



Citizens' Guide to FY 2025-26 Budget



DOUG CHAFFEE
CHAIR
4th District



KATRINA FOLEY
VICE CHAIR
5th District



JANET NGUYEN
SUPERVISOR
1st District



VICENTE SARMIENTO
SUPERVISOR
2nd District



DONALD WAGNER
SUPERVISOR
3rd District





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INTRODUCTION

The County's budget development begins with the Strategic Financial Plan (SFP), an annual strategic financial planning process that includes a five-year revenue and expense forecast as well as identification of strategic priorities and emerging initiatives. The SFP provides a framework for testing budget assumptions and aligning available resources with operating requirements, implementing new programs and facilities; and serves 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 of Supervisors (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.

BOARD-APPROVED PRIORITIES

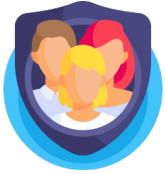
The Board adopted long-term strategic priorities in 2012 and reaffirmed them in 2015. The priorities provide a framework and serve as the basis for budget recommendations, and include:

- **Stabilize the Budget:** The County shall adopt a balanced budget, wherein 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 adequate reserves to cover unanticipated 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 providing suitable funding for agency infrastructure and ensuring that high quality services are delivered to the community. 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.





THE COUNTY'S SEVEN PROGRAM AREAS



PROGRAM I Public Protection

- OC District Attorney*
- Office of Independent Review
- Probation
- Public Defender
- OC Sheriff's Department*



PROGRAM V Capital Improvements

Funding for County facilities, capital and major maintenance projects and information technology projects.



PROGRAM II Community Services

- OC Community Resources
- Child Support Services
- Health Care Agency
- Social Services Agency



PROGRAM VI Debt Service

Funding for scheduled interest and principal payments on most of the County's bonds and notes, except John Wayne Airport bonds, which are budgeted in Program III.



PROGRAM III Infrastructure & Environmental Resources

- OC Public Works
- John Wayne Airport
- OC Waste & Recycling



PROGRAM VII Insurance, Reserves & Miscellaneous

Includes Employee Benefits, Workers' Compensation, Property & Casualty Risk, OC Information Technology and OC Fleet Internal Service Funds and appropriations for countywide contingencies.



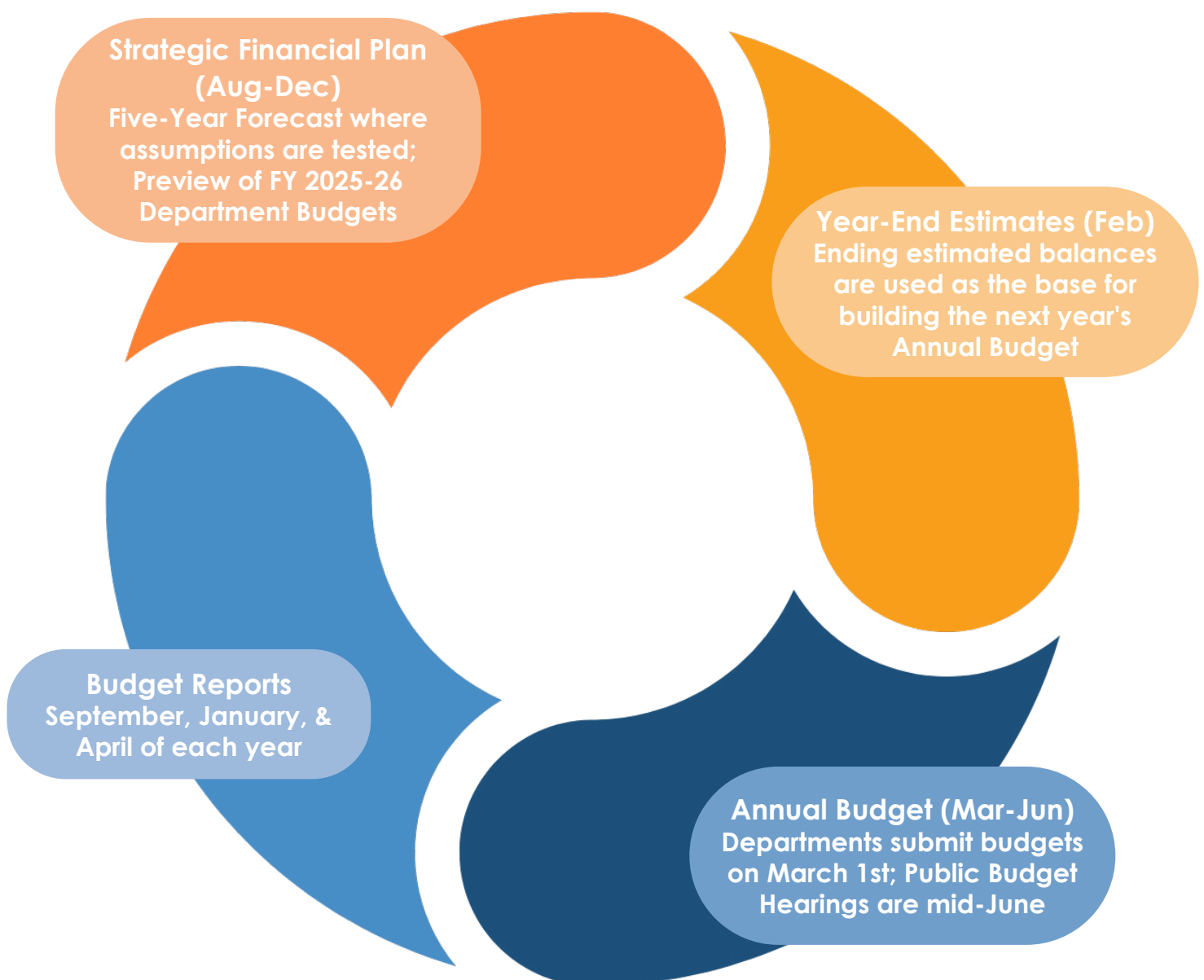
PROGRAM IV General Government Services

- | | | |
|-------------------------|--------------------------------|----------------------------|
| • Assessor* | • County Executive Office | • Clerk-Recorder* |
| • Auditor-Controller* | • County Counsel | • Treasurer-Tax Collector* |
| • Board of Supervisors* | • Registrar of Voters | • Internal Audit |
| • Clerk of the Board | • OC Campaign Finance & Ethics | |



