, for Orange County. The forecast predicts lower taxable sales activity in all reportable categories, except all food and drink in 2024 compared to 2023. Sales Tax, along with Property Tax, are monitored closely by the County as they make up the majority of the County's General Purpose Revenue (GPR), a portion of the budget over which the County has some discretion. A portion of GPR is used to meet its mandated services requirements not fulfilled by the state or federal governments and operational expenses of the Public Protection and General Government Services departments.

State Legislation and Budget

On June 29, 2024, the Governor signed the FY 2024-25 State Budget, a spending plan that totals \$298 billion, of which \$211 billion is General Fund. The budget addressed the \$46.8 billion shortfall with the withdrawal of reserves, a reduction of funding for various items, internal borrowing from special funds, spending delays, fund shifts and deferrals.

Given that certain program and service reductions were initially proposed in the Governor's January and May Revised proposals, the final budget agreement largely preserves critical investments in public health workforce and infrastructure, homelessness and housing, and CalWORKs administration. In addition, the third and final year of the Public Defender's Pilot Program was preserved with only a reduction in funding instead of the final round being eliminated. Furthermore, the final budget agreement maintains the multi-billion dollar commitment to transform the healthcare delivery system through CalAIM.

Since there were reductions, spending delays, and deferrals in the FY 2024-25 State Budget, the County will continue to monitor state budget updates and prepare contingency plans to address any possible adverse funding impacts.

BUDGET PLANNING & DEVELOPMENT PROCESS

Strategic Financial Plan

The County's budget process begins with the County's Strategic Financial Plan (SFP), an annual planning process that includes a five-year revenue and expense forecast as well as identification of strategic priorities and emerging initiatives. The SFP process provides a framework for testing budget assumptions and aligning available resources with operating requirements, implementing new programs and facilities, and serving as the foundation for the development of the upcoming fiscal year budget. Additionally, the SFP includes capital and information technology project proposals facilitating early evaluation of project viability and economic feasibility. This framework enables the Board to make annual funding decisions within the context of a comprehensive, long-term perspective. The SFP emphasizes that the County must ensure its resources and programs are aligned with countywide strategic priorities and values.

Strategic Priorities

BOARD-APPROVED

In 2012 and reaffirmed in 2015, the Board of Supervisors (Board) adopted long-term strategic priorities. These provide a framework and serve as the basis for budget recommendations, and include:

- **Stabilize the Budget:** The County shall adopt a balanced budget, which is defined as a budget where planned expenses do not exceed the amount of revenue or funding available, in accordance with State law. The budget will realistically reflect the funds available to County departments and programs and how those funds will be spent.
- **Prepare for Contingencies:** The County shall prepare a budget with sufficient reserves to cover anticipated and severe economic downturns, major emergencies, or catastrophes that cannot be covered with existing appropriations.
- **Address and Fund Agency Infrastructure:** The County shall prepare a budget that provides the proper funding for agency infrastructure to ensure that high quality services are delivered to the com-

munity. The budget will assess the best use of county general and special funds (e.g. OC Road, OC Flood, OC Parks) in developing capital assets while maintaining long-term financial stability.

STRATEGIC FINANCIAL PLAN

A ten-year forecast for Strategic Priorities is used in the SFP to assess the County's ability to fund new programs, major initiatives, both programmatic and infrastructure related, not currently addressed in the baseline operations of the County departments, or which have high community awareness, and exceed \$1 million in any one year of the SFP.

Capital Projects

STRATEGIC FINANCIAL PLAN

The SFP Capital Improvement Plan is developed each year with a five-year projection of capital needs for projects requiring general funds and for department-funded projects. The SFP provides goals for developing capital assets while maintaining long-term financial stability. The SFP provides information about capital projects requiring general fund support in excess of \$150,000 per project. Funding for non-general fund department projects comes from local, state and federal sources. Ongoing costs for these projects are included in the departments' operating budgets. As projects are included in a planning tool, and not a budget document, they (and any subsequently identified) are evaluated for funding during the budget development process. The assessment is an ongoing process influenced by many changing factors such as service needs, available resources resulting from changes in the economy, Board priorities, legal mandates, age and condition of existing buildings, and health and safety considerations.

CAPITAL IMPROVEMENT PROGRAM

OC Public Works, in collaboration with OC Community Resources, develops a Seven-Year Capital Improvement Program (CIP) for OC Road, OC Flood, OC Parks, OC Animal Care and OC Public Libraries projects in preparation of the upcoming fiscal year's budget. Inclusion of a project in the CIP indicates the County's plan to develop and construct the project.

However, implementation is always subject to funding and resource availability. The CIP is presented to the Board of Supervisors for approval each year.

Public/Private Partnership projects funded by private developers are not included.

OPERATING IMPACTS

The development and implementation of capital projects are sometimes accompanied by ongoing operating costs. While many of the projects included in the CIP are rehabilitation projects that do not increase the agency's infrastructure inventory and, therefore, have no appreciable impact on ongoing maintenance and operations costs, some projects can have an impact. Operating funds are budgeted when the project is completed and the improvement becomes a usable asset.

Budget Process

The County's budget process begins in the summer of each year with the SFP, which is presented to the Board in December. In January, the County Budget & Finance Office issues budget policies and detailed instructions for county departments including a calendar establishing completion dates for key events in the budgeting process.

County departments prepare budget requests which are submitted in early March to the County Budget & Finance Office. Meetings are held with the department head or financial manager, the County Executive Officer (CEO), and Budget & Finance Office staff to discuss the requests. The County Budget & Finance Office reviews and analyzes department budget requests and makes recommendations to the CEO. The County Budget & Finance Office, in coordination with the County Auditor-Controller's Office, also establishes the level of non-departmental, County-wide revenues that are projected to be available to the County. The budget is compiled, balanced, and reviewed with the Chief Financial Officer and CEO. Upon completion of the review, a Recommended Budget is published.

In May, the County Budget & Finance Office plans and conducts briefing sessions for the County Board staff members. In early June during the Public Budget Hearings, the CEO presents the budget, and the Board casts straw votes and provides direction. Subsequently, in late June, the Board adopts the budget on a simple majority vote. The adopted budget becomes the spending plan and spending limit for county departments.

In summary, the recommended budget serves as the county's baseline budget, and excludes restore and expand augmentations; these augmentations are included under separate cover in the Budget Augmentation Requests document. Board-approved augmentations are reflected in the annual budget.

BUDGET CALENDAR

August	County 5-Year Strategic Financial Plan policies, instructions, and development calendar are provided to county departments
December	County 5-Year Strategic Financial Plan is issued and establishes the budget framework
Early January	Budget policies, instructions, and development calendar are provided to county departments
Early March	County departments submit budget and augmentation requests to the County Budget & Finance Office
Mid March	Budget review sessions are held with county departments and the County Executive Office
Mid May	Recommended Budget documents released to the Board and Public and briefing sessions held with Board staff
Early June	Public Budget Hearings
Late June	Board adopts Budget

BUDGET MODIFICATIONS

CEO and department budget staff monitor actual revenues and expenses during the year and report to the Board periodically. Changes increasing budget appropriations may be submitted in the September Budget Update, Mid-Year Budget Report, April Budget Update and Year-End Budget Report for Board approval and require a 4/5 vote. Changes may include increases or decreases to appropriations or positions or both, to reflect new assumptions or address unforeseen events and technical adjustments to reconcile to final state or federal budgets.

FY 2024-25 Budget Planning & Development Process Overview

On December 19, 2023, the Board received the County's 2023 SFP. The SFP tested an assumption of zero General Fund Unassigned Fund Balance and modest General Purpose Revenue growth. The SFP included assumptions of 0% growth in departmental Net County Cost (NCC) limits for all five years (FY 2024-25 through FY 2028-29). It is important to note, the SFP included salary and benefit assumption increases over the five years for the labor groups that had approved Memorandum of Understanding terms during the SFP process, but it did not include salary and growth factor increases for labor groups that did not have Board approved terms by the time the 2023 SFP was released. After factoring in the NCC limit growth of 0%, and adjusting for any one-time items, departments identified a reduction of \$94.9 million to meet the FY 2024-25 NCC limits. Actual proposed reductions in the FY 2024-25 budget to meet NCC limits total \$132.1 million, all of which was approved for restoration.

The following section provides various long-range financial plan components that served as the basis for the development of the FY 2024-25 budget.

This budget serves as a realistic plan of resources available to carry out the county's core businesses and priorities. It is consistent with the County's mission statement and the 2023 SFP. It follows the CEO budget policy guidelines, meets many of the departmental augmentation requests, incorporates impacts of the State budget proposals known at this time, addresses important capital needs, and provides adequate reserves.

In context of the County's policies and guidelines, departments prepared FY 2023-24 projected expenses and revenues and requests for FY 2024-25. The County Budget & Finance Office reviewed the requests, met and discussed the requests with the Chief Financial Officer and the departments, and prepared recommendations for the CEO. The CEO's final recommendations are presented to the Board of Supervisors and the public during public budget hearings. Operating and capital budgets are prepared in this single process and presented together in this budget book.

