2023 STRATEGIC FINANCIAL PLAN

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OC Public Works	John Wayne Airport	Social Services Agency
OC Parks	OC Probation	OC Health Care Agency
	OC Waste & Recycling	

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Executive Summary

Introduction

The County of Orange is dedicated to long-term strategic financial planning to ensure its ability to respond to economic changes and unanticipated events in a way that allows the County to preserve the range and quality of services provided to the community. The year leading up to the 2023 Strategic Financial Plan process evidenced below trend growth as elevated interest rates have negatively impacted personal consumption, housing, and business investment levels. Although the economy is currently experiencing below-trend growth, economists' consensus is that a recession is not expected as other aspects of the economy are displaying robust growth. While revenue growth in recent years has allowed the County to fund one-time projects and enhance service levels, future growth will dictate the impacts on projects and levels of service. Nevertheless, the County is committed to maintaining essential services and aligning discretionary projects and service delivery levels within available funding.

A disciplined approach to fiscal management of the County's limited resources will ensure alignment with Countywide strategic priorities and values. Commitment to the Board of Supervisors' priorities of budget stabilization, preparation for contingencies, and funding of agency infrastructure, accentuates the need for long-term strategic planning including building a reserve balance that best positions the County to weather future economic variations with minimal impact on the community it serves. This strategic planning process enabled the County to clear a significant financial milestone and reach its Target Reserve amount, as recommended by the Government Finance Officers Association (GFOA). It is important for the County to maintain its reserve position, even during a downturn in the economy.

Although costs of doing business continue to grow, the County is committed to implementing key initiatives and moving toward a future that will enrich the lives of Orange County residents and visitors including:

- **OC CARES:** OC CARES links five 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.

  - **Behavioral Health:** In April 2021, the County opened the doors to the first Be Well behavioral health campus at Anita Drive in Orange. This facility provides stabilization assistance to people experiencing substance use, trauma or other mental health crises. A second behavioral health campus, Be Well Irvine, recently started construction and is included as a Strategic Priority in this document.

- **Healthcare:** A continuing healthcare Emerging Initiative addresses coordinating case management for individuals identified as high-utilizers within the County's System of Care. The project streamlines care coordination complementing current efforts and creates efficiencies by using the County's System of Care Data Integration System. Through coordinated case management, outreach and engagement services would be provided to high-utilizers, ensure discharge plans are followed, provide referrals to services to encourage self-sufficiency and provide overall support to the individual.

- **Community Corrections:** The County continues to assess Strategic Priorities addressing specialty court expansion and a comprehensive reentry system for individuals released from County jails or state prison. Continuing Strategic Priorities include establishment of a diversion program for individuals pending arraignment and creation of a comprehensive 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 all areas of the County. To date, a combined total of 2,653 supportive and affordable housing units are in the current pipeline. A continuing Strategic Priority focuses on combining affordable housing assistance with voluntary support services to address the needs of chronically homeless individuals. In addition, continuing Strategic Priorities would establish transitional and permanent supportive housing as well as placement services for youths experiencing challenges on the path to a successful adulthood and establish temporary and long-term housing for foster youth 13 years of age and who also may have a history or propensity for engaging in delinquent behaviors that put them at risk of involvement with the juvenile justice system.

- **Benefits and Support Services**: This revised Emerging Initiative was previously identified as a Strategic Priority for enhancement of the Data Sharing Platform for Care Coordination. Due to additional needs for care coordination and associated data, the previous Strategic Priority no longer addresses the needs of the departments. This project expands the scope to include the System of Care Data Integration System as well as various data and operational systems that will compliment or feed into the system and allow for more robust data and metrics reporting.

- **Capital and Infrastructure Improvements:** The County continues to improve agency infrastructure in various areas including the Civic Center Facilities Strategic Plan (CCFSP), an initiative addressing the County's long-term occupancy in the Orange County Civic Center. The goals are to improve delivery of services to the community, space usage and departmental adjacencies; address the aging portfolio of County facilities; better manage long-term occupancy; and provide sustainable infrastructure that minimizes energy and water consumption and maintenance costs. As part of the CCFSP Phase 1 and 2, the County Administration South and County Administration North buildings were successfully completed. In addition, the County is actively investing in the future by exploring options for development projects that would use County assets to generate ongoing revenue streams. Furthermore, the County is seeking innovative and efficient emergency preparedness strategies that are essential for the community and a major part of the County's critical infrastructure.

- **OC Builds:** The County seeks to develop and update its infrastructure, such as bridges, roads, and flood control channels that prioritize the safety of Orange County residents and facilitate transportation. In addition, the County continues to enhance its airport infrastructure to provide a world-class airport that is safe, facilitates efficient travel, and provides an enjoyable customer experience. The goal is to develop greener, more sustainable infrastructure that reduces greenhouse gas emissions, prioritizes the use of renewable energy, preserves natural landscapes and resources, and decreases food waste and consumer waste. Similarly, the County maintains and annually updates the 10-year County Facilities Master Plan that outlines all real estate projects currently in progress and reports on projects that have been completed. The County strategizes the development and modernization of various County-owned facilities and tracks the aging infrastructure that may require significant investments in the future to ensure County-provided services to the community are easily accessible and provide a positive client experience.

- **Reserves:** The importance of having and maintaining healthy reserve balances was evident during the COVID-19 pandemic. Temporary utilization of reserves during COVID-19 aided Departments in offsetting decreases in revenue growth, funding reductions from various sources, and accommodating increased costs of doing business. The County will continue to prioritize funding its reserves through responsible fiscal management, strategic planning and prudent allocation of resources. The goal is to ensure overall prudent reserve balances, while maintaining proper reserve designations and flexibility.

The Process

The Strategic Financial Plan (SFP) is a financial component of the County's Strategic Plan providing short and long-term operational linkage between the County's Strategic Plan and the annual budget process. It offers a means to measure departments' needs and resources to ensure the County's financial position is sufficient to support ongoing services and long-term needs while ensuring actual sustainability within potential future economic restraints. The SFP provides policy makers with a tool for testing assumptions and evaluating the projected financial impact of policy decisions related to General Fund operations, capital and information technology (IT) requirements, strategic priorities and emerging initiatives.

The SFP provides the context for a five-year operating budget and prepares for development of the next fiscal year budget with the stipulation that assumptions used in developing the SFP may change over time. The SFP is developed with a goal of identifying any significant issues that must be addressed to achieve the County's mission, goals and long-term plan for financial stability. The County continues to focus on the following key fiscal goals:

- Budget stabilization and planning for contingencies
- Planning for and funding agency infrastructure

The primary focus of the SFP is the portion of the General Fund often referred to as discretionary funding or Net County Cost (NCC) which is funded by General Purpose Revenues. This is the funding source allocated to departments and approved by the Board of Supervisors for programs and activities not funded by specific revenue streams. The non-discretionary portion of the budget contains mandated activities such as benefit payments to clients, which the County provides on behalf of the State and Federal governments. Such activities are primarily funded with State and Federal revenues and include programs such as In-Home Supportive Services (IHSS), CalWORKs, CalFresh and Medi-Cal.