BUDGET PLANNING & DEVELOPMENT CYCLE

The County's budget process begins in the summer of each year with the SFP which is typically presented to the Board in December. In January, the County Budget and Finance Office (CBFO) begins the budget development process, with the compiled and balanced budget presented to the Board in mid-June during the Public Budget Hearings. Subsequently, in late June, the Board adopts the budget on a simple majority vote. CBFO 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 County's mid-year budget reports. 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. A detailed budget calendar can be found on pages 22-23 of this document.





Sunset Harbor

BUDGET PLANNING & DEVELOPMENT PROCESS

The County's budget development process begins in January when the CBFO issues budget policies and detailed instructions for County departments including a calendar establishing completion dates for key budget development events. A request of public input is made in February and incorporated into the budget process with the departments and CBFO.

The CBFO, in coordination with the County Auditor-Controller's Office, establishes the level of non-departmental, Countywide revenues projected to be available to the County. County departments prepare budget requests and submit them in early March to the CBFO. The County Executive Officer (CEO), Chief Financial Officer (CFO) and CBFO staff meet with departments to discuss the requests. After extensive review and collaboration, including recommendations provided by the CEO and CFO, the budget is then compiled, balanced and undergoes a final review by the CBFO, CFO and CEO before the Recommended Budget is published.

In May, the CBFO plans and conducts briefing sessions for the Board staff members and the CEO and CFO conduct individual briefings with Board members. During the Public Hearings in early June, the CEO presents the budget, and the Board casts straw votes and provides direction. Subsequently, prior to the end of June, the Board adopts the budget on a simple majority vote. The adopted budget becomes the spending plan and spending limit for County departments.

The Recommended Budget serves as the County's baseline budget and excludes requests from departments for additional resources, known as augmentations, to either maintain or expand current levels of service; these requests are included under separate cover in the budget augmentation requests document. The annual budget reflects Board-approved augmentations.

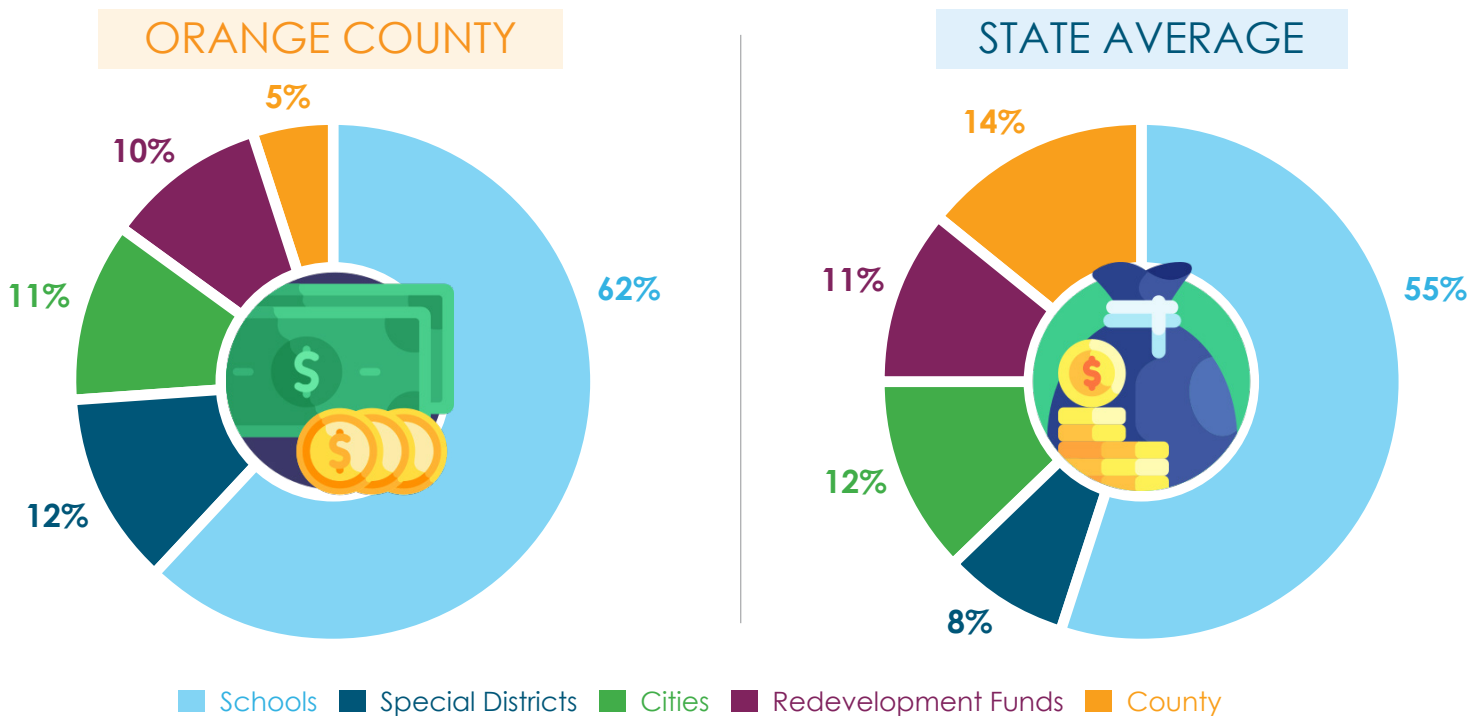
The budget calendar can be found on pages 22-23 of this document. Additional budget information and glossary can be found in the budget books on the [County's website](#).