This County budget document is also available on-line at:
<https://cfo.ocgov.com/>

Additional financial information including the OpenOC data tool, SFP, and budget reports can be found at:
<http://ocgov.com/about/openoc/>

2023 Strategic Financial Plan Summary - Forecasted Sources and Uses

Forecasted Sources & Uses (\$ Millions)	FY 23-24 Projected	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast
SOURCES						
Fund Balance Unassigned (FBU)	0.0	0.0	0.0	0.0	0.0	0.0
General Purpose Revenues (GPR)						
Property Taxes (3.7%, 3.7%, 3.7%, 3.7%, 3.7%)	1,015.0	1,052.5	1,091.4	1,131.9	1,174.1	1,217.9
Sales & Other Taxes (0.8%, 1.9%, 1.9%, 1.8%, 1.7%)	15.3	15.4	15.7	16.0	16.3	16.5
Motor Vehicle License Fees	2.7	2.6	2.6	2.6	2.6	2.6
Property Tax Administration	26.9	27.4	27.9	28.4	28.1	28.5
Franchises and Rents	2.7	2.7	2.7	2.7	2.7	2.7
Interest (4.1%, 4.1%, 4.1%, 4.1%, 4.1%)	39.6	33.4	34.8	36.2	37.7	39.2
Miscellaneous	2.9	1.9	1.9	1.9	1.9	1.9
Subtotal - GPR before Transfers In	\$1,105.1	\$1,135.9	\$1,177.0	\$1,219.7	\$1,263.4	\$1,309.3
Transfers In	0.0	6.0	6.0	6.0	6.0	6.0
Total GPR (excluding FBU/Use of Reserves)	\$1,105.1	\$1,141.9	\$1,183.0	\$1,225.7	\$1,269.4	\$1,315.3
Planned Use of Reserves						
Catastrophic Event Contingencies (9741)	0.0	0.0	0.0	0.0	0.0	0.0
Reserve for Maintenance & Construction (9743)	0.0	0.0	0.0	0.0	0.0	0.0
Reserve for Budget Stabilization (9745)	0.0	0.0	0.0	0.0	0.0	0.0
Total Planned Use of Reserves	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
GRAND TOTAL - SOURCES	\$1,105.1	\$1,141.9	\$1,183.0	\$1,225.7	\$1,269.4	\$1,315.3
Planned Increases to Reserves						
Catastrophic Event Contingencies (9741)	0.0	15.0	6.2	6.4	6.5	6.9
Reserve for Capital Projects (9744)	0.0	0.0	0.0	0.0	0.0	0.0
Reserve for Budget Stabilization (9745)	26.2	0.0	8.9	16.2	16.5	18.3
Total Planned Increases to Reserves	\$26.2	\$15.0	\$15.0	\$22.6	\$23.0	\$25.1
USES						
NCC Limits [0%, 0%, 0%, 0%, 0%]	\$1,036.2	\$969.2	\$972.5	\$969.2	\$973.2	\$969.2
Restore Level of Service Requests		94.9	118.6	130.6	150.5	161.8
Net Baseline Uses (NCC Limits Plus Reserve Increases & Restore Level of Service)		\$1,079.0	\$1,106.2	\$1,122.4	\$1,146.7	\$1,156.2
Expand Level of Service Requests		2.4	2.3	2.8	2.8	2.8
Capital Improvement Plan (CIP) Requests		32.5	41.1	19.4	13.0	13.2
Information Technology (IT) Plan Requests		8.1	6.8	5.2	0.7	0.8
Strategic Priority Requests		64.5	29.1	79.6	52.0	45.6
Total Expand, CIP, IT & Strategic Priority Requests		\$107.5	\$79.3	\$107.0	\$68.5	\$62.4
GRAND TOTAL - USES (Net Baseline Uses Plus Expand, CIP, IT & Strategic Priority Requests)		\$1,186.5	\$1,185.5	\$1,229.4	\$1,215.2	\$1,218.6
Variance: Grand Total Sources Less Grand Total Uses		(44.6)	(2.5)	(3.8)	54.1	96.8
Cumulative Variance		(44.6)	(47.1)	(50.9)	3.2	100.0

Notes: (1) The County will continue to strategically increase the Budget Stabilization & Contingencies Reserves to maintain the GFOA recommended target in all five years of the Plan. The County anticipates using General Purpose Revenue growth to increase reserves. (2) Restore Level of Service requests do not account for salary and benefit assumption increases as a result of ongoing negotiations with various County labor groups.

2023 SFP Capital Improvement Plan - Non-General Fund

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	Total Forecast
CAPITAL PROJECTS - APPROPRIATIONS						
Countywide Capital Projects - OC Public Works (OCPW)						
County Operations Center	2,580,000	6,120,409	0	0	0	8,700,409
Fruit Street Complex	200,000	0	0	465,000	0	665,000
Hutton Towers (Gates & Osborne Buildings)	1,105,000	3,441,000	2,244,000	3,055,000	1,100,000	10,945,000
1770 Broadway	2,000,000	1,000,000	0	0	0	3,000,000
Manchester Office Building	625,000	1,061,000	2,897,000	450,000	0	5,033,000
Other OCPW Projects for various facilities	1,861,112	1,773,978	978,328	843,993	784,542	6,241,953
Probation Facilities Capital Projects	300,000	495,000	0	0	0	795,000
Other Deferred Maintenance, Projects & Contingencies	2,628,888	0	4,880,672	6,186,007	9,115,458	22,811,025
Countywide Capital Projects Subtotal	11,300,000	13,891,387	11,000,000	11,000,000	11,000,000	58,191,387
Health Care Agency (HCA) Capital Projects						
HCA Facilities	0	150,000	600,000	0	0	750,000
HCA Madero - Behavioral Health Clinic	684,596	1,500,000	0	0	0	2,184,596
HCA 401 Tustin - Behavioral Health Clinic	150,000	350,000	25,000	0	0	525,000
Health Care Agency Capital Projects Subtotal	834,596	2,000,000	625,000	0	0	3,459,596
OC CARES Initiative						
Juvenile Correction Campus - Phase I	13,365,711	42,000	0	0	0	13,407,711
Emergency Medical Services Facility - El Toro	500,000	0	0	0	0	500,000
OC CARES Capital Projects Subtotal	13,865,711	42,000	0	0	0	13,907,711
Total Capital Projects Appropriations	26,000,307	15,933,387	11,625,000	11,000,000	11,000,000	75,558,694
Transfers to:						
Sheriff Construction & Facility Development (Fund 140)	2,668,100	2,668,100	2,668,100	2,668,100	2,668,100	13,340,500
Central Utility Facility (CUF) Projects (BC 040)	8,762,000	5,098,000	6,152,289	7,464,000	360,000	27,836,289
Central Utility Facility (CUF) Bond Repayment (BC 019)	0	34,655,000	0	0	0	34,655,000
Transfers Subtotal	11,430,100	42,421,100	8,820,389	10,132,100	3,028,100	75,831,789
Total Appropriations	37,430,407	58,354,487	20,445,389	21,132,100	14,028,100	151,390,483
Revenue Sources						
Funding from Capital Projects General Fund (BC 036)	12,133,931	12,133,931	12,133,931	12,133,931	12,133,931	60,669,655
OCWR Net Importation Revenue Sharing (Fund 295)	8,182,537	5,076,749	4,700,424	4,250,276	4,109,167	26,319,153
Transfer in from BC 004 - CUF/Future Debt Defeasance	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	25,000,000
Transfer in from OC CARES (Fund 12M)	12,713,023	0	0	0	0	12,713,023
Transfer in from Utilities BC 040 - CUF Reserves	2,207,487	2,207,487	2,207,487	2,207,487	2,207,487	11,037,435
Department Funding (Pass-through)	0	1,500,000	0	0	0	1,500,000
Total Revenue	40,236,978	25,918,167	24,041,842	23,591,694	23,450,585	137,239,266
Beginning Fund Balance Reserves	302,957,110	305,763,681	273,327,361	276,923,814	279,383,408	302,957,110
Increase/(Decrease) to Fund Balance Reserves	2,806,571	(32,436,320)	3,596,453	2,459,594	9,422,485	(14,151,217)
Closing Fund Balance Reserves	305,763,681	273,327,361	276,923,814	279,383,408	288,805,893	288,805,893

2023 SFP Capital Improvement Plan - NCC Requests

Descriptions	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	Total Forecast
OC Sheriff's Department (OCSD)						
Intake Release Center	8,574,082	6,351,862	2,462,972	2,662,972	0	20,051,888
James A. Musick Facility	0	2,012,827	0	3,163,680	0	5,176,507
Central Men's & Women's Jails	1,900,000	0	0	0	6,500,000	8,400,000
Theo Lacy Facility	1,500,000	0	0	0	0	1,500,000
Orange County Jail Facilities	5,915,780	6,059,102	8,319,655	5,479,191	2,800,000	28,573,728
OCSD Facilities Projects	7,473,868	3,386,375	6,150,851	0	0	17,011,094
OCSD NCC Request	25,363,730	17,810,166	16,933,478	11,305,843	9,300,000	80,713,217
Social Services Agency (SSA)						
Santa Ana Regional Center	0	16,885,000	0	0	0	16,885,000
Orangewood Children & Family Center	4,746,000	1,762,000	2,425,000	1,737,000	2,662,000	13,332,000
Other SSA Facilities	0	4,600,000	0	0	1,200,000	5,800,000
SSA NCC Request	4,746,000	23,247,000	2,425,000	1,737,000	3,862,000	36,017,000
OC Waste & Recycling (OCWR)						
Organics to Renewable Natural Gas and Energy Plan	0	0	18,000,000	88,000,000	65,000,000	171,000,000
OCWR NCC Request	0	0	18,000,000	88,000,000	65,000,000	171,000,000
Orange County Trial Courts						
Trial Courts Deferred Capital and Maintenance Projects	2,400,000	0	0	0	0	2,400,000
OC Trial Courts NCC Request	2,400,000	0	0	0	0	2,400,000
Total Expense	32,509,730	41,057,166	37,358,478	101,042,843	78,162,000	290,130,217
Total Revenue	0	0	18,000,000	88,000,000	65,000,000	171,000,000
Total NCC Request	32,509,730	41,057,166	19,358,478	13,042,843	13,162,000	119,130,217

Notes: The above CIP information presented in the 2023 SFP does not commit the County for funding. Funding is committed through the annual budget process and the above information is subject to change at that time. In addition, OCWR intends to fund their project with revenue generated from a higher disposal rate, which is currently under negotiation with participating cities. General Fund support is not requested for OCWR projects, but there is a possibility of drawing from the Department's reserves