Non-discretionary revenues projected by General Fund departments over the five years of the SFP consist of the following in addition to the projected General Purpose Revenue:

(Amounts in Millions)

Revenue Type	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
State Revenue	$ 1,793.3	$ 1,841.1	$ 1,868.5	$ 1,906.1	$ 1,942.2
Federal Revenue	548.1	524.1	529.5	537.1	544.3
Charges for Services	591.3	600.1	618.7	625.8	643.2
Other Financing Sources	505.5	452.7	391.3	396.1	400.8
Licenses, Permits & Franchises	27.1	27.8	28.5	29.3	29.8
Miscellaneous Revenues	15.4	16.3	17.4	18.6	20.0
Fines, Forfeitures & Penalties	7.8	7.9	7.9	8.0	8.1
Use of Money & Property	16.8	17.4	18.0	18.7	19.3
Other Governmental Agencies	15.1	15.7	16.2	16.7	16.8
Subtotal	***$ 3,520.3***	***$ 3,503.2***	***$ 3,496.1***	***$ 3,556.4***	***$ 3,624.6***
General Purpose Revenue	1,141.9	1,183.0	1,225.7	1,269.4	1,315.3
Grand Total	**$ 4,662.2**	**$ 4,686.2**	**$ 4,721.8**	**$ 4,825.8**	**$ 4,939.9**

Note: General Purpose Revenue amounts include ongoing and one-time funding sources.

Particularly, state and federal revenue sources are reviewed and closely monitored to identify possible issues. Any concerns identified during the SFP process are reported to the County's Legislative Affairs unit, which then communicates with the County's State and Federal lobbyists as well as the California State Association of Counties (CSAC) and the National Association of Counties (NACo). In addition, County departments work closely with organizations such as the California Welfare Directors Association (CWDA), the County Health Executives Association of California (CHEAC), and the California State Sheriff's Association on any identified matters.

As in prior years, the SFP focuses on identifying General Fund fiscal gaps (comprised of departmental planned expenditures net of departmental revenues and NCC) and any imbalances to be addressed during the FY 2024-25 annual budget process. Summary analyses of capital and IT project needs were also conducted. This year's SFP lays the groundwork for establishing budget priorities and funding solutions for FY 2024-25 prior to the usual timeframe of the annual budget process, thereby allowing more time for collaboration and thoughtful solutions.

The SFP also provides an opportunity to review the General Fund Reserves Policy, which is developed to provide governance over the maintenance and use of reserves and to reflect the County's continued commitment to sound fiscal policy. There are no recommended changes to the Reserve Policy.

Relevant economic data used in preparing the County's 2023 SFP includes:

- General Purpose Revenue forecast developed in conjunction with forecasts by the Auditor-Controller, the 2023-24 Local Assessment Roll of Values, and revenue receipt trends.

- Various projections for capital and operating inflationary factors, as developed by governmental or industry experts in the related field.
- Continued monitoring of economic forecasts published by Chapman University, University of California, Los Angeles, the State Legislative Analyst Office and other various sources.

Economic data compiled in August 2023 was included as part of the 2023 SFP instructions. As changes occur in the economy, projections will be updated during the FY 2024-25 annual budget development process.

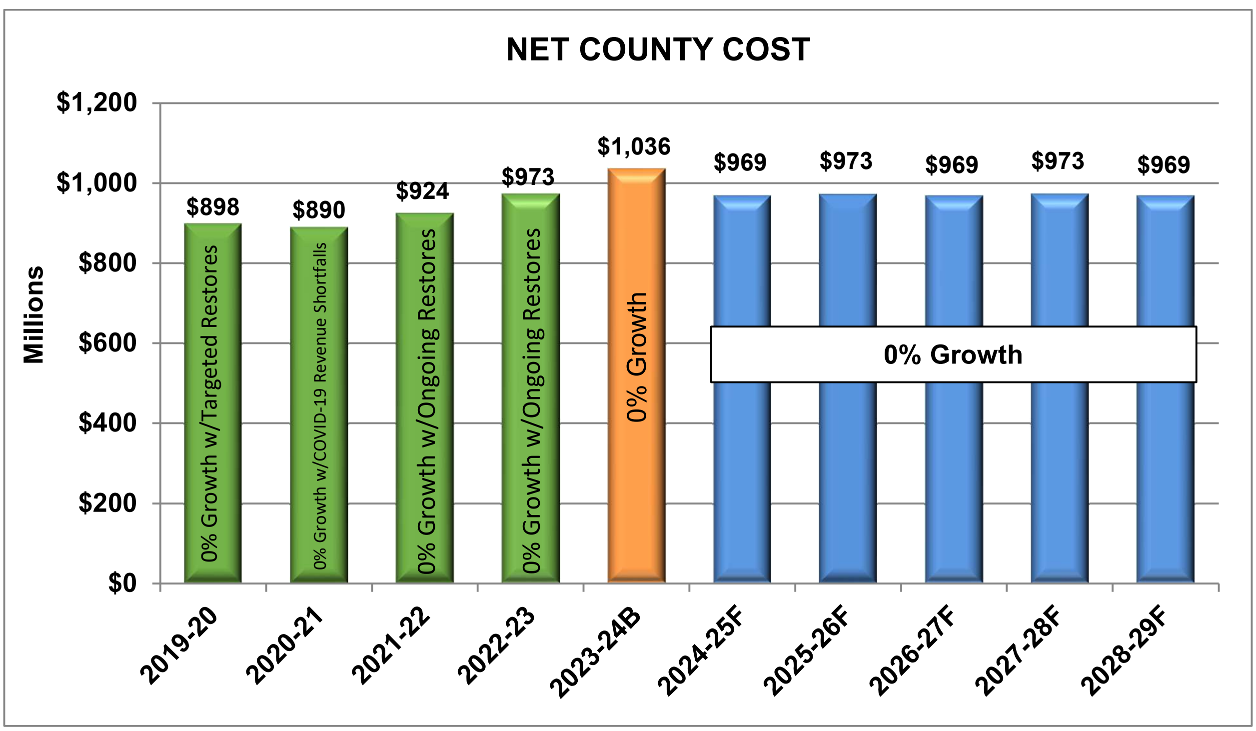
Key Assumptions:

- The total cost of salaries and benefits is expected to increase over the five-year plan and includes the following assumptions:
  - Salary growth factors include general salary increases consistent with existing and recently approved memorandum of understanding (MOU) terms. Assumptions for salary increases beyond the existing MOU terms include 0% growth for Years 1 through 5 of the plan. Salary projections are developed independently and not in consultation with Human Resource Services or the Board of Supervisors. The use of growth factors is for planning purposes only and does not represent a commitment for bargaining purposes.

Included in the assumptions for the 2023 SFP are the following economic and demographic assumption changes adopted by the Orange County Employees Retirement System (OCERS) Board on August 17, 2020:

- Reduced the assumed rate of price inflation from 2.75% to 2.50%, while the cost-of-living adjustment (COLA) assumption remained at 2.75%.
- Introduced the use of retirement rates structured as a function of age and years of service, which separated out retirement rates for legacy plans for years of service above and below 30 years. This resulted in higher assumed rates of retirement for legacy plan members with over 30 years of service. As such, retirement contribution rates for Non-Safety members increased.
- Adopted the use of public benefit-weighted mortality tables, which illustrated Safety mortalities were higher than previously projected using headcount-weighted mortality tables. This resulted in a lower contribution rates of retirement for Safety members.
- Retirement Rate Assumptions (Tier II) utilize the assumed investment rate of return of 0.00% for 2023 and 7.00% for all other years, which resulted in the following retirement contribution rates over the five-year plan:
  - Safety Rate ranges from 69.1% to 82.8% (3@50; excludes retiree medical)
  - Non-Safety Rate ranges of 36.8% to 43.0% (2.7@55; excludes retiree medical)

  - Retiree Medical for Safety ranges from 0.9% to 1.2% (1.9% to 2.5% for Law Enforcement Management)
  - Retiree Medical for Non-Safety ranges from 2.7% to 3.2%
- Health Benefit Cost Assumptions resulted in the following:
  - 5-Year Growth from $231 million to $305 million, a 31.7% increase
- Departmental NCC limits were set for ongoing baseline operations (current levels of service). FY 2024-25 NCC limits were projected using the adopted FY 2023-24 limits ($1,036 million) as a starting point, with amendments for technical adjustments and removal of one-time items resulting in proposed baseline limits for FY 2024-25 of $969 million. Departments have identified $95 million in appropriation reductions that would be required to meet the FY 2024-25 NCC limits. After factoring in NCC limit growth of 0% in FY 2024-25 through year five of the SFP, removal of any one-time items, and use of one-time funding sources to supplement General Purpose Revenue, funding sources are projected to be sufficient to cover department base budgets and forecasted restore augmentation requests; however, projected funding sources are insufficient to grant all department expand augmentation, capital improvement, IT and strategic priority requests. The following table summarizes historical budgeted and forecasted NCC.