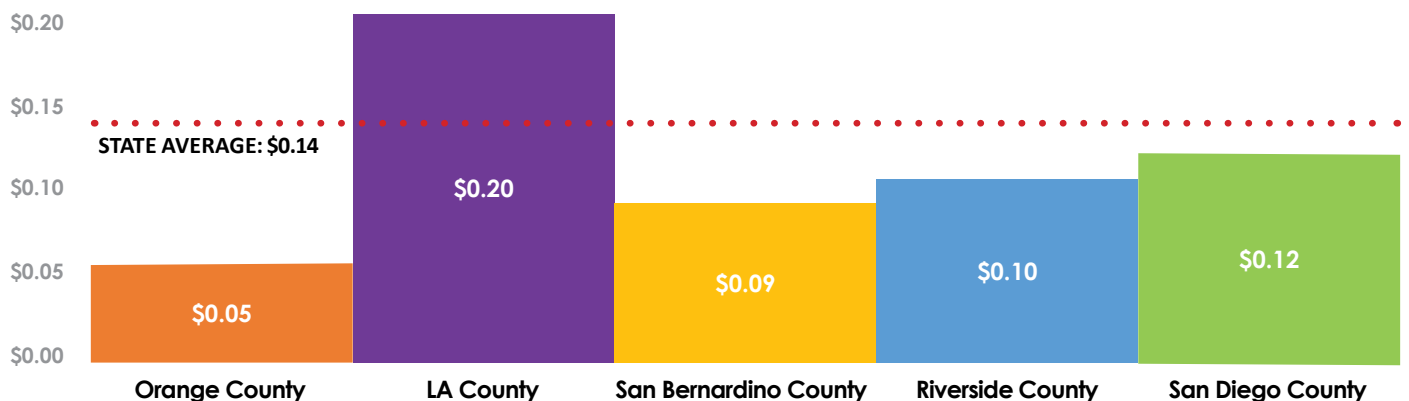
GENERAL PURPOSE REVENUE

General Purpose Revenue (GPR) provides what is referred to as discretionary funding or Net County Cost (NCC). Departments receive NCC allocations, approved by the Board, for programs and activities which are not funded by specific, dedicated revenue streams. While GPR does not have the specific limitations associated with the dedicated and non-discretionary revenue sources, the County uses GPR to meet its mandated services requirements that are not fulfilled by the state and federal governments such as match requirements for Community Services programs and operational expenses of the Public Protection and General Government Services departments. Mandated services account for 89% of NCC, with the remaining 11% allocated to non-mandated services.

Property taxes are the largest and most important source of GPR. As of April 2025, property taxes were forecasted to account for almost 92% of all GPR. Of particular note, Orange County receives the lowest property tax revenue allocation (5%) of all 58 counties in California.



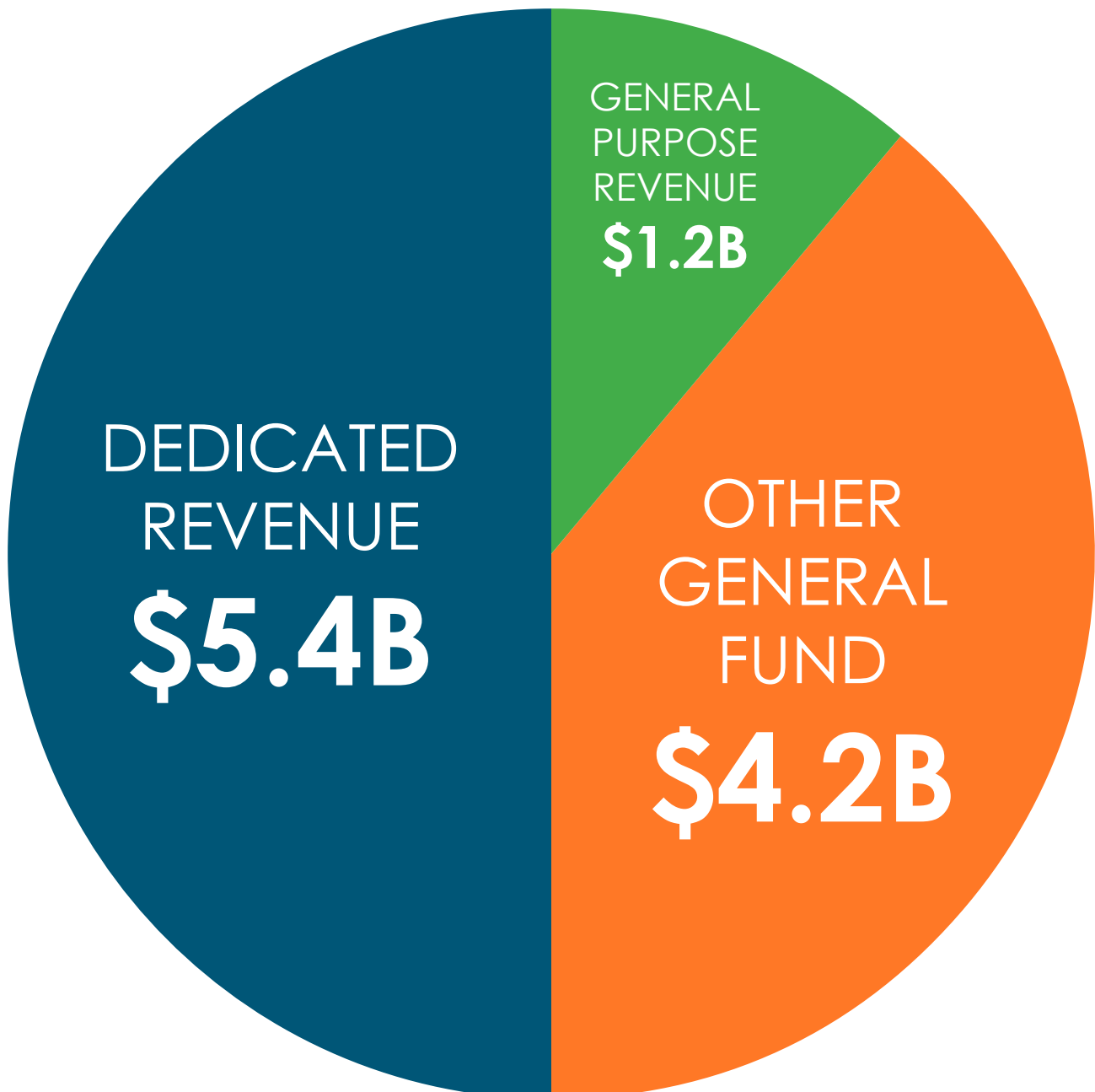
ORANGE COUNTY RECEIVES THE LOWEST PROPERTY TAX REVENUE ALLOCATION OF ALL 58 COUNTIES