2023 SFP Capital Improvement Plan - Department Funded and Non-General Fund

Descriptions	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	Total Forecast
Sheriff-Coroner Construction & Facility Development						
Theo Lacy Facility Projects	1,909,100	1,483,790	494,554	602,349	1,307,346	5,797,139
Intake Release Center Projects	258,240	0	424,971	0	185,754	868,965
Katella Training Division Projects	0	0	745,000	1,233,737	0	1,978,737
Coroner Facility Projects	0	684,310	0	0	0	684,310
Sheriff Headquarters Projects	0	500,000	474,039	0	0	974,039
Central Men's (CMJ) & Women's Jails (CWJ)	270,860	0	311,400	351,000	1,175,000	2,108,260
Other Facilities Projects	229,900	0	218,136	481,014	0	929,050
Total Sheriff-Coroner Construction & Facility Development Expense:	2,668,100	2,668,100	2,668,100	2,668,100	2,668,100	13,340,500
Social Services Agency (SSA)						
Children Services Headquarters (Eckhoff)	3,290,000	0	0	0	0	3,290,000
Total SSA Expense:	3,290,000	0	0	0	0	3,290,000
OC Dana Point Harbor						
Dana Point Harbor	396,000	2,200,000	2,200,000	0	20,000,000	24,796,000
Total Dana Point Harbor Expense:	396,000	2,200,000	2,200,000	0	20,000,000	24,796,000
OCWR Capital Project Fund						
Olinda Alpha Landfill (OAL) Projects	9,000,000	500,000	6,000,000	0	0	15,500,000
Frank R. Bowerman (FRB) Landfill Projects	16,600,000	18,500,000	13,500,000	0	0	48,600,000
Prima Deshecha Landfill Projects	30,000,000	19,750,000	19,350,000	11,500,000	20,000,000	100,600,000
Organics Management Projects	29,850,000	8,850,000	0	0	0	38,700,000
OCWR Projects	3,450,000	0	0	0	0	3,450,000
Total OCWR Capital Project Fund Expense:	88,900,000	47,600,000	38,850,000	11,500,000	20,000,000	206,850,000
Airport Construction Fund						
Airport Terminal Projects	114,227,000	57,261,000	73,340,000	64,314,000	30,357,000	339,499,000
Airport Airfield Projects	11,838,000	19,216,000	24,725,000	3,518,000	2,146,000	61,443,000
Stormwater Projects	3,416,000	18,641,000	155,000	0	0	22,212,000
Parking Projects	912,000	3,177,000	5,767,000	6,722,000	50,000	16,628,000
Apron Projects	148,000	514,000	2,227,000	22,513,000	12,181,000	37,583,000
Various Projects	16,899,000	39,049,000	42,363,000	14,753,000	450,000	113,514,000
Total Airport Construction Fund Expense:	147,440,000	137,858,000	148,577,000	111,820,000	45,184,000	590,879,000
OCIT Countywide Services						
OC Data Center (OCDC) Projects	2,829,591	1,620,409	150,000	0	0	4,600,000
Total OCIT Countywide Services Expense:	2,829,591	1,620,409	150,000	0	0	4,600,000
County Expense Total:	245,523,691	191,946,509	192,445,100	125,988,100	87,852,100	843,755,500
County Revenue Total	245,523,691	191,946,509	192,445,100	125,988,100	87,852,100	843,755,500

Note: Totals may not foot due to rounding.

OC Public Works & OC Community Resources Capital Improvement Program Summary

Descriptions	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	Total Forecast
OC Public Works						
Road Capital Improvement Program	44,743,875	64,153,750	47,811,000	44,742,793	11,408,293	212,859,711
Road Maintenance Program	32,173,000	25,180,000	24,410,000	23,955,000	23,955,000	129,673,000
Road Externally Funded Program	2,347,107	572,500	3,015,000	0	0	5,934,607
Flood Control Capital Improvement Program	42,830,000	5,500,000	114,711,000	83,872,964	102,412,820	349,326,784
Flood Control Maintenance Program	19,985,000	12,995,000	12,885,000	10,865,000	10,780,000	67,510,000
Bikeway Capital Improvement Program	7,011,000	61,935,000	4,585,000	3,500,000	0	77,031,000
OC Public Works Total	149,089,982	170,336,250	207,417,000	166,935,757	148,556,113	842,335,102
OC Community Resources						
OC Parks Horizontal Capital Improvement Program	24,878,600	24,474,915	5,805,000	9,577,500	4,360,400	69,096,415
OC Parks Vertical Capital Improvement Program	7,690,033	7,490,750	13,280,000	4,186,250	4,086,540	36,733,573
OC Libraries Horizontal Capital Improvement Program	0	220,000	61,500	0	0	281,500
OC Libraries Vertical Capital Improvement Program	15,235,000	2,916,250	1,110,000	2,300,000	1,300,000	22,861,250
OC Animal Care	405,213	1,174,255	1,243,295	1,491,959	513,941	4,828,663
OC Community Resources Total	48,208,846	36,276,170	21,499,795	17,555,709	10,260,881	133,801,401

Note: The complete Capital Improvement Program can be found on-line at: <https://ocpublicworks.com/ocpw/capital-improvement-program>

Capital Improvement Plan - Operating Impacts

The following table provides anticipated operating impacts of significant capital projects over the next five years.

Capital Improvement Plan - Operating Impacts						
Project	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Total
All Funds						
Airport Power Generation & Distribution Upgrades	0	200,000	200,000	200,000	200,000	800,000
Barrett Lane Drainage and Sidewalk Improvement	50,000	50,000	50,000	50,000	50,000	250,000
Bolsa Bay Flood Control Improvements	25,000	50,000	220,000	220,000	220,000	735,000
Common Use Passenger Processing System Replacement	0	838,642	838,642	838,642	838,642	3,354,568
Coyote Creek Channel Segment	15,500	15,500	15,500	15,500	15,500	77,500
Electric Vehicle Charging Infrastructure - Main Street & T-Lot	100,000	100,000	100,000	100,000	0	400,000
Frank R. Bowerman (FRB) Groundwater Protection and Stockpile Project	20,500	20,500	20,500	20,500	20,500	102,500
FRB Landfill Sewer Line and Water Treatment System	15,500	76,000	81,000	91,000	91,000	354,500
Household Hazardous Waste Collection Center - Santa Ana	0	0	1,825,000	1,975,000	2,175,000	5,975,000
Mile Square Regional Park - Golf Course to Park Conversion	12,500	12,500	12,500	12,500	0	50,000
Modjeska Drainage Improvement	185,000	185,000	185,000	185,000	185,000	925,000
North Tustin - Crawford Canyon Park Development	63,778	65,755	67,794	69,895	0	267,222
Olinda Alpha Landfill Main Access Road Extension	6,664	6,664	81,004	6,664	81,004	182,001
Olinda Alpha Landfill Phase 1 Covered Aerated Static Pile	1,552,588	1,552,588	1,552,558	1,552,558	1,552,588	7,762,940
Prima Capistrano Greenery Organics Phase 1B	209,000	209,000	209,000	209,000	209,000	1,045,000
Prima Infrastructure Phase 1B Project	0	10,000	15,000	15,000	15,000	55,000
Prima Zone 4 Phase A Mass Excavation and Ground Water Protection	15,000	25,000	25,000	25,000	30,000	120,000
Santa Ana - Delhi Channel	460,000	460,000	460,000	460,000	460,000	2,300,000
Santa Ana River - Levee Height Correction	51,500	51,500	51,500	51,500	51,500	257,500
Silverado Canyon Road Bridget Replacement	0	106,000	106,000	106,000	106,000	530,000
Terminal Grease Interceptor Replacement & Improvement	0	200,000	200,000	200,000	200,000	800,000

Major Capital Projects	
Project	Note
Dana Point Harbor Revitalization	The Dana Point Harbor Revitalization Plan includes a public private partnership (P3) project. Construction related to the Dana Point Harbor Revitalization project is anticipated to be completed in 2026. The project does not require County General Funds.
Emergency Medical Services Operating Facility	A new County of Orange Emergency Medical Services Operating Facility is being established on County-owned land in the City of Irvine that would co-locate the programs responsible for emergency medical services and disaster management and also relocate and increase the capacity of the public health laboratory.
Juvenile Corrections Campus - Phase 1 (OC CARES)	Consists of a Youth Transition Center that focuses on reentry services and specialized housing for the realigned juvenile population.
Housing for Transitional Aged Youth (TAY) (OC CARES)	Specialized facility for the post-custody housing of TAY individuals within the juvenile justice system that will offer treatment and support services. Housing would consist of transitional housing, housing for the Commercial Sexual Exploitation of Children population, and high needs housing.
Coordinated Reentry Center (OC CARES)	Community Resource Center dedicated to encourage successful reintegration into the community and make reentry services easily accessible to all individuals involved in the criminal justice system.

Note: The County is in the preliminary planning phase of other capital projects such as the Workforce Reentry Center, Emergency Operations Center, and relocation of OC Public Works Fruit Street operations. For further details of capital projects, see Program V: Capital Improvements section.

FY 2024-25 ADOPTED BUDGET HIGHLIGHTS & ASSUMPTIONS

Budget Highlights

- Consistent with long-term strategic priorities and the SFP, the budget is balanced.
- The base budget includes 0% growth in Net County Cost (NCC) for General Fund departments. Increases to NCC occur with augmentations.
- The total County budget is \$9.5 billion, of which \$4.8 billion is the General Fund budget.
- Budgeted General Purpose Revenues total \$1.1 billion, \$96.5 million more than the FY 2023-24 Adopted Budget of \$1 billion, primarily due to a \$62.9 million projected increase in property tax revenues and \$22.4 million increase in interest.
- Revenue assumptions reflect moderate levels of growth including 4.4% growth in General Fund net property tax revenues over the current year-end revenue estimate.
- The FY 2024-25 budget for the one-half cent Public Safety Sales Tax (Proposition 172) revenue of \$438.6 million (80% Sheriff - \$350.9 million; 20% District Attorney - \$87.7 million) is a 5% (\$21.1 million) increase when compared to the FY 2023-24 actual of \$417.5 million.
- The County allocation of AB 109 (2011 Public Safety Realignment) revenue is budgeted with an increase of approximately \$8.7 million (or 7.1%) combined in base and growth revenue for Orange County when compared to the FY 2023-24 budget.