The following table summarizes prior and current year Adopted Budget and SFP year projected NCC by program:

Program	19-20	20-21	21-22	22-23	23-24B	24-25F	25-26F	26-27F	27-28F	28-29F
Public Protection	$506.60	$601.08	$550.16	$577.88	$563.49	$558.29	$558.29	$558.29	$558.29	$558.29
Community Services	152.32	178.05	182.92	173.13	184.19	180.95	180.95	180.95	180.95	180.95
Infrastructure	35.71	36.41	36.31	36.80	42.34	36.89	36.89	32.41	32.41	32.41
General Government	140.98	130.18	136.59	158.84	173.00	165.43	168.79	165.48	169.45	165.48
Capital Improvements	53.81	28.96	21.99	16.13	16.13	16.13	16.13	16.13	16.13	16.13
Debt Service	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Insurance, Reserves & Misc.	9.00	(84.64)	(3.93)	9.98	56.99	11.43	11.43	15.91	15.91	15.91
GRAND TOTAL NCC	**$ 898.47**	**$ 890.09**	**$924.09**	**$ 972.81**	**$ 1,036.21**	**$ 969.16**	**$ 972.52**	**$ 969.22**	**$ 973.19**	**$ 969.22**

Note: FY 2023-24B NCC is the adopted budget. SFP years are forecasted (F).

Outlook and Opportunities

In general, key economic indicators reflect below trend growth as consumers adapt to persistently high inflationary pressures. The County will continue to monitor the State budget due to its projected $14 billion deficit in FY 2024-25, and prepare contingency plans to address any possible adverse funding impacts, if needed. Continued rising costs of salaries and benefits and other costs of doing business may exert pressure on the County's ability to fund current and future service levels. Please see further discussion of economic impacts in the *Economic Forecast* section of this document.

Development of this SFP takes into account modest General Purpose Revenue growth consistent with current and projected economic conditions. The County should continue to follow fiscal policies that will maintain department budget stability, prepare for contingencies, and address and fund agency infrastructure.

Expenditures

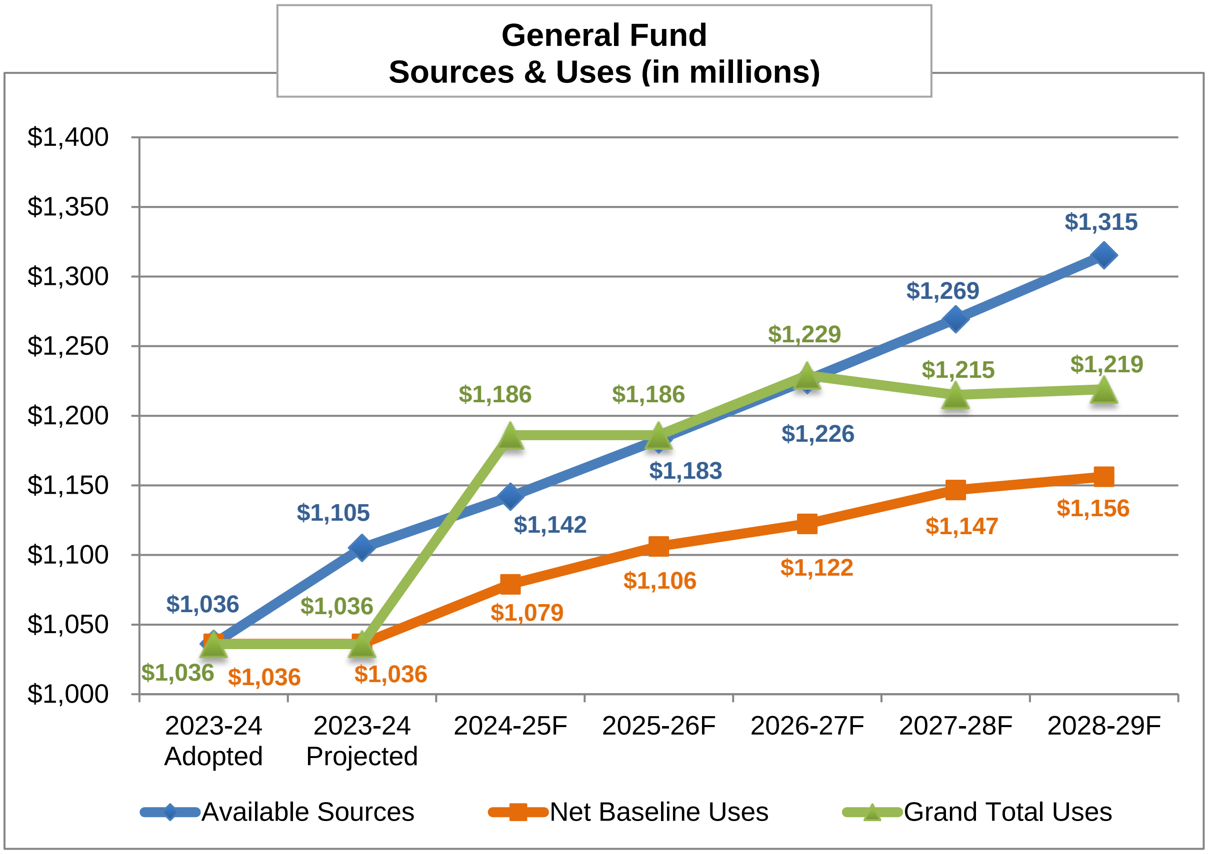
Key Issues include:

- The cost of doing business continues to grow.
- Competing needs exist for General Funds, including the need to fund new and deferred capital and IT projects, ongoing strategic priority requests, and reserve position.

The following chart illustrates the projected General Fund Sources and Uses.

- **Available Sources** is General Purpose Revenues and may include use of one-time revenue sources.
- **Net Baseline Uses** is NCC limits plus restore augmentations and Budget Stabilization and Contingencies reserve increases.

- **Grand Total Uses** encompasses the Net Baseline Uses including expand augmentations, capital improvement plan (CIP), information technology (IT) Plan, and Strategic Priority requests.



The gap between total sources and uses begins at a negative $44 million in the first year of the SFP; decreases to $3 million by year three; and then changes to a positive variance of $96 million in year five. The projected cumulative surplus is $100 million for the five years if all restore, expand, CIP, IT plan, and strategic priority requests are granted. **However**, the assumptions used resulting in a positive variance do not include salary and benefit increases not yet approved by the Board due to ongoing negotiations with various labor groups at the time of publishing the 2023 SFP. Cost increases associated with finalizing the contracts with the remaining groups is not included in the Grand Total Uses, but is expected to eliminate the cumulative surplus and to widen the negative gap in the first few years of the SFP.