Assembly Bill 8 (1979) set the property tax allocation formula for each California county. Since that time the County's population has nearly doubled from 1.8 million to 3.2 million with no change to the County's property tax allocation proportion.



TOTAL ORANGE COUNTY BUDGET \$10.8 BILLION



*FY 2025-26 Recommended Budget



\$5.4B DEDICATED REVENUE

This revenue source is dedicated to the County's various enterprise, internal service, and special districts budgets and may only be used for these purposes. Examples include:

John Wayne Airport

OC Waste & Recycling

OC Road

OC Flood

OC Library

OC Parks

Internal Service Funds

Community Facilities Districts



3% Public Protection



22% Community Services



35% Infrastructure & Environmental Resources



5% General Government Services



12% Capital Improvements

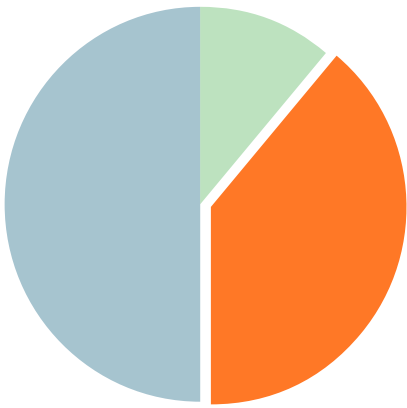


3% Debt Service



20% Insurance, Reserves & Miscellaneous

*FY 2025-26 Recommended Budget



\$4.2B

OTHER GENERAL FUND

The County receives this category of non-discretionary revenue, primarily in Community Services departments, for administration of state and federal government programs and services that may only be used for these purposes. Examples include:

State & Federal Programs:

- Social Services Agency
- Health Care Agency
- Child Support Services

City Contracts

Grants



25% Public Protection



58% Community Services



3% Infrastructure & Environmental Resources



3% General Government Services



1% Debt Service



10% Insurance, Reserves & Miscellaneous

Note: Capital Improvements is less than 1% of the total Other General Fund revenue.



\$1.2B
GPR

The County uses this discretionary funding source to meet its mandated service requirements that are not fulfilled by the state and federal governments such as match requirements for Community Services programs and operational expenses of the Public Protection and General Government Services departments. GPR includes:

Property Taxes

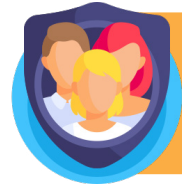
Sales & Other Taxes

Motor Vehicle License Fees

Property Tax Administration Fees

Franchises & Rents

Interest Earnings



53% Public Protection



17% Community Services



3% Infrastructure & Environmental Resources



15% General Government Services



1% Capital Improvements



11% Insurance, Reserves & Miscellaneous

Note: Debt Service Program is less than 1% of GPR

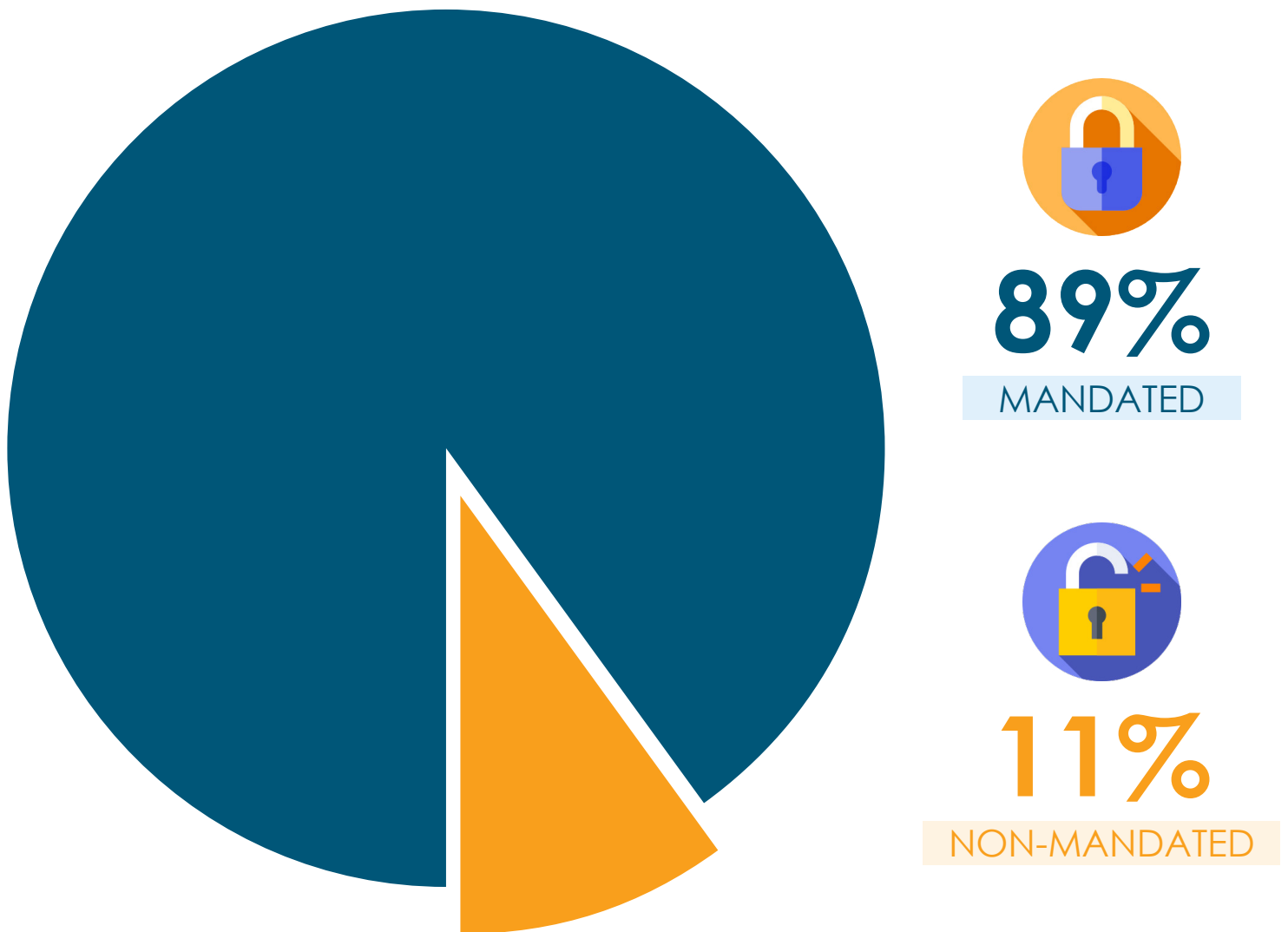
Note: These revenues exclude transfers in, fund balance unassigned, and use of reserves. For additional budget information and glossary please refer to the budget books found on the [County's website](#).



How much of the GPR allocation is used for Mandated & Non-Mandated Services countywide?

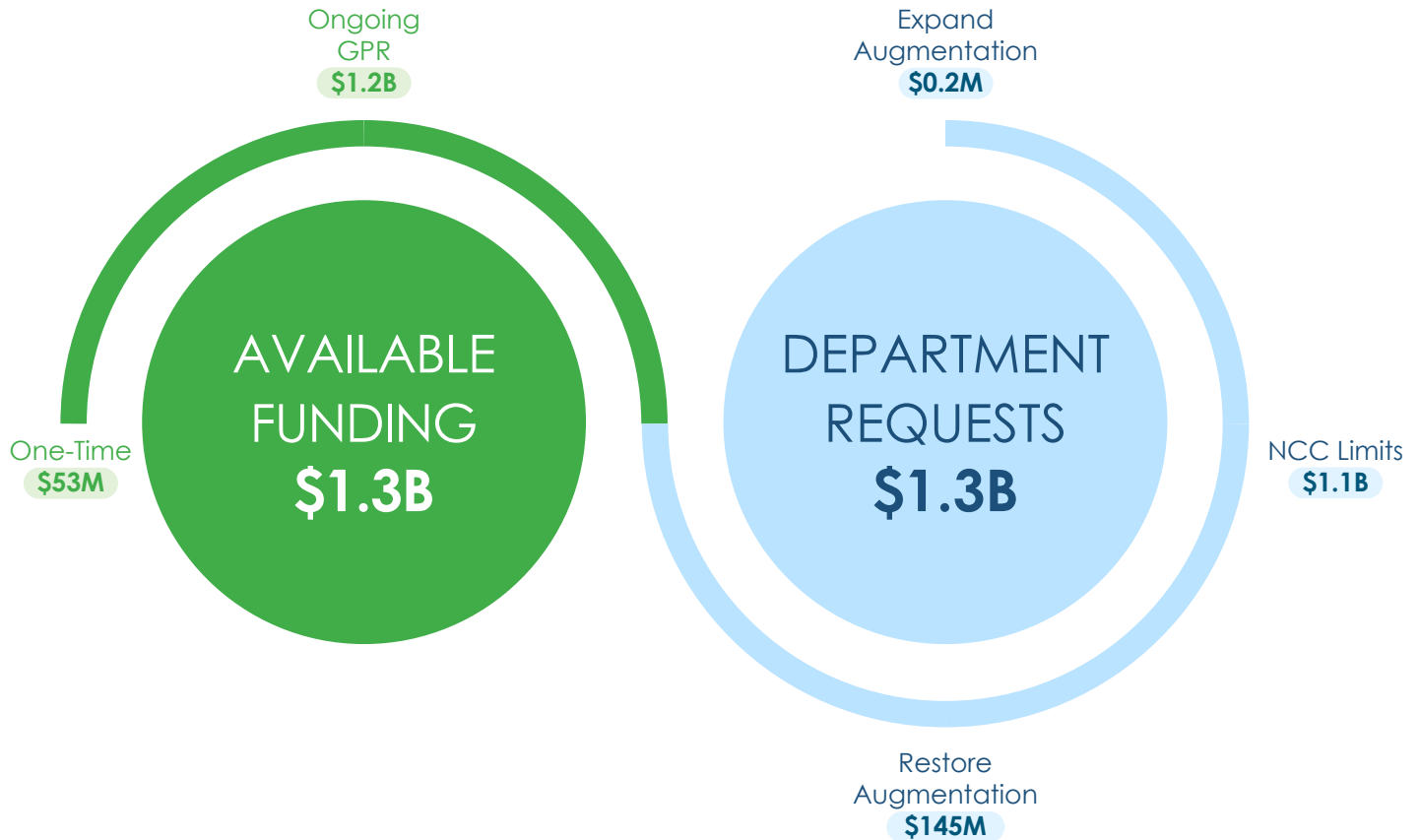
The County uses approximately 89% of the GPR for mandated services which are services or programs the County is legally required to provide or administer on behalf of the state or federal authorities, and may be outlined in laws, regulations or directives. The purpose of these mandates is often to ensure that certain essential services are available to the public, maintain standards, and protect public welfare.

