



COUNTY EXECUTIVE OFFICE  
**COUNTY  
OF ORANGE**

May 20, 2026

To: Chair Doug Chaffee, Supervisor, Fourth District  
Members, Board of Supervisors

From: Michelle Aguirre, County Executive Officer *Maquine*

Subject: Fiscal Year 2026-27 Recommended Budget



On behalf of the County of Orange Executive Office, I am pleased to present the Fiscal Year (FY) 2026-27 Recommended Budget, a balanced budget that reflects a responsible stewardship of resources and a continued commitment to long-term fiscal strength and stability.

Budgetary pressures driven by ongoing state and federal policy changes, an unpredictable economic environment, limited revenue growth and rising costs of doing business persist; however, the County and the Board of Supervisors remain firmly committed to preserving the range and quality of services provided to the community while maintaining adequate reserve levels. In response to these challenges, the County carries forward the cost containment measures established through the Budget Action Plan implemented in January 2025. These measures align departmental expenditures with available resources, ensuring a balanced budget while maintaining core service levels and administering essential programs on behalf of the state and federal governments.

Despite these fiscal constraints, the development of the Recommended Budget remains firmly grounded in the needs and priorities of the community. It provides a framework for long-term fiscal stability while sustaining the programs and services residents rely on. The County, through its departments and in partnership with community-based organizations, continues to prioritize service accessibility and maintains consistent delivery of treatment and support programs for populations in need. Strong collaboration with these organizations enables the County to advance key initiatives that address these critical needs and priorities.

The FY 2026-27 Recommended Budget includes funding for a range of ongoing key initiatives and projects including OC Cares, the Master Plan for Aging, OC Builds and critical infrastructure and sustainability projects.

- **OC Cares:** This countywide initiative focuses on the current and possible underlying needs of individuals involved in any of the County's five systems of care (Behavioral Health, Healthcare, Community Corrections, Housing and Benefits and Support Services). Originally launched as the 2025 Vision to help justice-involved individuals successfully reenter society

and become self-sufficient, OC Cares has expanded its focus to the older adult population through the **Master Plan for Aging**. This initiative supports older adults with housing security, expanded access to vital information and resources, and enhanced whole person care coordination so residents can age with dignity, security, and vitality.

As part of the Housing system of care, the County prioritizes the development of affordable and permanent supportive housing. While emergency shelters and interim housing provide a significant safety net to stabilize those experiencing a housing crisis, long-term success depends on expanding affordable housing/permanent housing options. Through the Housing Funding Strategy, approved by the Board in June 2018 and updated in December 2022, 1,227 permanent supportive housing units have been built as of April 2026, with a goal of 2,396 by 2029. Additionally, 1,114 affordable housing units have been completed, and another 956 affordable and permanent supportive units are in development as of April 2026. The next update of the housing strategy will be completed after release of the 2026 Point In Time Count data.

As part of the OC Cares 2025 Vision, three major infrastructure projects are underway and incorporated in the Recommended Budget. Construction of the Coordinated Reentry Success Center is anticipated to begin in September 2026. Progress continues on the Juvenile Corrections Campus, with Phase 1 (Youth Transition Center) expected to be completed in June 2027, and Phase 2 (Transitional Age Youth Housing) anticipated to begin toward the end of FY 2026-27. Additionally, construction of the Common Good Workforce Reentry Center is anticipated to begin during FY 2026-27.

- **OC Builds:** A suite of infrastructure projects aimed at enhancing transportation, travel, and cybersecurity while prioritizing safety and sustainability. These efforts advance renewable energy use, green technologies, and environmentally responsible practices that reduce greenhouse gas emissions, preserve natural resources, and minimize waste. The Recommended Budget includes infrastructure projects for John Wayne Airport (new baggage handling systems, improvements to parking structures, runways, and taxiways, and more electric vehicle charging stations), a new Emergency Operations Center, and a new Fleet Facility.

The County also maintains and annually updates a 10-year Facilities Master Plan (FMP) that outlines all ongoing and future real estate projects. The FMP includes several major projects, such as the **Civic Center Facilities Plan**, which provides a strategic assessment of the County's long-term occupancy in the Orange County Civic Center. This effort focuses on enhancing community service delivery, optimizing space utilization and departmental adjacencies, addressing the aging condition of County facilities, and evaluating development opportunities that leverage County assets to generate sustainable revenue. Also, as part of the FMP, the County is pursuing public-private partnerships to redevelop County-owned sites: the **Fruit Street Complex** and the property at **1725 West 17th Street** in Santa Ana, which is being considered for a mixed-use development, including a residential component.

- **Fiscal Sustainability:** Funding reserves at targeted levels through responsible fiscal management, strategic planning, and prudent allocation of resources is vital to preserving budget stability and continuity of critical services, especially as the County navigates this

uncertain economic environment. Maintaining the Government Finance Officers Association's recommended target amounts as a prudent reserve balance is essential for ensuring financial resilience, flexibility and long-term sustainability as well as adequate reserves to respond to potential catastrophic events. Additionally, the County remains committed to supporting the ongoing forensic audit, which continues into FY 2026-27, reinforcing the County's commitment to transparency and responsible stewardship of public resources.

A commitment to investing in the County's future guides its long-term strategy. Through periodic, comprehensive evaluations of its organizational structure, the County is identifying ways to centralize functions that strengthen efficiency and improve services for the community. At the same time, the County is expanding programs that open doors for high school graduates and create supportive pathways for justice-involved individuals, including the OC Career Academy and multiple internship opportunities.

The County remains dedicated to providing high quality services and advancing 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."