It is important to note that unexpected shifts in economic conditions could cause the gaps between available sources and net baseline uses to narrow or invert. In addition, changes to the following assumptions could cause variations in the gaps shown above:

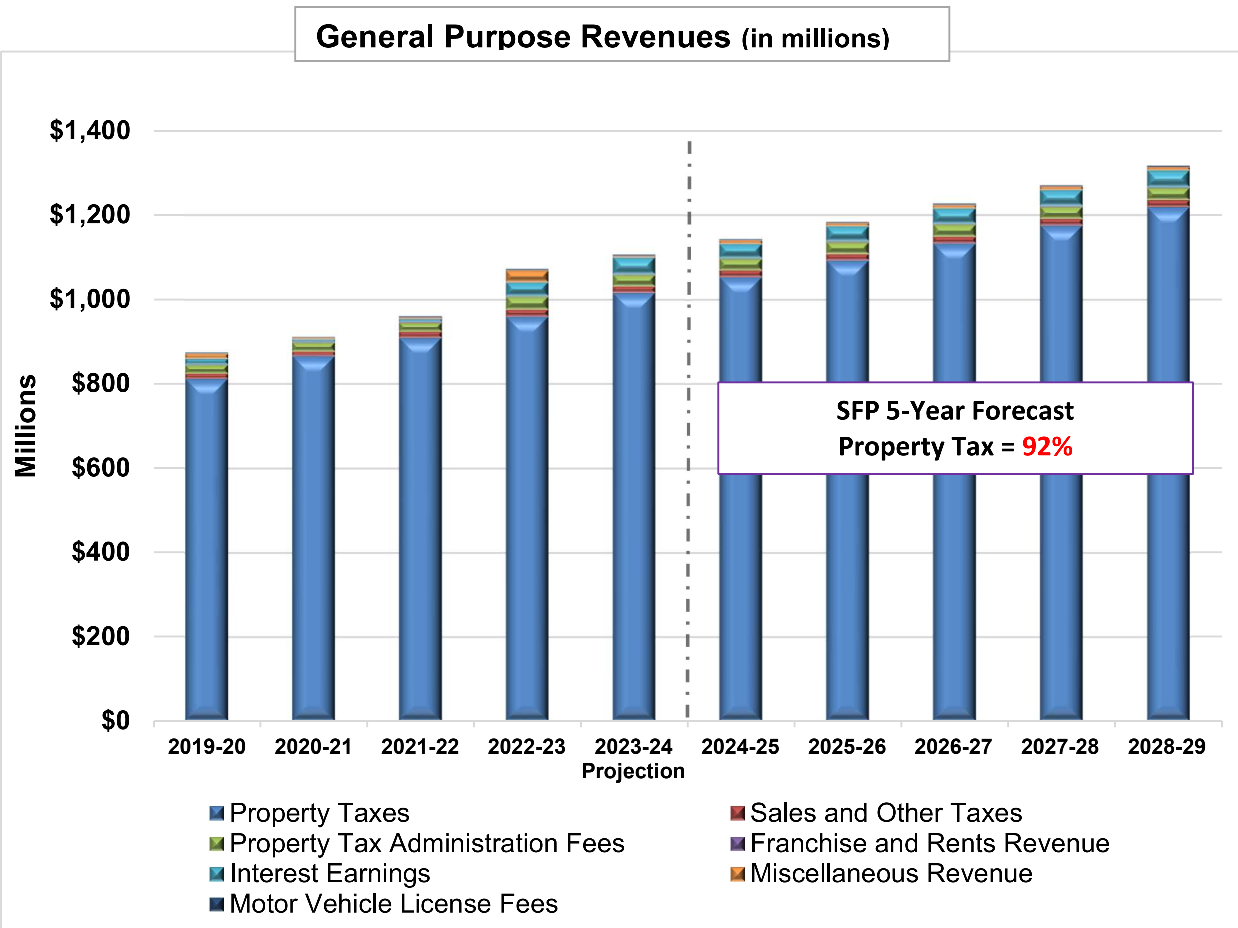
- The FY 2023-24 projection assumes that departments remain within budgeted Net Baseline Uses.
- The Net Baseline Uses assumes 0% growth for Years 1 (FY 2024-25) through 5 (FY 2028-29) of the SFP for salary increases beyond the existing MOU terms.

Over the five years of the SFP, departments requested a total of $13 million in expand augmentation requests primarily to fund increased staffing and equipment needs. In addition, departments requested a total of $271 million in strategic priority requests including $110 million related to OC CARES programs with the remaining $161 million related to department-specific requests. There are also unfunded CIP and IT plan requests of $119 and $22 million, respectively.

Revenues

As previously illustrated, departmental base revenues (sources) are projected to grow slowly, slightly above departmental base expenditures (uses).

The SFP forecasts moderate increases in General Purpose Revenue (GPR) consistent with current economic trends. The following chart summarizes historical and forecasted growth in GPR. Detailed analysis of each component of GPR and Fund Balance Unassigned is provided in the *General Purpose Revenue Forecast* section of this document.



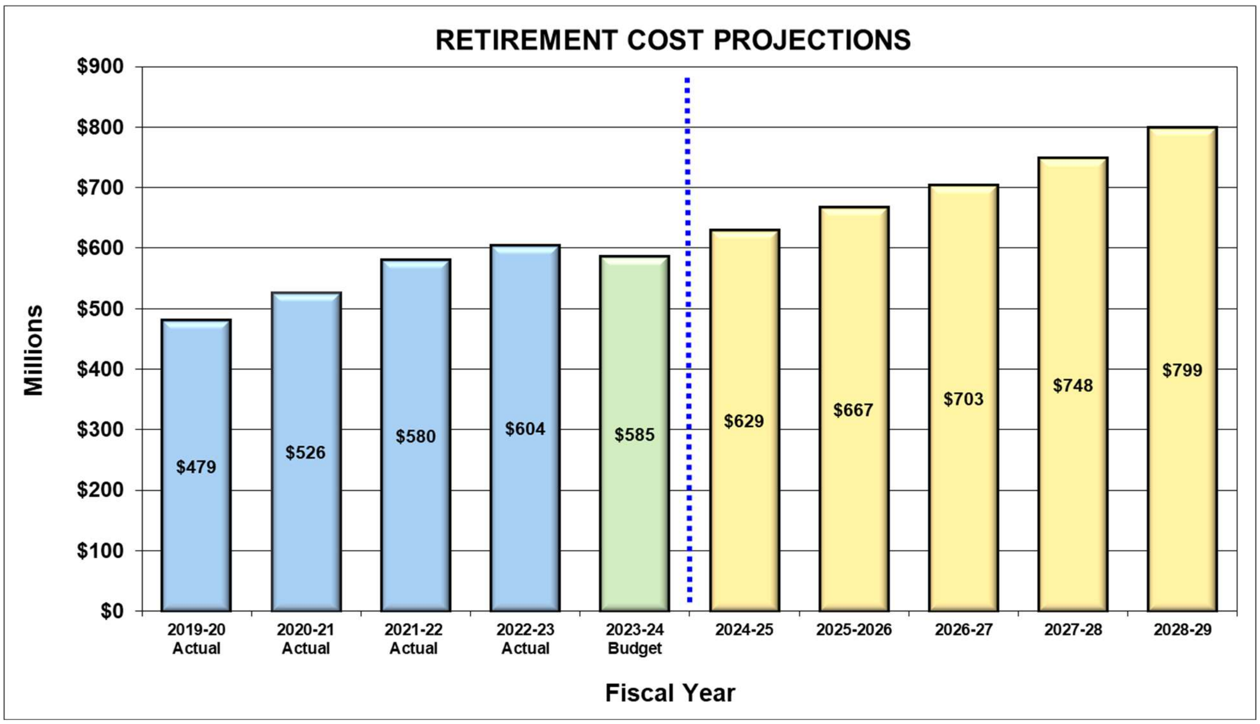
Note: Miscellaneous Revenue includes transfers in from other funds.