Non-mandated services or programs are not required by law or regulations, but are provided to enhance the quality of life within the community and to address critical capital improvement and organizational needs.





DEPARTMENT REQUESTS



NCC Limits, established at the beginning of the SFP and budget process, are set for ongoing baseline operations (current levels of service).

Departments submit **Restore Level of Service** requests when the assigned NCC Limit is insufficient to maintain current service levels. The NCC Limits plus restore level of service requests is the projected funding required to keep current operations and staffing.

Departments submit **Expand Level of Service** requests for resources above and beyond current funding and staffing levels which may involve new mandates related to existing services, increasing workloads in existing programs or proposals for new services.

The County's GPR comprise the **available funding**, also known as discretionary funds, which is the main funding source for the departments' NCC.

The **variance** between the County's GPR and department requests, demonstrates either overages or shortfalls in funding availability for departmental operations.

Ongoing Operating Costs are increasing beyond GPR growth. In the event there is no or insufficient GPR growth, restore and expand requests are either not funded or met by shifting discretionary funds between program areas, which could negatively impact some programs or services.



GRAND TOTAL USES

Unexpected shifts in economic conditions could cause the gaps between available sources and net baseline uses to narrow or invert. When sources exceed uses, the variance is set aside for one-time contingencies in the event revenues are lower than projected to cover unanticipated requests or costs mid-year. Actual proposed reductions in the FY 2025-26 Recommended Budget to meet NCC limits total \$145M compared to \$138M identified in the 2024 SFP. The County remains committed to maintaining essential mandated services to the community and aligning discretionary projects and service delivery levels within available funding. For additional information, please refer to the FY 2025-26 Recommended Budget, which can be found on the [County's website](#).



USES are department requests for resources to sustain current operations and staffing. The \$1,259M includes \$1,114M NCC limits plus \$145M in restore augmentations. **SOURCES** include \$1,206M ongoing GPR and \$53M one-time funding which are used to balance the budget.

USES include the \$205K of department requests for resources above and beyond current funding and staffing levels, along with the \$1,259M to maintain current service levels. The expand requests may involve new mandates related to existing services, increasing workloads in existing programs or proposals for new services.





AUGMENTATIONS & CEO RECOMMENDATIONS

This section provides highlights of augmentation requests and CEO recommendations for NCC for County departments. Due to costs that exceed the NCC limits, some departments were required to propose reductions in the budget to meet NCC limits. Departments requested full restoration and work diligently to manage their budgets to consistently maintain programs and minimize impacts on services. Additional budget augmentation information can be found on the [County's website](#).



Program I Public Protection

District Attorney

Restore Appropriations & Positions

79

\$19M

Positions

NCC

Expand Workers' Right
Enforcement Program

3

-

Positions

NCC

Public Defender

Restore Appropriations & Positions

43

\$7M

Positions

NCC

Sheriff-Coroner

Restore Appropriations

-

\$62M

Positions

NCC

PROGRAM I TOTAL

125

\$88M

Positions

NCC



Program II Community Services

OC Animal Care

Expand Shelter Operation Hours

7

-

Positions

NCC

Health Care Agency

Restore Appropriations & Positions

16

\$23M

Positions

NCC

Expand Environmental Health
Services

16

-

Positions

NCC

Social Services Agency

Restore Appropriations

-

\$15M

Positions

NCC

PROGRAM II TOTAL

39

\$38M

Positions

NCC



Program III Infrastructure & Environmental Resources

OC Public Works

Expand Purchase of EV Truck and
EV Supply Equipment Test System

-	\$205K
Positions	NCC

Utilities

Restore Appropriations

-	\$3M
Positions	NCC

PROGRAM III TOTAL

-	\$3M
Positions	NCC



Program IV General Government Services

Assessor

Restore Appropriations & Positions

12	\$2M
Positions	NCC

Auditor-Controller

Restore Appropriations & Positions

5	\$467K
Positions	NCC

Auditor-Controller (Cont.)

Expand ERP* Implementation Support

6	-
Positions	NCC

Expand Property Tax System Support

1	-
Position	NCC

County Executive Office

Restore Appropriations & Positions

5	\$883K
Positions	NCC

County Counsel

Restore Appropriations & Positions

2	\$502K
Positions	NCC

Registrar of Voters

Restore Appropriations

-	\$12M
Positions	NCC

CEO Real Estate

Expand CMMS** Support

2	-
Positions	NCC

Treasurer-Tax Collector

Restore Appropriations & Positions

2	\$683K
Positions	NCC

PROGRAM IV TOTAL

35	\$16M
Positions	NCC

*Enterprise Resource Planning

**Computerized Maintenance Management System



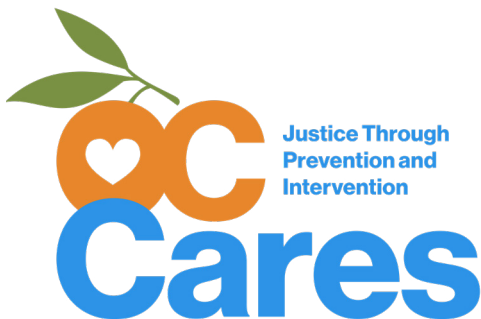
KEY INITIATIVES

“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.”