When compared to the FY 2023-24 Modified Budget, the FY 2024-25 Adopted Budget reflects a decrease of \$852.9 million and a net increase of 27 positions. The budget decrease is primarily related to lower intergovernmental revenue associated with Federal Disaster Relief and State Mental Health revenue. The position increase is primarily due to position changes included in approved restore and expand augmentation requests. The approved restore and expand augmentations are described in the Specific Program Highlights section beginning on page 37 and the FY 2024-25 Augmentation Requests document.

Total Financing Sources

The County Budget includes a wide variety of financing sources. Key revenue sources include intergovernmental revenues, taxes, charges for services, miscellaneous revenues, use of money and property, fines and forfeiture/licenses and permits and other financing sources, which comprise approximately 83% of the County's total funding for the FY 2024-25 Adopted Budget.

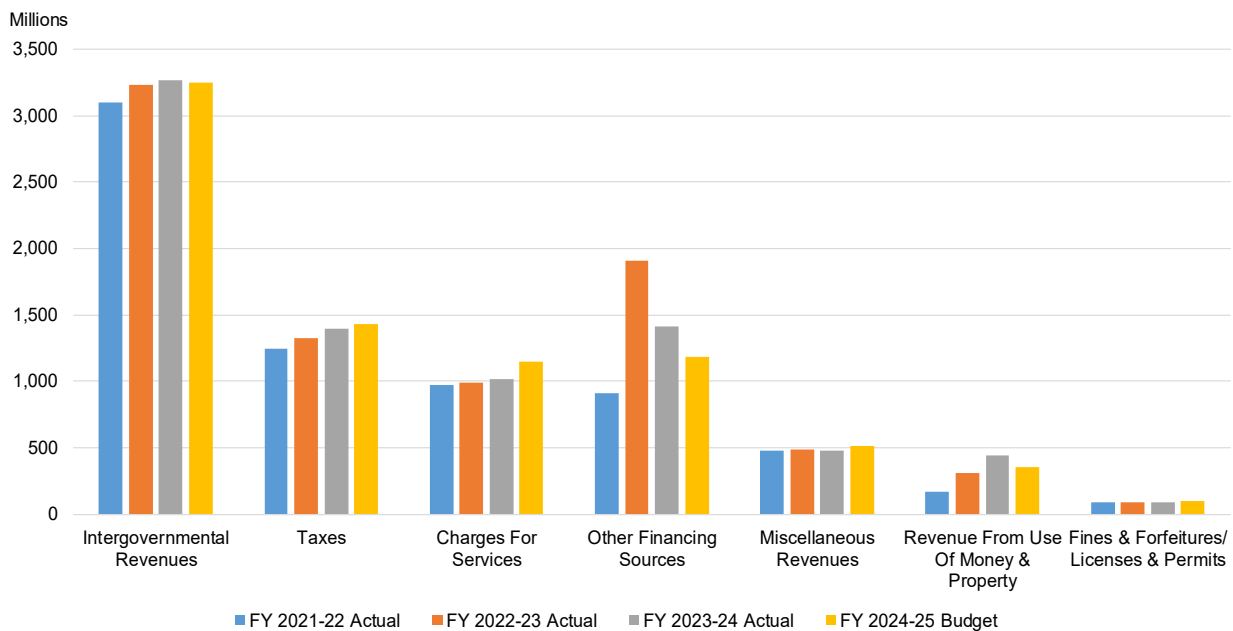
Financing sources, including reserve cancellations and Fund Balance Unassigned, for the FY 2024-25 Adopted Budget total \$9.5 billion, a decrease of \$852.9 million from the FY 2023-24 Modified Budget. Revenue sources total \$8 billion, a decrease of \$699.6 million, or 8.1%, from the FY 2023-24 Modified Budget.

Financing Sources (in millions)

Source Name	FY 24-25 Budget	Percent of Total
Intergovernmental Revenues	\$ 3,243.7	34.0%
Fund Balance Unassigned (FBU)	396.5	4.2%
Charges For Services	1,147.2	12.0%
Taxes	1,426.5	15.0%
Miscellaneous Revenues	509.5	5.3%
Other Financing Sources	1,186.0	12.4%
Revenue From Use Of Money & Property	354.6	3.7%
Reserve Cancellations	1,185.4	12.4%
Fines & Forfeitures/Licenses & Permits	97.3	1.0%
Total	\$ 9,546.7	100.0%

County Revenue Sources

**Total County Revenues by Source
FY 2021-22 to FY 2024-25**



KEY REVENUE TRENDS AND ASSUMPTIONS

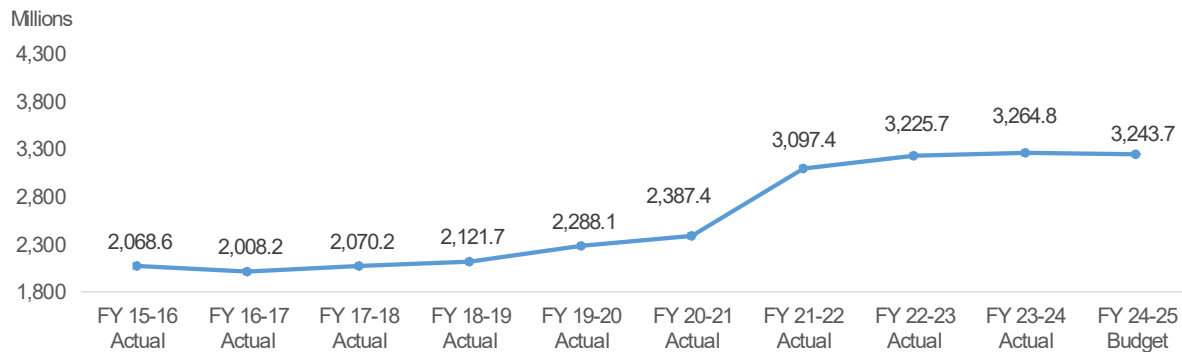
Revenues Sources (in millions)

Source Name	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Budget
Intergovernmental Revenues	\$ 3,097.4	\$ 3,225.7	\$ 3,264.8	\$ 3,243.7
Taxes	1,246.2	1,322.6	1,395.8	1,426.5
Charges For Services	969.6	993.5	1,016.2	1,147.2
Other Financing Sources	909.7	1,903.1	1,416.3	1,186.0
Miscellaneous Revenues	474.4	488.6	474.2	509.5
Revenue From Use Of Money & Property	169.0	314.2	439.1	354.6
Fines & Forfeitures/Licenses & Permits	89.2	94.2	94.4	97.3
Total	\$ 6,955.5	\$ 8,341.9	\$ 8,100.8	\$ 7,964.8

Revenue projections are developed using various tools and techniques, including institutional forecasts, national, state, and local economic indicators, trend analysis, and outside consultants.

Intergovernmental revenues are monies obtained from federal, state, and local governments and can include grants for use in performing specific functions, shared taxes, and contingent loans and advances. State and federal sources are estimated by departments based on established funding allocation formulas, caseload projections, and the latest state and federal budget information. Intergovernmental revenues are budgeted at \$3.2 billion in FY 2024-25, lower than FY 2023-24 actuals by \$21.1 million, or 0.6%. The decrease is mainly attributable to lower budgeted amounts in federal disaster relief, state public assistance programs and mental health revenues, offset by higher budgeted amounts in federal public assistance funding. Based on current revenue trends, Proposition 172 revenue allocated to District Attorney and Sheriff-Coroner is projected at \$438.6 million for FY 2024-25.

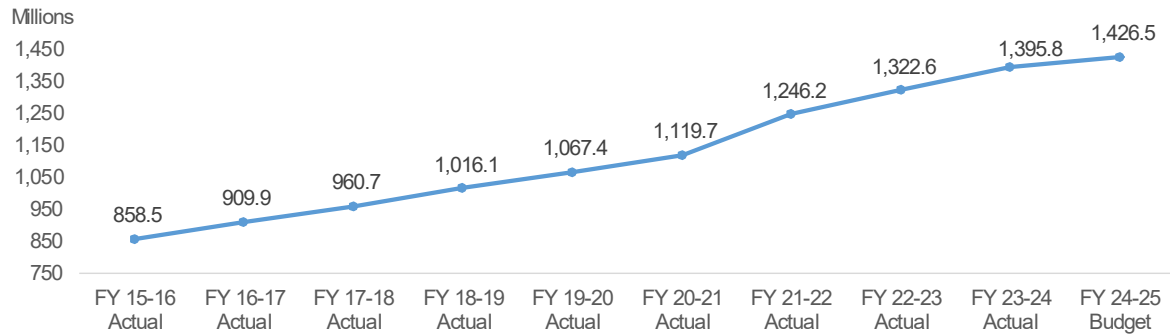
Intergovernmental Revenue History



*NOTE: The increase from FY 2019-20 in intergovernmental revenue is primarily due to the Covid-19 response and the aid received for it from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA).

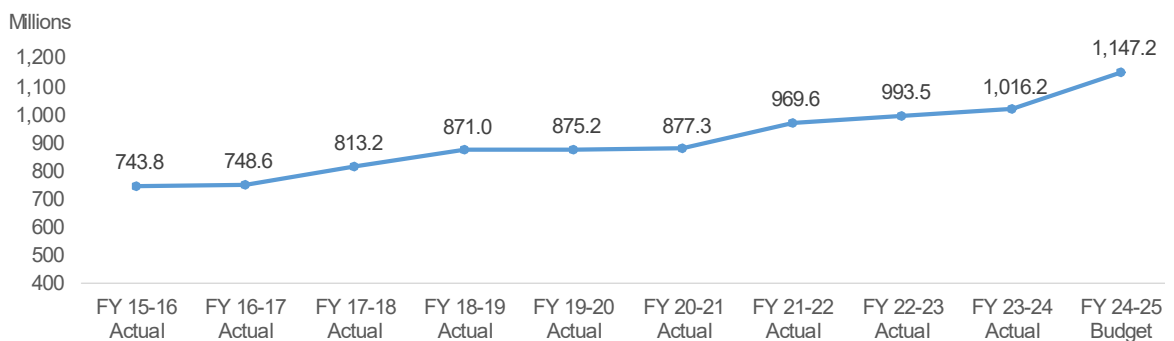
Tax revenues consist of property tax, sales and use tax, Mello-Roos taxes for Community Facilities Districts, and other tax revenues. Property tax revenues comprise 87.7% of total tax revenues and are calculated based on a percent of the assessed value of real property. Tax revenues are budgeted at \$1.4 billion in FY 2024-25, higher than FY 2023-24 actuals by \$30.6 million, or 2.2%. The 2023-24 Local Assessment Roll of Values increased by 5.4% and reflected taxable property values as of January 2024.