Retirement

For the 2023 SFP, the County's projected cost of retirement shows an average 26.6% increase over the 2022 SFP forecast primarily due to the following:

- Actual salary COLA increases were more than the expected 3% salary increase. Four of the ten County labor unions negotiated COLA salary increases of 4.75% in FY 2023-24, 4.25% in FY 2024-25 and 4.00% in FY 2025-26.[1]

As illustrated in the table, the 2023 SFP retirement forecast shown in the yellow bars below shows a 36.6% increase when comparing costs from the current year's budget FY 2023-24 of $585M to $799M estimated in FY 2028-29.

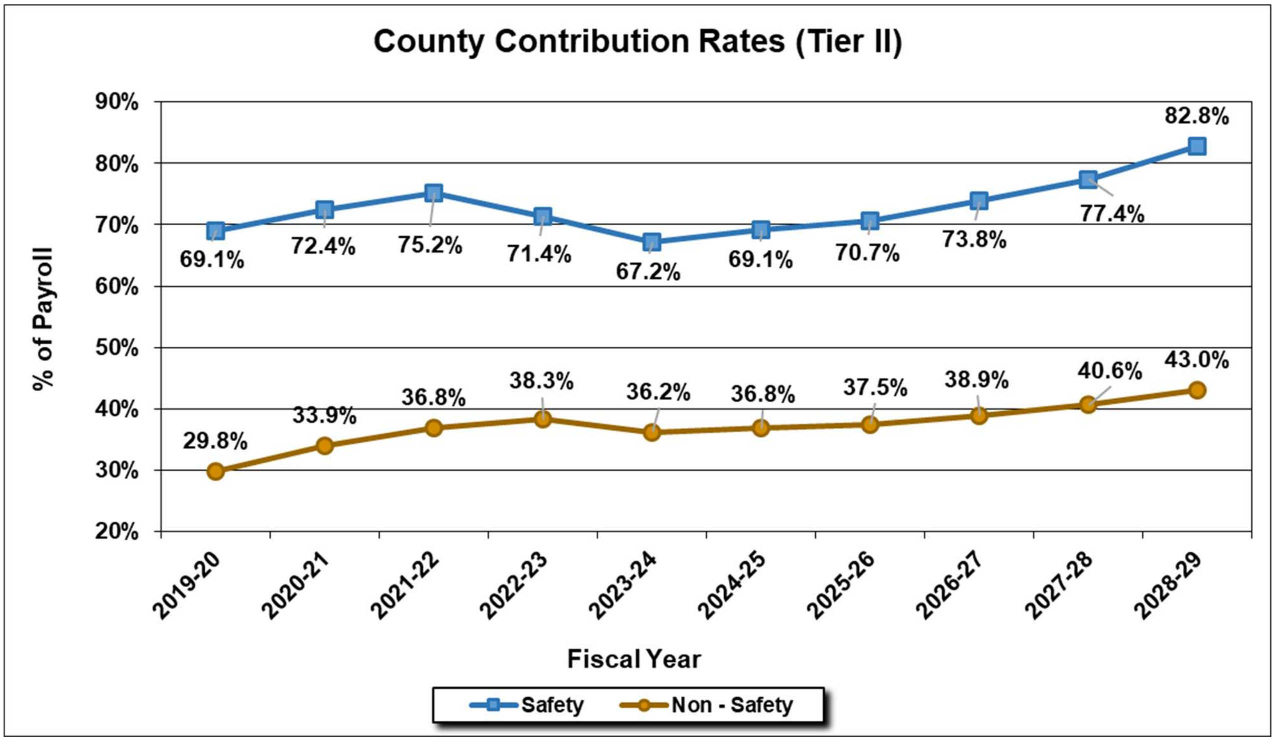


Note: All years exclude Pension Prepayment and Retiree Medical.

Furthermore, the following chart of actual and projected County Contribution Rates for Tier II employees reflects an increase in FY 2024-25 retirement rates for Non-Safety and Safety. Over the plan, assuming all actuarial assumptions are met in the future and there are no additional changes in any of the actuarial assumptions, retirement rates are expected to increase due to salary increases as the UAAL is paid down over the 20-year amortization period.

[1] Since finalization of the 2023 SFP, two additional County labor unions negotiated COLA salary increases which are not included in the reported information, graphs and charts.

Although the County's cost of retirement will increase due to higher than anticipated salary increases, a long-term positive impact is expected due to the reduced retirement benefits established under the California Public Employees' Pension Reform Act of 2013 (PEPRA). New County employees hired on or after January 1, 2013, who are considered "New Members" within the meaning of PEPRA, are enrolled in lower cost PEPRA retirement plans. As of September 2023, the County had 8,790 (approximately 53%) County employees enrolled in PEPRA retirement plans, an increase from 7,506 (approximately 47%) County employees as of September 2022.



Notes: All years exclude Retiree Medical.

Pension Unfunded Actuarial Accrued Liability (UAAL) – Funding Progress

The County participates in the Orange County Employees' Retirement System (OCERS), a cost sharing multiple-employer, defined benefit pension plan. The County's funding policy aims to fully provide member benefits upon retirement by meeting this goal with annual OCERS contributions that are combined with employee contributions and investment income.

At the end of each calendar year, OCERS conducts an actuarial valuation which establishes the employer and employee retirement contribution rates. The total employer retirement contribution rate includes two components: the Normal Cost Component and the current year's cost for the Unfunded Actuarial Accrued Liability (UAAL). The Normal

Cost Component is the amount that will pay for the current year's value of retirement benefits as earned. The UAAL Component is the accrued liability for past services which were not funded by prior contributions and investments. Ideally, all benefits are funded through the Normal Cost Component only. However, a UAAL can arise due to the following factors:

- Benefit enhancements are retroactively applied
- Actuarial losses due to actual growth in factors such as the number of retirees, improved mortality rates, salaries or investment return losses
- Changes in actuarial assumptions for factors such as the assumed rate of return, member mortality rates, rate of salary increases, rates of retirement or age at retirement

Large long-term unfunded pension liabilities impact the financial position of the County, which could include the following impacts:

- Potential negative impact on the County's credit rating, which could lead to higher costs of borrowing.
- Unfunded pension liabilities, meaning a larger portion of retirement costs are funded by the taxpayer instead of investment returns.
- Increased financial resources being paid towards annual retirement costs instead of the provision of services. In FY 2022-23, the County's total annual retirement cost was approximately $604.2 million, with an estimated UAAL cost of $404.2 million or approximately 66.9% of total retirement costs.

Accelerated Funding Plan Analysis - During the 2017 Strategic Financial Plan process, the County evaluated the concept of accelerating payments toward the UAAL to improve its financial position. The following challenges were identified which determined accelerated funding payments towards the UAAL was not feasible for the County:

- General Fund discretionary funding is limited, and the funding priority is for County mandates.
- Applicable guidelines for many program funding sources restrict the advance payment of unfunded pension liabilities.
- Numerous County programs have limited program funding which are currently used to cover existing expenditures to meet current service levels.
- Additional funding sources, such as program user fees, would have to increase to cover the cost of additional payments toward the unfunded pension liability.
- Charges to contract partners would have to be increased to cover the cost of additional payments toward the unfunded pension liability.