Key initiatives adopted by the County are consistent with this mission and are implemented through strategic planning, collaboration across departments and community-based partners, and working in and with the community. The following pages highlight the County's current major initiatives.

The County of Orange Systems of Care, also known as OC CARES, links the various systems of care: **Behavioral Health, Healthcare, Community Corrections, Housing and Benefits & Support Services** to provide full care coordination of programs and services focused on the needs of the adults and youth populations across departments and community providers.

The following section highlights Key Initiatives in the County Systems of Care. For additional information, refer to the [2024 SFP](#) and [FY 2025-26 Recommended Budget](#), which can be found on the County's website.



The 2025 Vision implementation plan for OC CARES, was adopted by the Board on October 22, 2019, and links the County criminal justice system and various systems of care to provide inmates and at-risk individuals with services designed to promote self-determination and facilitate successful reentry. The 2025 Vision was built on five pillars each having overarching goals assigned to specific departments and implemented and tracked via action items. The pillars include:

1. **Prevention:** Developing public informational campaigns and interventions – particularly related to substance use and mental health – that divert people from involvement in the criminal justice system.
2. **Courts:** Enhancing or developing diversion programs, including the expanded use of Specialty Courts, for individuals in the criminal justice system from the point of arrest to sentencing.
3. **In-Custody:** Enhancing in custody programming and mental health and substance use programs, linkages to post custody services, and training and education to prepare people for successful reentry.
4. **Reentry:** Providing accessible and supportive services to justice-involved individuals to facilitate a positive transition into the community.
5. **Juvenile & Transitional Aged Youth (TAY):** Providing a continuum of information, programs, and enhanced services for youth, juveniles, and the TAY population to prevent them from entering the juvenile justice system, providing options away from being detained, and to support and encourage positive outcomes outside of the juvenile justice system.

The 2025 Vision is a permanent component of Orange County's annual Strategic Financial Plan. Its oversight is provided by the Orange County Criminal Justice Coordinating Council (OCCJCC), chaired by Chair Doug Chaffee vice-chaired by Supervisor Donald Wagner and with membership consisting of County departments, Courts, and local law enforcement.



OC Community Resources Department's OC Housing & Community Development Division administers the County's affordable housing development and the community development and housing successor agency program and activities. Included in the Division is the OC Housing Authority (OCHA) which administers federally funded programs providing housing assistance to County residents (except for the cities of Anaheim, Garden Grove and Santa Ana) through the following programs:

- **Special Housing Programs:** Housing programs designed to address the needs of targeted populations may include the following:
 - **Homeownership Program** allows families and individuals receiving assistance under the Housing Choice Voucher Program to use the housing subsidies towards mortgage payments rather than monthly rent, upon meeting eligibility requirements.
 - **Family Self-Sufficiency Program** links housing agencies with welfare agencies, schools, businesses and other local partners to provide skills and experience to encourage self-sufficiency.
 - **Veterans Affairs Supportive Housing Program** is a federal collaborative program in partnership with the Veterans Affairs Medical Center in Long Beach providing permanent housing subsidies and case management services to Veterans experiencing homelessness.
 - **Portability Program** allows freedom of choice for assisted families or individuals who have been issued tenant-based housing vouchers; they may lease a unit anywhere in the United States provided the unit is located within the jurisdiction of an administered tenant-based housing voucher program.
 - **Non-Elderly Disabled Program** enables eligible individuals residing in nursing homes or other healthcare institutions the means to transition into the community with appropriate services.
 - **Mainstream Voucher Program** assists individuals who meet eligibility requirements to exit from recuperative care or to transition out of the State's Project Roomkey and Homekey programs.



On June 12, 2018, the Board accepted the Housing Funding Strategy, which identified the need for 2,700 affordable supportive housing units before the 2022 update in Orange County for individuals and families experiencing homelessness and chronic homelessness. In December 2022, the Board received and filed the 2022 Update based on the 2022 Point-in-Time count and included an updated goal of developing an additional 2,396 permanent supportive housing units from 2022 to 2029. The updated goal reflects the progress under the 2018 Housing Funding Strategy as well as the additional permanent supportive housing units needed over the next seven-year period based on the 2022 PIT count. The Strategy summarizes currently available or anticipated resources and provides recommendations for Orange County to maximize competitiveness in successfully funding projects.

As of April 30, 2025, 1,985 units have been built, 535 units are under construction, and 557 units are in the progress of funding with a combined total of 3,077 supportive and affordable housing units in the current pipeline.

To foster collaboration throughout the County, the Orange County Housing Finance Trust was formed in 2019 as a joint powers authority between the cities and the County of Orange to fund housing specifically assisting the homeless population and families and individuals of low income residing in Orange County.

Housing funding strategy and regular updates are posted on the [County's website](#).