Tax Revenue History



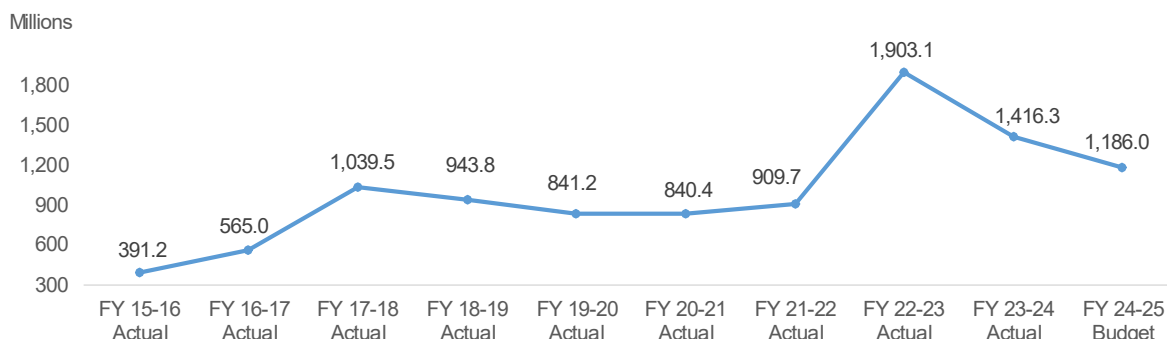
Charges for services include revenues received for contract law enforcement services and County-provided services, such as mental health, institutional care, health, road and street, and sanitation. Fees and charges recover the cost of services provided and ensure that services continue in the future. Charges for services are budgeted at \$1.1 billion in FY 2024-25, higher than FY 2023-24 actuals by \$131 million, or 12.9%, primarily due to revenue increases for law enforcement services, mental health services, and other services.

Charges for Services History



Other financing sources consist of transfers between County funds and long-term debt proceeds, both of which can vary significantly annually depending on departmental funding needs, particularly related to capital projects and debt service. Other financing sources are budgeted at \$1.2 billion in FY 2024-25, lower than FY 2023-24 actuals by \$230.2 million, or 16.3%. The decrease in FY 2024-25 from the FY 2023-24 actuals is mainly attributable to transfers related to Countywide Capital Projects Non-General Fund and OC CARES Fund.

Other Financing Sources History



*NOTE: The increase in FY 2022-23 primarily due to increases of transfers for the Mental Health Services Act and the OC CARES initiative for Capital Projects.

Major Expense Assumptions

Assumptions for various categories of expenses include:

- Labor costs are centrally calculated based on approved positions and vacancy factors. One to two step merit increases are assumed for eligible employees. Management classifications will calculate a 3% merit increase if the incumbent is at least 3% below the maximum advertised rate or an amount up to the maximum advertised rate. Actual merit awards are based on the employee's performance evaluation.
- Base building increases in appropriations for salaries are built into departmental budgets consistent with negotiated salary increases within current Memorandum of Understandings (MOU) approved by the Board of Supervisors. FY 2024-25 budgeted salaries are 10.71% higher than FY 2023-24 budget salaries, primarily due to the new negotiated union contracts for all ten of the County of Orange labor unions.
- In the Orange County Employees Retirement System's (OCERS) December 31, 2022 actuarial valuation, FY 2024-25 retirement contribution rates decreased for General employees (Rate Groups 2) and increased for General and Safety (Rate Groups 1, 6, & 7) employees due to investment gains after smoothing were lower than the 7% assumed rate of return, actual 2022 salary increases were higher than the expected salary increase of 3.0% and the 2023 COLA increase of 3% being greater than the assumed COLA of 2.75%. Overall, the County's FY 2024-25 aggregate retirement contribution rate increased to 41.66% from 39.64% in FY 2023-24. As a result of the increased retirement contribution rates and increased salaries due to new union contracts, FY 2024-25 budgeted retirement costs are expected to increase from FY 2023-24 Budget by approximately 13.43%.
- FY 2024-25 projected health insurance rates were budgeted 7.0% to 8.0% higher than FY 2023-24 fiscal year rates, depending on health plan. As a result of the budgeted increase in health rates, FY 2024-25 budgeted health insurance costs are expected to increase by an average of approximately 5.54%.
- The FY 2024-25 aggregate retiree medical contribution rate is projected to decrease to 0.86% from 1.96% in FY 2023-24. The decrease in the aggregate retiree medical contribution rate is primarily due to the restructuring of the Retiree Medical Plan in 2023. All active and current employees were transitioned to a defined contribution Health Reimbursement Arrangement. As a result of the restructuring, FY 2024-25 budgeted retiree medical and health reimbursement arrangement costs are expected to decrease by 13.54% in comparison to FY 2023-24.

- Services and supplies are budgeted at the same level as the prior fiscal year and only increased to the extent necessary to support operational and SFP goals.

Specific Program Highlights

This section provides highlights of base budgets and augmentations for county budget programs and departments. Due to increasing costs that continue to outpace growth in sources, some departments were required to propose reductions in the budget to meet NCC limits. Departments requested full restoration and worked diligently to manage their budgets to consistently maintain programs and minimize impacts on services.

PUBLIC PROTECTION

■ District Attorney - Public Administrator

District Attorney - Public Administrator proposed \$22.7 million and 105 positions in reductions, all of which were approved for restoration ongoing to ensure adequate staffing to sustain core mandated functions.

■ Public Administrator

Public Administrator proposed \$242 thousand and three positions in reductions, all of which were approved for restoration ongoing to sustain core mandated functions.

■ Office of Independent Review

Office of Independent Review proposed \$119 thousand in reductions, all of which was approved for restoration ongoing to sustain investigative support services.

■ Public Defender

Public Defender proposed \$12.1 million and 83 positions in reductions, all of which were approved for restoration ongoing to sustain core department functions.

Additionally, Public Defender requested expand augmentations totaling \$1.4 million appropriations, \$1.2 million revenue, \$234 thousand Net County Cost and seven positions, all of which were approved for: Care Act (\$1.2 million appropriations and revenue and six positions) and immigration support services (\$234 thousand ongoing Net County Cost and one position).

■ Sheriff-Coroner

Sheriff-Coroner proposed \$48 million in reductions, of which \$40 million is ongoing and \$8 million one-time was approved to sustain core department functions.

Additionally, Sheriff-Coroner requested expand augmentations totaling one-time \$16.5 million appropriations and Net County Cost, all of which was approved for: Air Support Bureau's purchase of one helicopter and related equipment (\$15.9 million one-time appropriations and Net County Cost) and 17 replacement vehicles to support various divisions (\$621 thousand one-time appropriations and Net County Cost).

■ Trial Courts

Trial Courts proposed \$2.6 million in reductions, all of which was approved for restoration ongoing to maintain required Maintenance of Effort payment to the State.

COMMUNITY SERVICES

■ OC Community Resources

OC Community Resources proposed \$717.4 thousand in reductions, all of which was approved for restoration ongoing to sustain core mandated functions.

Additionally, OC Community Resources requested expand augmentations totaling \$1.2 million appropriations, \$539 thousand revenue, \$651 thousand Net County Cost and five positions, all of which were approved for: OC Parks administrative support (\$218 thousand appropriations and revenue and two positions); Veterans services (\$109 thousand appropriations, \$26 thousand revenue and \$82 thousand Net County Cost and one position); Office on Aging (\$94 thousand appropriations and revenue and one position); Workforce and Economic Development (\$201 thousand appropriations and revenue and one position); and OC Housing and Community Development (\$569 thousand appropriations and ongoing Net County Cost).

■ OC Housing

OC Housing requested expand augmentations totaling \$640 thousand appropriations and revenue and four positions, all of which were approved for OC Housing and Community Development.

■ OC Parks

OC Parks requested an expand augmentation for one position, which was approved for coastal resiliency activity.

■ Health Care Agency

Health Care Agency proposed \$9.7 million and 37 positions in reductions, of which all were approved. \$3.3 million was approved for restoration and ongoing Net County Cost to sustain core department functions and

\$6.4 million was approved for ongoing appropriations and revenue for Environmental Health Services.

Additionally, Health Care Agency requested expand augmentations totaling \$10.8 million appropriations and revenue and 48 positions, all of which were approved for: Orangewood Children and Family Center and Juvenile Hall medical care (four positions); Correctional Health Services (\$8.7 million appropriations and revenue and 32 positions); and Environmental Health Services fees (\$2.1 million ongoing appropriations and revenue and 12 positions).

■ **Social Services Agency**

Social Services Agency proposed \$19.8 million in appropriation reductions, all of which was approved for restoration to support mandated functions for the In-Home Supportive Services (IHSS) program.

INFRASTRUCTURE & ENVIRONMENTAL RESOURCES

■ **OC Public Works**

OC Public Works requested expand augmentations totaling \$332 thousand appropriations and one-time Net County Cost, all of which were approved for Facilities Maintenance replacement vehicles.

■ **Utilities**

Utilities proposed \$1.6 million in appropriation reductions, all of which was approved for restoration ongoing for essential utility services to Civic Center facilities.

■ **Airport**

Airport requested expand augmentations for six positions, all of which were approved to support the Safety Management System (one position) and Maintenance Divisions (5 positions).

GENERAL GOVERNMENT SERVICES

■ **Assessor**

Assessor proposed \$1.3 million in appropriation reductions and 10 positions, all of which were approved for restoration to develop and deliver mandated assessment and valuation functions.