However, as a result of the following steps taken by the County and the OCERS Board of Retirement to ensure adequate funding of the retirement system, it is projected that the County will achieve 100% funding of the UAAL by 2036:

- In 2013, the OCERS Board adopted a funding policy to reduce the amortization period of the UAAL from 30 years to 20 years, which was a sound financial decision to ensure a timelier payment of the UAAL, eliminating an additional ten years of interest payments.
- OCERS has adopted realistic assumptions to ensure contributions are sufficient to fully fund the retirement system's obligations. Each year the actual experience of the retirement system is compared to the assumptions used in determining contributions rates to assess whether changes in annual contribution requirements are necessary. In addition, triennially, OCERS conducts an experience study to decide whether or not to adjust the underlying assumptions used in determining contributions rates. Based on these experience studies, the OCERS Board has adopted the following past significant changes in assumptions:
    - **Investment Rate of Return** – On December 5, 2012, the OCERS Board voted to reduce the assumed investment rate of return from 7.75% to 7.25%. On October 16, 2017, the OCERS Board adopted a reduction in the assumed investment rate of return to 7.00% effective July 2019. The assumed rate of return reduction had the impact of increasing contribution rates of members and plan sponsors.
    - **Rate of Inflation** – On September 23, 2014, The OCERS Board adopted a decrease in the inflation assumption from 3.25% to 3.00% per annum. On October 16, 2017, the OCERS Board adopted a further decrease in the inflation assumption to 2.75%. On August 17, 2020, the OCERS Board adopted another decrease in the inflation rate assumption to 2.50%, while maintaining the post-retirement COLA at 2.75%. The reduction in the assumed inflation rate had the impact of reducing contribution rates of members and plan sponsors.
    - **Mortality Rates** – On October 16, 2017, the OCERS Board adopted the application of generational tables to project mortality rates, which demonstrated projected life expectancy increases with each new generation. This change in assumption had the impact of significantly increasing contribution rates of members and plan sponsors. On August 17, 2020, the OCERS Board adopted the use of public benefit-weighted mortality tables projected generationally, which indicate benefit (or salary for employees) is a significant predictor of mortality difference. In addition, the new tables are based exclusively on public sector experience, unlike the prior tables. These new tables indicated that public Safety member rates of mortality are higher, which led to a reduction in contribution rates for members and plan sponsors for Safety.

- To control and reduce the growth of the UAAL, the County implemented a hybrid retirement plan (1.62% @ 65) prior to implementation of PEPRA, which reduces the cost of retirement benefits.

Funding Progress – Based on the OCERS December 31, 2022 actuarial valuation, the funding ratio for the retirement system is 81.51%, which is a slight increase from 81.15% in 2021. OCERS' UAAL increased from $4.53 billion ($3.88 billion attributable to the County) to $4.70 billion ($3.99 billion attributable to the County). The UAAL increase was primarily attributable to less than the expected investment return assumption of 7% (after smoothing), actual salary increases greater than the 3% expected salary increase, and actual retiree COLA greater than the expected 2.75%. The following table summarizes the County's UAAL and current funding ratio by the County's four Rate Groups:

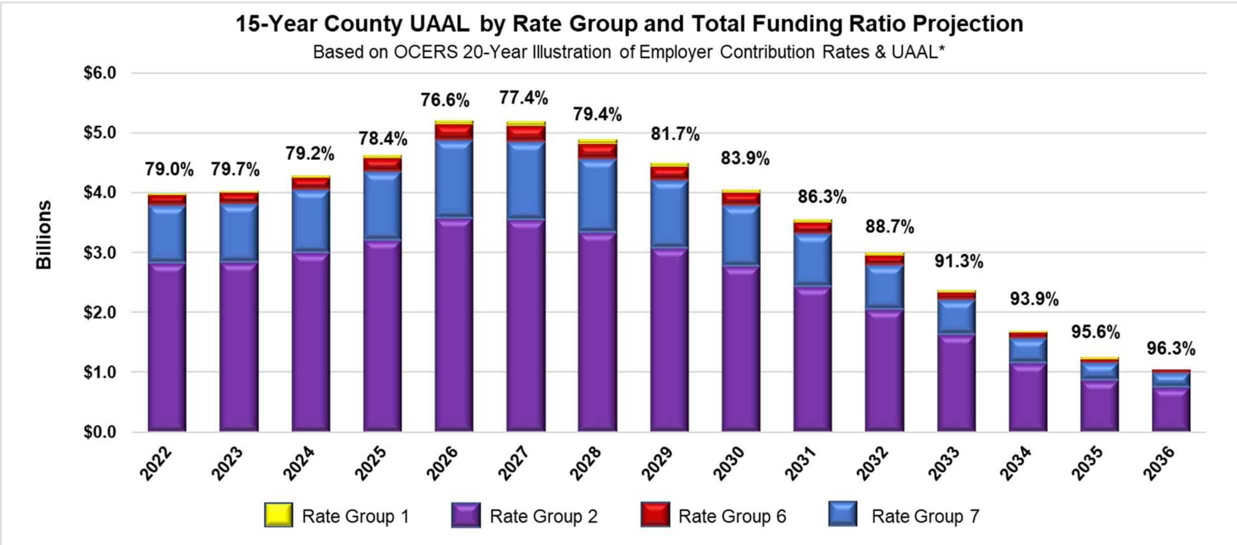
County of Orange
Unfunded Actuarial Accrued Liability (UAAL) and Funding Level by Rate Group
Based on OCERS Actuarial Valuations Prepared by Segal Consulting

Rate Group	Rate Group Members	Retirement Formula (1)	December 31, 2022 Valuation UAAL (2)	December 31, 2022 Valuation Funding Ratio (2)	December 31, 2021 Valuation UAAL (2)	December 31, 2021 Valuation Funding Ratio (2)
1	American Federation of State, County and Municipal Employees (AFSCME) & Sheriff Deputy Trainees	1.67% @ 57	$ 23,608,000	94.30%	$ 24,895,000	93.70%
2	General Employees	2.7% @ 55	2,823,356,000	77.50%	2,759,863,000	76.90%
6	Probation	3.0% @ 50	175,151,000	83.60%	161,071,000	83.90%
7	Law Enforcement	3.0% @ 50	969,473,000	80.60%	934,471,000	80.20%
County Total			**$ 3,991,588,000**	**79.02%**	**$ 3,880,300,000**	**77.39%**
Portion Funded by General Fund General Purpose Revenues (3)			**$ 941,670,690**		**$ 915,416,315**	

(1) For informational purposes, the retirement plan formulas shown represent the largest employee group for each rate group.
(2) UAAL and current funding ratio data provided by OCERS.
(3) Based on FY 2023-24 Budget, an estimated 23.6% of the UAAL is funded by General Fund General Purpose Revenues.