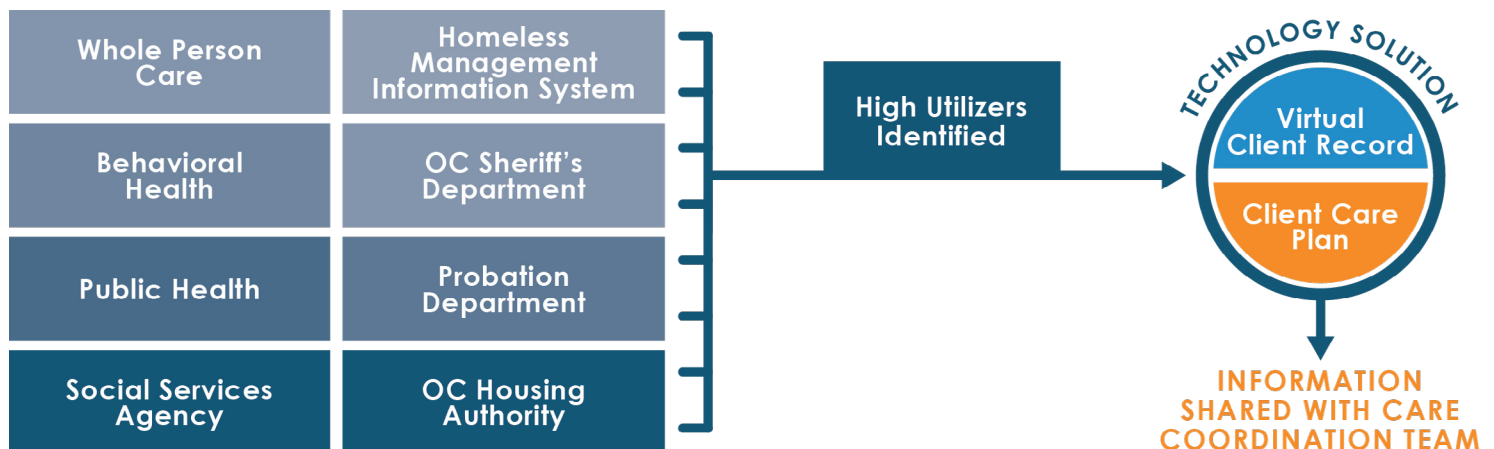


Office of
CARE COORDINATION
County Executive Office

The Office of Care Coordination works with County stakeholders and other partners including cities, nonprofits and faith-based organizations to address the need for case management services for individuals who are homeless or at risk of becoming homeless or involved in multi systems of care in the County. These systems of care include housing, healthcare, benefit & support services, behavioral health, and community corrections. The County is committed to conducting outreach and engagement to connect to resources which could then lead to permanent, sustainable solutions.

The Board has approved an array of initiatives providing support services such as the OC CARES initiative, opening shelters at Bridges at Kraemer Place and the Yale Transition Center, funding Crisis Stabilization Units, providing funding for development of affordable and special needs housing programs, and leading the Orange County Continuum of Care programs for homeless services. Annually the County expends over \$1 billion in services and programs to support individuals involved in the systems of care.

To better address the demands on the County's systems of care, a significant investment was made to establish a CARE Plus Program including a System of Care Data Integration System that provides a data sharing platform for coordinated care management. This model allows data sharing, for care coordination purposes, across departments and incorporates the use of a multi-disciplinary team approach to identify individuals involved in multiple systems of care, better address the underlying issues and increase self-sufficiency. For available resources on Orange County's System of Care, please refer to the [County's website](#).





MASTER PLAN FOR AGING

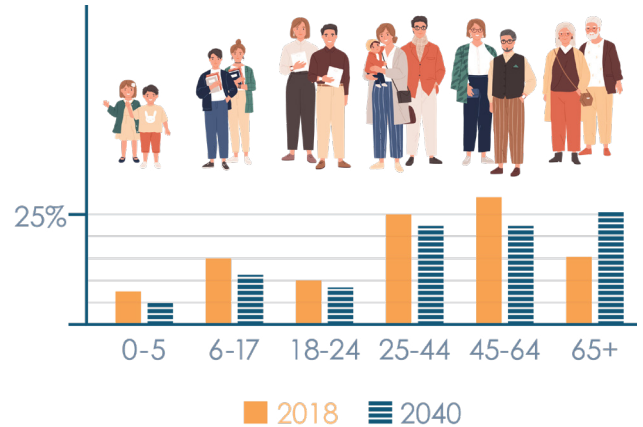
Statewide initiative to address the needs of the growing 60+ population that includes housing, healthcare, inclusion & equity, caregiving, and economic security. The County is working to develop a comprehensive plan to address all the gaps identified by residents, community, and other stakeholders based on the results of the Orange County Older Adults Needs Assessment Report. For more information, please visit the dedicated [website](#).

“

Aging is changing and it's changing California. California's over-60 population is projected to diversify and grow faster than any other age group. By 2030, 10.8 million Californians will be an older adult, making up one-quarter of the state's population.

”

Orange County Population



OC BUILDS

OC Builds is a County initiative that addresses the infrastructure needs for transportation, travel and cybersecurity that prioritizes the safety of County residents and staff. The County is also pursuing various efforts towards renewable energy and green technologies 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. In addition, the County maintains and annually updates a 10-year Facilities Master Plan that outlines all progressing and completed real estate projects.



OC Health Care Agency - Marine Way Campus



BUDGET CALENDAR

AUGUST

- Strategic Financial Plan

SEPTEMBER

- Year-End Budget Report
- Year-End Budget Report
- September Budget Update
- September Budget Update
- Strategic Financial Plan



MARCH

- Recommended Budget:
Collaboration and CEO
Recommendations

FEBRUARY

- Recommended Budget

APRIL

- April Budget Update
- April Budget Update
- Recommended Budget: Collaboration
and CEO Recommendations



MAY

- Recommended Budget/
Final Budget

LEGEND: Community, Board of Supervisors,
County Administration & Departments



OCTOBER

- Strategic Financial Plan

NOVEMBER

- Strategic Financial Plan

JANUARY

- Mid-Year Budget Report
- Mid-Year Budget Report
- Recommended Budget



DECEMBER

- Strategic Financial Plan
- Strategic Financial Plan



JUNE

- Budget Hearing / Budget Adoption
- Recommended Budget / Final Budget



JULY

- Fiscal Year-End Close



Public Input Available During Board of Supervisors Meetings



Our Community. Our Commitment.

COUNTY OF ORANGE

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Tel: 714.834.2345 | www.ocgov.com

Visit the County website at www.ocgov.com for more information about
County programs and Board meeting dates and agendas.

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