■ **Auditor-Controller**

Auditor-Controller proposed \$1.1 million and five positions in appropriation reductions, all of which were approved for restoration to support mandated functions for Central Accounting Operations.

Auditor-Controller requested 19 positions in expand augmentations, all of which were approved for: CEO Finance Accounting (one position); Health Care Agency Accounting (two positions); and enterprise resources planning software system (16 limited-term positions).

■ **CAPS Program**

CAPS Program proposed \$1.8 million in appropriation reductions, all of which was approved for ongoing restoration to support utilization of the County's CAPS+, OC TIME and OC METER.

CAPS Program requested \$1.4 million appropriations and Net County Cost in expand augmentations which were approved for a comprehensive enterprise resource planning software system (one-time \$1.4 million appropriations and transfers-in from Countywide IT Projects Non-General Fund 15I, funded by Net County Cost).

■ **Clerk of the Board**

Clerk of the Board proposed \$1.2 million in appropriation reductions, all of which was approved for restoration to prepare and publish agendas, broadcast Board of Supervisors meetings and honor contractual commitments.

■ **County Executive Office**

County Executive Office proposed \$2.5 million in reductions, all of which was approved for restoration ongoing to sustain core department functions.

■ **Office of Care Coordination**

Office of Care Coordination requested expand augmentations totaling \$419 thousand appropriations and revenue and three positions, all of which were approved ongoing for Continuum of Care Program and Coordinated Entry System.

■ **Human Resource Services**

Human Resource Services requested an expand augmentation for two positions all of which were approved for ongoing recruitment efforts on behalf of Probation.

■ **County Counsel**

County Counsel proposed \$481 thousand in appropriation reductions, all of which was approved for ongoing restoration to sustain core mandated functions.

County Counsel requested \$219 thousand appropriations and Net County Cost and two positions in expand augmentations which were approved for: Finance/Administration Unit (\$219 thousand appropriations

and ongoing Net County Cost and one position); Legal Services to Health Care Agency, Public Guardian (one position).

■ Registrar of Voters

Registrar of Voters proposed \$3.3 million in appropriation reductions, all of which was approved for restoration ongoing to maintain election operations.

■ OC Campaign Finance and Ethics Commission

OC Campaign Finance and Ethics Commission proposed \$87 thousand in appropriation reductions and one position, all of which were approved for restoration ongoing to sustain core department functions.

■ Treasurer-Tax Collector

Treasurer-Tax Collector proposed \$2.5 million in appropriation reductions and six positions, all of which were approved for ongoing restoration to sustain core mandated functions.

Treasurer-Tax Collector requested one position in an expand augmentation which was approved for procurement services. Treasurer-Tax Collector has sufficient appropriations in FY 2024-25 Base Budget to absorb the cost of this position.

■ Internal Audit

Internal Audit proposed \$367 thousand in appropriation reductions, all of which was approved for restoration ongoing to sustain core department functions.

INSURANCE, RESERVES AND MISCELLANEOUS

■ Employee Benefits

Employee Benefits requested \$71 thousand in appropriations and one position in an expand augmentation, which were approved to support Employee Benefits.

DEBT

The budget includes all debt obligation payments. Budgets displayed in Program VI include amounts for annual payments on the County's debt financing of the Central Utility Facility and debt financing of infrastructure improvements in the County's Assessment Districts and Community Facilities Districts. This program also includes the debt associated

with the County's Teeter program. Debt related to the specific operations of John Wayne Airport is included in Program III where the operational budgets for that department are also found. Based on the County's SFP and at current Net County Cost levels, the County is able to fulfill these debt obligations and sustain current and future services and operations.

DEBT LIMIT

The amount of the general obligation bonded indebtedness the County can incur is limited under California State Law to 1.25% of the equalized assessment property tax roll.

Legal Debt Margin as a Percentage of Debt Limit Calculation for FY 2023-24

(\$ amounts in thousands)

Assessed Value	\$ 769,916,681
Legal Debt Limit (1.25% of total assessed value)	9,623,958
Net Debt Applicable to Limit	0
Legal Debt Margin	\$ 9,623,958
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0%

Source: County of Orange Auditor-Controller

FY 2024-25 Debt Service General Fund

(\$ amounts in thousands)

	2016 CUF Lease Revenue Bonds	2022 OCSD Lease Revenue Bonds
Maturity (Fiscal Year)	2035-36	2051-52
Debt Outstanding as of 6/30/24	39,780	82,035
FY 2024-25 Debt Service:		
Principal	2,500	1,405
Interest	1,989	4,101
Total	4,489	5,506
Debt Outstanding as of 6/30/25	37,280	80,630

Note: The table above excludes Civic Center Master Plan - Phases I and II Bonds as the bonds are not County-issued debt. As a tenant of County Administration South (Civic Center Master Plan Phase I) and County Administration North (Civic Center Master Plan Phase II), the County began making base rental payments in FY 2020-21 and FY 2022-23, respectively.

PLEDGED REVENUE

Coverage for South Orange County Public Financing Authority Central Utility Facility Lease Revenue Bonds, Series 2016 and Orange County Sheriff's Department Lease Revenue Bonds, Series 2022 (in thousands)			
Fiscal Year Ending June 30	2023	2022	2021
Pledged Revenue	4,573	4,489	4,338
Debt Service			
Principal	2,265	2,160	2,054
Interest	5,753	2,329	2,433
Total Debt Service	8,018	4,489	4,487
Coverage	0.43	1.00	.97

Source: County of Orange Auditor-Controller Annual Comprehensive Financial Report

BOND RATINGS & PURPOSE

TYPE OF BOND	Fitch Insured/ Underlying	Moody's Insured/ Underlying	S&P Insured/ Underlying	Purpose
2016 CUF Lease Revenue Bonds	not rated/not rated	not rated/not rated	not rated/AA	Acquisition, construction and installation of certain capital improvements for the County's Central Utility Facility located at 525 North Flower Street in Santa Ana, California
2022 OCSD Lease Revenue Bonds	not rated/AA+	not rated/not rated	not rated/AA	Acquisition and construction of certain improvements to a new facility for the Sheriff-Coroner's department located in Tustin.

Source: County of Orange Budget & Finance Office

COUNTY OF ORANGE RATINGS UPGRADE

The Standard & Poor's Global Ratings upgraded the County's issuer credit rating (ICR) to AAA from AA+, which represents the highest credit quality and lowest risk of default in the industry. The upgrade to the ICR was attributed to strong management, which has led to strong budgetary performances during the past two years, increasing the general fund reserves to meet the Government Finance Officers Association (GFOA) recommendation on reserves and a strong local economy with a growing tax base and rising property tax revenue. The update from Standard & Poor's Global Rating now matches the AAA rating that was already given to the County by Fitch Ratings.

CASH FLOW MANAGEMENT

The County did not issue short-term taxable Pension Obligation Bonds to prepay, at a discount, a portion of the County's FY 2024-25 pension obligation due to historically high interest rates that would have eliminated any savings with a prepayment in January 2024.

BUDGET & FISCAL POLICIES

Basis of Budgeting

The County's budget and its accounting system are based on the modified accrual system. The fiscal year begins on July 1. Revenues are budgeted as they are expected to be received or as they are applicable to the fiscal year. Consistent with generally accepted accounting principles, revenues are recognized when they are measurable and available. The County's availability criterion is 60 days after the end of the fiscal year.

Expenses are budgeted at an amount sufficient for 12 months if ongoing, and as needed in either partial or full amounts for one-time items. In each fund, expenses and increases to obligated fund balances must be balanced with available financing.

Budget Development Policies

The following budget policies and guidelines are used by all county departments as a starting point for budget development:

Consistency with Strategic Financial Plan: Base operating budget requests shall be consistent with the priorities and operational plans contained in the 2023 SFP. Department heads are responsible for using this planning process along with program outcome indicators to evaluate current programs and redirect existing resources as needed for greater efficiency, to reduce costs and minimize the requests for additional resources. A certification regarding the evaluation of existing resources is required as part of the department's budget request submittal.

Salaries & Employee Benefits: The Salary and Benefits Forecasting System (SBFS) in the county's budget system, Performance Budgeting (PB), calculates the regular salary and employee benefits base budgets centrally. Salaries and employee benefits are reduced to account for vacant positions based on the average monthly percentage of vacant positions calculated on a dollar-weighted basis for calendar year 2023.

For extra-help positions, departments are responsible for budgeting salaries and employee benefits in accordance with Memorandum of Understanding requirements.

Services & Supplies: Services and supplies are budgeted using realistic amounts based on prior year actual expenditures and historical trends to the extent the appropriations are necessary to support operational needs.

Program Revenue and Grants: Program revenues (e.g. state and federal programs revenues) are to be used to offset the department's proportional share of operating costs to the full extent of the program regulations. Local matching funds should normally be at the legal minimum so that the General Fund subsidy (backfill) is minimized. Program revenues are to be used for caseload growth.

One-time revenues shall be limited for use on non-recurring items such as start-up costs, program or reserve stabilization, and capital expenses.

New revenue sources pending legislation or grant approval are not included in the base budget request. They will be considered during the September Budget Update or Mid-Year process (e.g. when legislation is passed or grants are awarded).

Net County Cost (NCC): NCC limits are based on the FY 2023-24 budget, adjusted for one-time items and annualization of approved ongoing augmentations. The FY 2024-25 budget policy includes 0% growth in the limits consistent with the 2023 SFP.

Fund Balance: Fund balance is defined as the difference between assets and liabilities in a governmental fund. Fund balance may be obligated (reserved) for a specific purpose or may be unreserved and available for any purpose of the fund in which it is reported. Unreserved fund balance in a capital projects fund may be used to fund capital projects. Unreserved fund balance in the General Fund may be used for any purpose.

Obligated Fund Balances, Net Position, and Contingencies: The County General Fund currently includes obligated fund balances (reserves) and appropriations for contingencies. These obligated fund balances protect County-mandated programs and services from temporary revenue

shortfalls and provide for unpredicted, sudden, or unavoidable one-time expenditures. Certain departments and non-General Funds have other obligated fund balances, or net position (similar to retained earnings), dedicated to specific programs and uses.

Balanced Budget: The General Fund requirements will be balanced to available resources. Budgets for funds outside the General Fund are balanced to Available Financing without General Fund subsidy unless previously approved by the Board or CEO. Available Financing shall be determined by realistic estimates of budget year revenues and any planned changes to obligated fund balances.

Augmentations (requests for new or restored resources): All augmentation requests require outcome indicators (performance measures) that outline the department's intended outcome(s) resulting from the additional resources. Department heads must certify that all potential alternatives for redirecting existing resources have been examined and that lower priority items have been reduced or eliminated in order to make current resources available.

Program Budgets Outside the General Fund: It is the department head's responsibility to ensure that the proposed use of program funds is consistent with available financing, legal restrictions on funds, and the county's strategic priorities; and has been coordinated with the appropriate stakeholders external to the county.

A Citizen's Guide to Reading the Budget Document

This document includes information that provides readers with a greater understanding of each department's mission, organizational structure, and performance results as a narrative context for the budget amounts. The introduction section of Volume I contains several charts and tables that provide an overview of issues affecting the budget, sources and uses of funds, and budgeted positions. Subsequent sections present each department and fund in the following County's seven program areas:

1. Public Protection
2. Community Services

3. Infrastructure and Environmental Resources
4. General Government Services
5. Capital Improvements
6. Debt Service
7. Insurance, Reserves and Miscellaneous

The presentation for each department within each program area includes:

An **Operational Summary** including:

- Mission
- Budget at a Glance
- Department Goals
- Key Outcome Indicators (Performance Measures)
- Achievement Highlights

An **Organizational Summary** including:

- Organization Chart
- Description of each major activity
- Ten-year staffing trend chart with highlights of staffing changes

A FY 2024-25 **Budget Summary** including:

- Department's plan for support of the County's initiatives
- Changes included in the base budget
- Budget augmentations and related performance plans
- Recap of the department budget
- Highlights of key budget trends
- A matrix of the budget units under the department's control

Volume II contains additional budget detail. Readers looking for more detailed budget information for a specific department can use the Index at the end of Volume II. Departments are listed in alphabetical order with the page number of that department's budget information.

FUND STRUCTURE

County funds can be divided into three major categories: governmental, proprietary, and fiduciary. Only governmental and proprietary funds are included in the County's budget.

The County maintains several individual governmental funds organized according to their type: General Fund, as well as Special Revenue, Debt Service, Capital Projects, and Permanent Funds.

- The General Fund is a government's basic operating fund and accounts for everything not accounted for in another fund.
- Special Revenue Funds account for specific revenue sources that are limited to uses for a particular purpose.
- Debt Service Funds account for the repayment of debt.
- Capital Projects Funds account for the construction, rehabilitation, and acquisition of capital assets, such as buildings, equipment, and roads.
- Permanent funds account for resources that cannot be expended, but must be held in perpetuity.

The County maintains two different types of proprietary funds: Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as business-type activities. The County uses Enterprise Funds to account for its Airport, Waste Management, and Compressed Natural Gas activities. Internal Service Funds are used to accumulate and allocate costs internally among the county's various functions such as insurance, transportation, publishing, and information technology.

General Fund

073 Alternate Defense
087 American Rescue Plan Act
002 Assessor
003 Auditor-Controller
006 Board of Supervisors - 1st District
007 Board of Supervisors - 2nd District
008 Board of Supervisors - 3rd District
009 Board of Supervisors - 4th District
010 Board of Supervisors - 5th District
071 Building & Safety General Fund
019 Capital Acquisition Financing
036 Capital Projects
014 CAPS Program
035 CEO Real Estate
027 Child Support Services
011 Clerk of the Board
059 Clerk-Recorder
025 County Counsel
017 County Executive Office
100 County General Fund Level Transactions

038 Data Systems Development Projects
026 District Attorney - Public Administrator
056 Employee Benefits
086 FEMA Reimbursements
041 Grand Jury
042 Health Care Agency
030 Health Care Agency - Public Guardian
054 Human Resource Services
039 IBM Mainframe
079 Internal Audit
045 Juvenile Justice Commission
004 Miscellaneous
024 OC Animal Care
052 OC Campaign Finance and Ethics Commission
012 OC Community Resources
080 OC Public Works
034 OC Watersheds
037 OCIT Shared Services
018 Office of Care Coordination
051 Office of Independent Review
022 Prepaid Pension Obligation

General Fund (continued)

048 Pretrial Services
 057 Probation
 015 Property Tax System Centralized O & M Support
 029 Public Administrator
 058 Public Defender
 031 Registrar of Voters
 060 Sheriff-Coroner
 063 Social Services Agency
 074 Treasurer-Tax Collector
 081 Trial Courts
 040 Utilities

Special Revenue

140 Air Quality Improvement
 12P Assessor Property Characteristics Revenue
 13Z Bioterrorism Center for Disease Control Fund
 113 Building and Safety
 14D CAL - ID Operational Costs
 14E CAL - ID System Costs
 15H CalHome Program Reuse Fund
 12L Care Coordination Fund
 15B CEO Single Family Housing
 12C Child Support Program Development
 12E Clerk-Recorder Operating Reserve Fund
 12D Clerk-Recorder Special Revenue Fund
 109 County Automated Fingerprint Identification
 468 County Service Area #13 - La Mirada
 12N County Strategic Planning and Board Initiatives
 106 County Tidelands - Newport Bay
 15N Delta Special Revenue
 123 Dispute Resolution Program
 14H District Attorney's Supplemental Law Enforcement Services
 124 Domestic Violence Program
 15T El Toro Improvement Fund
 13S Emergency Medical Services
 14J Excess Public Safety Sales Tax
 14T Facilities Development and Maintenance Fund
 148 Foothill Circulation Phasing Plan
 13U HCA Interest Bearing Purpose Restricted Revenue
 13T HCA Purpose Restricted Revenues
 13W HCA Realignment
 170 Housing Asset Fund
 144 Inmate Welfare Fund
 143 Jail Commissary
 12Y Juvenile Justice Reform
 158 Major Thoroughfare & Bridge Fee Program (MT &B)

138 Medi-Cal Administrative Activities/Targeted Case Management
 13Y Mental Health Services Act
 12A Mental Health Services Act (MHSA) Housing Fund
 122 Motor Vehicle Theft Task Force
 459 N. Tustin Landscape & Lighting Assessment District
 116 Narcotic Forfeiture and Seizure
 121 OC Animal Care Donations
 16D OC Animal Shelter Construction Fund
 12M OC CARES
 108 OC Dana Point Harbor
 400 OC Flood
 404 OC Flood - Capital Santa Ana River Mainstem/Prado Dam
 401 OC Flood - Capital Improvement Projects
 15G OC Housing
 15F OC Housing Authority
 117 OC Housing Authority - Operating Reserves
 13M OC Opioid Settlement Fund
 406 OC Parks Capital
 405 OC Parks CSA 26
 120 OC Public Libraries
 119 OC Public Libraries - Capital
 115 OC Road
 174 OC Road - Capital Improvement Projects
 13N OC Tobacco Settlement Fund
 134 Orange County Jail Fund
 137 Parking Facilities
 12H Proposition 64 - Consumer Protection
 12J Proposition 69 - DNA Identification Fund
 135 Real Estate Development Program
 12G Real Estate Prosecution Fund
 126 Regional Narcotics Suppression Program - Other
 107 Remittance Processing Equipment Replacement
 13R Sheriff-Coroner Replacement & Maintenance Fund (SCRAM)
 139 Sheriff Narcotics Program - CALMMET - Treasury
 132 Sheriff Narcotics Program - Department of Justice
 133 Sheriff Narcotics Program - Other
 142 Sheriff's Court Operations - Special Collections
 141 Sheriff's Substations Fee Program
 14G Sheriff's Supplemental Law Enforcement Services
 151 South County Roadway Improvement Program (SCRIP)
 431 Special Assessment-Top of The World Improvement
 12S SSA Donations and Fees
 102 SSA Leased Facilities
 12W SSA Wraparound
 13P State Criminal Alien Assistance Program (SCAAP)
 15U Strategic Priority Affordable Housing

Special Revenue (continued)

128 Survey Monument Preservation

13B Traffic Violator Fund

14R Ward Welfare

146 Workforce Investment Act

Debt Service

534 AD 01-1 Group 3 Debt Service

507 Assessment District 01-1 Ziani Project Debt Service

551 Assessment District 92-1 Newport Ridge Debt Service

547 CFD 00-1 (Series A of 2000) Ladera Debt Service

533 CFD 01-1 Ladera Debt Service

555 CFD 2003-1 Ladera Debt Service

530 CFD 2004-1 Ladera Debt Service

541 CFD 2015-1 RMV (Village of Esencia) Debt Service

560 CFD 2016-1 RMV (Village Of Esencia) Debt Service

562 CFD 2017-1 RMV (Village Of Esencia) Debt Service

564 CFD 2017-1 RMV (Village Of Esencia) IA Number 2 Debt Service

566 CFD 2021-1 RMV (Rienda) Debt Service

568 CFD 2023-1 RMV (Rienda Ph 2B) Debt Service

479 CFD 99-1 Series A of 1999 Ladera Debt Service

513 Coto de Caza CFD 87-8 Debt Service

505 Foothill Ranch CFD 87-4 Debt Service

433 Golden Lantern Reassessment District 94-1 Debt Service

507 Irvine Coast Assessment District 88-1 Debt Service

487 Ladera CFD 2002-01 Debt Service

492 Mission Viejo CFD 87-3 (A) Debt Service

52T Newport Coast AD 01-1 Conversion #1 Debt Service

523 Newport Coast AD 01-1 Group 2 Debt Service

536 Newport Coast AD 01-1 Group 4 Conversion Debt Service

022 Pension Obligation Bonds Debt Service

488 Rancho Santa Margarita CFD 86-1 (Series 1988) Debt Service

501 Rancho Santa Margarita CFD 87-5(A) Debt Service

509 Rancho Santa Margarita CFD 87-5B Debt Service

517 Rancho Santa Margarita CFD 87-5C Debt Service

521 Rancho Santa Margarita CFD 87-5D (A) Debt Service

549 Rancho Santa Margarita CFD 87-5E (A of 1993) Debt Service

15Y Teeter Series A Debt Service Fund

Capital Projects

15L 800 MHz Countywide Coordinated Communications System (CCCS)

565 CFD 2021-1 RMV (Rienda) Construction

567 CFD 2023-1 RMV (Rienda Ph 2B) Construction

15D Countywide Capital Projects Non-General Fund

15I Countywide IT Projects Non-General Fund

104 Criminal Justice Facilities - Accumulative Capital Outlay

14Q Sheriff-Coroner Construction & Facility Development

Enterprise

280 Airport - Operating Enterprise

281 Airport Construction Fund

283 Airport Debt Service Fund

270 Compressed Natural Gas Enterprise Fund

299 OC Waste & Recycling Enterprise

286 OCWR - Brea/Olinda Landfill Escrow

273 OCWR Capital Project Fund

274 OCWR Corrective Action Escrow

275 OCWR - Environmental Reserve

284 OCWR - FRB/Bee Canyon Landfill Escrow

295 OCWR Importation Revenue Sharing

279 OCWR - Landfill Postclosure Maintenance

287 OCWR - Prima Deshecha Landfill Escrow

Internal Service

290 Insured Health Plans ISF

292 Life Insurance ISF

296 OC Fleet Services

289 OCIT Countywide Services

294 Property & Casualty Risk ISF

297 Reprographics ISF

298 Self-Insured Benefits ISF

292 Self-Insured PPO Health Plans ISF

291 Unemployment ISF

29W Wellness Program ISF

293 Workers' Compensation ISF

Permanent Fund

15K Limestone Regional Park Mitigation Endowment

AWARDS & RECOGNITIONS FY 2023-24

The County of Orange is hard at work throughout each year, providing services to Orange County's more than 3 million residents. The County's mission is to make Orange County a "safe, healthy and fulfilling place to live, work and play, today and for generations to come, by providing outstanding, cost-effective regional public services," and the following is a look at the recognition the County received during FY 2023-24 for those efforts.

Government Finance Officers Association of the United States and Canada (GFOA)

- A Distinguished Budget Presentation Award was given to the County of Orange for its FY 2023-24 Annual Budget document prepared by the County Executive Office, along with special recognition for the presentation of the County's long-range operating financial plans. The Distinguished Budget Presentation Award is the highest form of recognition for excellence in state and local government budget reporting.
- The GFOA also awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Orange for its Annual Comprehensive Financial Report (ACFR), prepared by the Auditor-Controller's Office, for the year ended June 30, 2023. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. Its attainment represents a significant accomplishment by a government and its management. The County's ACFR has been judged by an impartial panel. In order to be awarded, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such an ACFR must satisfy both United States generally accepted accounting principles (GAAP) prescribed for governmental entities and applicable legal requirements.

National Association of Counties (NACo)

The County received 20 Achievement Awards from NACo, which recognizes government programs for their innovation and efficiency.

- A Slice of Literary Orange - A Reimagined Speaker Series: Orange County Public Libraries reconceptualized "Literary Orange" from a single day, paid event into a free, more accessible speaker series held at multiple venues throughout Orange County all year long.
- A Win-Win - Capistrano County Beach and Doheny State Beach Sand Replenishment Project: Provides a creative and sustainable solution by placing 45,000 cubic yards of sand along a 1.1 mile stretch of beach. The Sand is recycled by OC Public Works to help combat coastal erosion and maintain a sustainable natural coastal habitat.
- Access to Technology - Bridging the Digital Divide: Aims to bridge the digital divide by providing older adults and people with disabilities access to digital devices, broadband, and training opportunities. The program seeks to improve the quality of life for these individuals through technology and connectivity.
- Bridging Distances for Love - Orange County Clerk-Recorder's Virtual Marriage Ceremony Initiative: The initiative facilitates remote participation in civil marriage ceremonies via live streaming technology. It aims to enhance inclusivity, enabling couples to share their joyous occasion with loved ones who may be unable to attend physically due to health concerns or distance.
- Career Preparation and Exploration for Justice-Involved Individuals: Orange County Community Services' Workforce & Economic Development Division launched an innovative Career Preparation and Exploration program that builds self-sufficiency and reduces recidivism for incarcerated and probation populations. This 12-week program combines case management and technology, such as virtual reality headsets, to connect participants with a variety of career paths and development opportunities before their release. Knowledge gained through the program guides participants toward career paths that are interesting to them.
- Celebrating Fall-O-Ween in the Park: Free, family-friendly fun for all ages in a unique historic setting at OC Parks' Heritage Hill Historical Park two weekends each October. Features several historic buildings that

are colorfully decorated with seasonal decor that brings more than 42,000 attendees and helped spark a 60% growth in park attendance.

- **Climb, Crawl, and Discover - Habitat Adventure Trail:** Located within OC Park's Irvine Regional Park, the Habitat Adventure Trail is a quarter-mile loop featuring a walking trail with engaging nature-themed play components, custom interpretive displays and an abundance of native plants. The revitalized 4-acre area now offers users a chance to experience Orange County's diverse natural habitats firsthand.
- **College Occupational Program (COP):** The COP is for youth who have obtained a High School Diploma or a GED, who are then given a chance to attend college courses while detained in the juvenile facility. Professors from the local community college either come on site to teach or teach via Zoom and the youth are able to earn credits towards a degree.
- **Community Ambassador Program:** Developed by Orange County Child Support Services (OC CSS), is an internal volunteer-based program aimed at increasing public awareness of services OC CSS provides in the community. The purpose is to meet customers where they are at and provide them with education and direct services related to the child support program. In addition, the program builds customer service and public speaking skills within the organization by providing volunteers the opportunity to engage in child support conversations with a wide variety of audiences and community members.
- **CSS Academy - Onboarding Program:** OC CSS is providing new case managers with the essential job knowledge and skills needed to succeed in their role. As part of this program, a dedicated supervisor provides, support, coaching/mentoring, and guidance to each Academy Team throughout the program. The program is a gradual progression model of learning that is conducive to building foundations and combining policies, procedures, and business practices with experiences to build maximum readiness.
- **Employee Reimbursement System - OC METER (Mileage, Education, Travel Employee Reimbursement):** New employee reimbursement system that automated and modernized how the County processes employee reimbursements. The new system enabled the County to automate and expedite the reimbursement process for mileage, travel, business-related expenses, and educational & professional expenses. Audit rules are configurable in the new system, allowing the County to better comply with the ever-changing policies and union Memorandum of Understanding while reducing the need for County staff to perform manual audits.
- **Everything Teen at the Library: OC Public Libraries' (OCPL) commitment to support the well-being of teens in the community is reflected in their advocacy for dedicated teen spaces and activities essential in establishing the library as a welcoming and safe place for teens.** OCPL expanded its popular TeenFest series and increased the variety and number of programs targeted for teens systemwide. Library branches offered teen activities to develop and advance self-confidence and build positive relationships with themselves and others; obtain skills to better navigate the world and remain competitive and successful in school; and prepare for the job market.
- **Heritage and History at Fall-O-Ween:** Fall-O-Ween is a free, family friendly event spanning six nights over two weekends in October designed to celebrate the fall season and expose visitors to a unique local historical park. The grounds and historic buildings are carefully and colorfully decorated with seasonal decor, while various photo stations are set up throughout the event to offer fun opportunities for families.
- **Lunch at the Library Reimagined:** OCPL expanded the Lunch at the Library summer meal program to new levels in 2023. The program provided free, healthy meals to children and teens, but with the added goal of making the library a summer destination for children and families. OCPL used the program as an opportunity to introduce families to all the library has to offer and to support education and learning on our communities. Along with providing meals, OCPL hosted fun and engaging programs to encourage families to return to the library after the summer.
- **Orange County Juvenile Hall's Youth Council:** The Youth Council program was implemented at Juvenile Hall with the intention of providing youth an opportunity to positively contribute to their community through collaboration, teamwork, and positive leadership. Youth on the council serve as liaisons for other youth within the facility.

- **Public Safety Academy:** A pathway that was created for Anaheim students to go from junior high school to high school and into law enforcement in any capacity.
- **Saddleback Wilderness Opens to the Public:** Newly opened Saddleback Wilderness features a scenic overlook with panoramic views of the Pacific Ocean and surrounding landscape, offers 3.3 miles of trails for hiking, mountain biking and horseback riding in the heart of Orange County. OC Parks has hosted nearly 40 free programs and activities at Saddleback Wilderness, welcoming visitors to this beautiful new outdoor space for the first time in almost 40 years.
- **Senate Bill (SB) 1383 Procurement Program & Market Development Plan:** SB 1383 set methane emissions reduction targets for California beginning in 2022, requiring jurisdictions to implement mandatory organic waste collection while requiring the reduction of organic waste disposal from landfills. OC Waste & Recycling built the foundation for a circular economy for beneficial organics by-products to its communities; created new procurement partnership opportunities with jurisdictions, businesses and non-profits; and provided innovative local habitat mitigation; all in support of SB 1383 and AB 1985 procurement targets.
- **Senior Non-Emergency Medical Transportation (SNEMT):** Program provides a crucial service for Orange County's older adults (aged 60+) who may not have access to transportation for medical appointments. This service plays a vital role in addressing transportation barriers that can often prevent older adults from receiving the medical care they need.
- **Veteran Employment Program (VEP):** Provides a comprehensive array of services designed specifically for military personnel who are transitioning out of the armed forces and/or have recently separated, as well as their eligible dependents. The VEP plays a vital role in supporting the local veteran community and offers comprehensive wraparound services, including personalized assessment and counseling, pre-vocational services, career planning, and employment readiness training. Veterans also receive job placement assistance; access to opportunities with veteran-friendly employers; supportive case management; assistance in identifying and applying for state and federal benefits; mental health screenings; and access to behavioral case management.