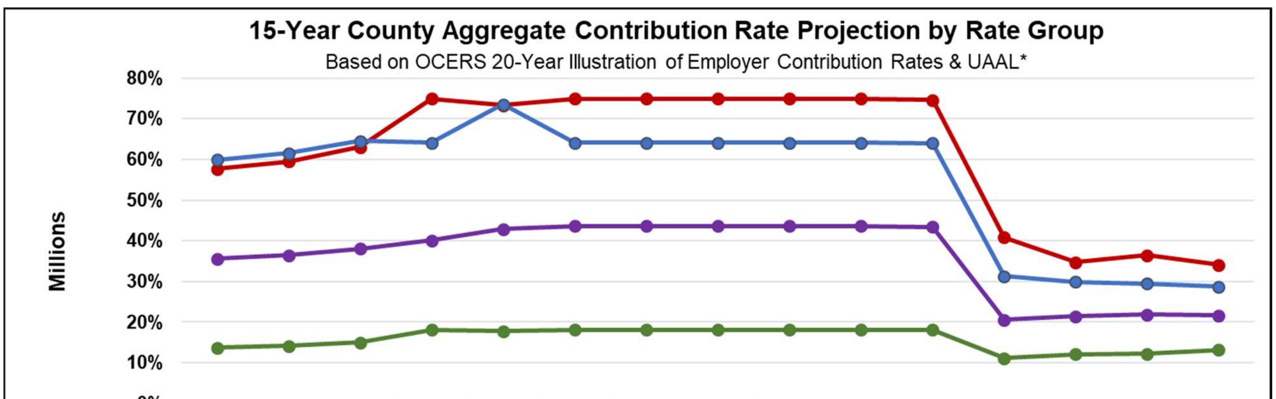
Annually, OCERS' actuary, Segal Consulting, prepares a 20-year projection of employer contribution rates and UAAL based on the latest actuarial valuation. Utilizing the information provided in the analysis with the following major assumptions, the table below illustrates the County's projected annual UAAL and funding ratio:

- Investment rate of return: 0% for 2023 and 7% for all years thereafter
- Inflation rate: 2.50%
- COLA for Retirees: 2.75%
- Salary Increases: 3.00% is assumed for all years where negotiated salary increases are not included in existing MOU terms. This assumption varies from the 2023 SFP which includes salary increases consistent with existing MOU terms and 0% growth for Years 1 through 5 of the plan where applicable.



*Results prepared by OCERS' actuary, Segal Consulting, based on the OCERS December 31, 2022 Actuarial Valuation.

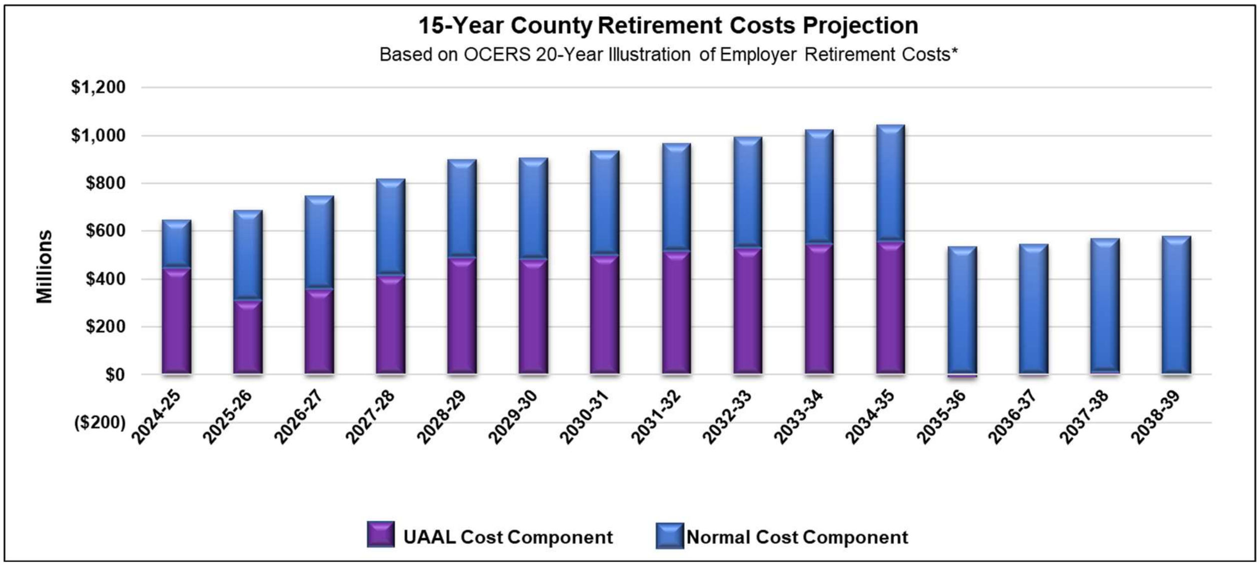
Demonstrated in the table above, the County will achieve a pension funding level above 80% in 2029 and 96.3% in 2036. The table below provides the 15-year illustration for the County's projected aggregate contribution rates for retirement for each of its four Rate Groups:



	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39
Rate Group 1	13.70%	14.15%	15.05%	18.15%	17.75%	18.15%	18.15%	18.15%	18.15%	18.15%	18.08%	11.18%	12.15%	12.28%	13.18%
Rate Group 2	35.63%	36.45%	38.07%	40.10%	42.92%	43.59%	43.59%	43.59%	43.59%	43.59%	43.42%	20.57%	21.40%	21.87%	21.61%
Rate Group 6	57.64%	59.49%	62.97%	74.88%	73.26%	74.88%	74.88%	74.88%	74.88%	74.88%	74.58%	40.88%	34.68%	36.46%	34.06%
Rate Group 7	59.94%	61.49%	64.57%	64.11%	73.53%	64.11%	64.11%	64.11%	64.11%	64.11%	63.95%	31.27%	29.94%	29.47%	28.74%

*Results prepared by OCERS' actuary, Segal Consulting, based on the OCERS December 31, 2022 Actuarial Valuation.

As shown in the table above, retirement contribution rates as a percentage of payroll are expected to rise slightly and then decline due to favorable investment returns (after smoothing), as discussed in the Retirement section above. After that period, rates are expected to stabilize until the UAAL is fully funded. After the UAAL is fully funded, which varies by Rate Group, retirement contribution rates will only include the Normal Cost Component. The table below presents the 15-year projected total cost of retirement, including a breakdown of retirement costs between the Normal and UAAL Cost Components:

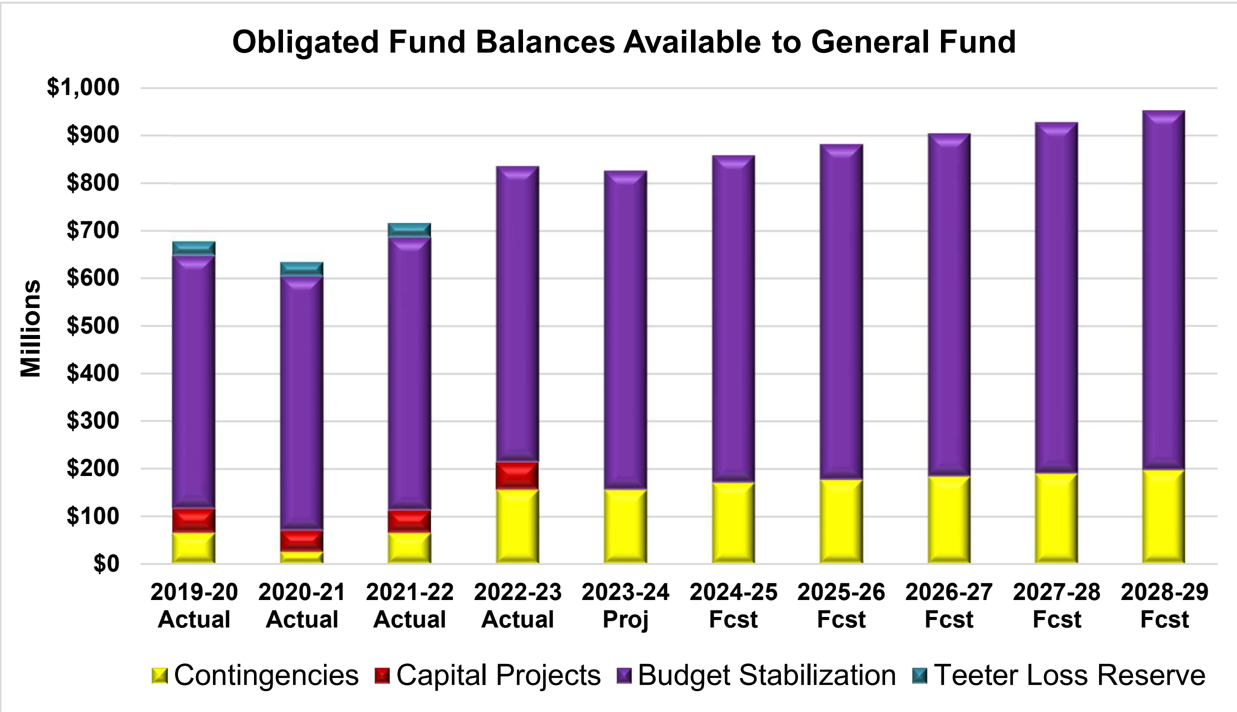


*Results prepared by OCERS' actuary, Segal Consulting, based on the OCERS December 31, 2022 Actuarial Valuation.

Due to the steps taken by OCERS and the County, the County is well on its way to achieving a significant level of funding for its pension obligations in 2024 and full funding by 2036 with no need to pursue an accelerated funding plan. The County will continue to focus on evaluating and pursuing other opportunities to build upon and improve the County's financial position by reducing long-term liabilities in other areas.

Obligated Fund Balances and Cash

The County maintains an established Reserves Policy (please see the *Reserves Policy* portion of this document) to mitigate cash flow impacts, maintain best debt ratings and positive borrowing position, and to provide liquidity in the event of a catastrophic event.

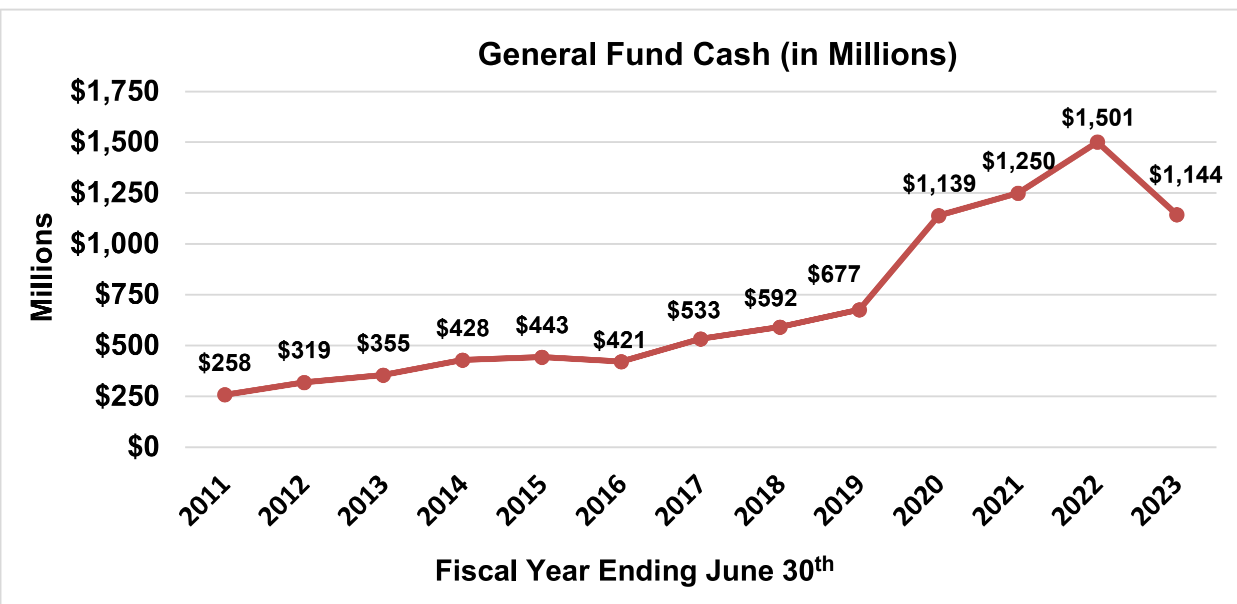


(Note: Balances exclude accounts held by other authorities/agencies such as balances held by the Orange County Employees Retirement System [OCERS].)

During economic downturns, reserves have been used to reduce the severity of impacts to clients and departments. The County has been committed to building reserves back to a level that provides flexibility to maintain service levels and protects the County's cash position in order to meet its obligations. The COVID-19 pandemic had a financial impact, resulting in the County Fund Balance Unassigned (FBU) ending FY 2020-21 with a deficit and necessitating draws from contingency and budget stabilization reserves to balance the General Fund. However, through responsible fiscal management, strategic planning and prudent allocation of resources, the County was able to replenish its reserves to pre-pandemic levels and met the GFOA recommended target for FY 2023-24 Budget Stabilization Reserve. The current and projected obligated fund balances available to the General Fund reflect a healthier reserve position.

Over the five years of the SFP, increases to the contingency and budget stabilization reserves are forecasted in order to meet and/or maintain the GFOA recommended target reserve in each of the SFP years. In accordance with Board of Supervisors Resolution 10-136, any excess Fund Balance Unassigned recorded at fiscal year-end is transferred to reserves by the Auditor-Controller during the year-end closing process.

The County is diligent in maintaining an adequate balance of General Fund cash to address timing variances that occur throughout the year between expense and revenue transactions. Based on the current cash management plan, it is anticipated that cash balances will remain stable throughout the financial planning period. The following chart reflects historical cash balances through June 30, 2023. Cash balances dipped slightly between 2015 and 2016 due to timing of Health Care Agency Behavioral Health programs cash receipts. In the following year, the cash increase from 2016 to 2017 was due to the release of a yield-restricted investment to General Fund cash. The increase to cash from 2018 to 2019 is primarily due to increase in property tax revenues, realignment and public safety sales tax revenues and one-time SB90 revenue and interest payments from the State. Finally, the increase to cash from 2019 to 2022 is due to the receipt of one-time Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan Act (ARPA) revenues. Since the County did not receive additional one-time receipts related to COVID-19 in 2023, General Fund cash has decreased to a more typical, stable balance.



Note: Cash balances are as of June 30 of each year as reported in the Annual Comprehensive Financial Report (ACFR). Cash balance for 2023 is preliminary as of November 9, 2023.

Infrastructure & Capital Expenditures

Economic conditions and competing priorities for General Funds influence how the County addresses capital spending. The County continues to use a portion of the modest growth in revenues to fund previously deferred critical projects such as a new Emergency Operations Center and parking structure and a new Enterprise Resource Planning (ERP) software system. In addition, one-time revenues are being utilized to fund housing for Transitional Aged Youth and Pre-Justice Involved Youth, a Juvenile Corrections Campus, and Emergency Medical Services Operating Facility.

Strategies

It is essential that departments continue to review programs and operations to determine the best practices when sizing programs for future economic conditions and to ensure services to the community are maintained and performance goals are met within the boundaries of available resources. Departments and the County Executive Office are currently planning for the FY 2024-25 budget process with a goal of preserving the capacity to provide quality services to the community. Seeking opportunities for additional funding to maintain ongoing operations is essential to the process including efforts undertaken in development of the County’s Legislative Platform.

Sustainability

The County is pursuing various efforts aimed towards environmental sustainability and green technologies. As a governmental entity, the human, social, and economic aspects of sustainability continue to be the core functions of the County. As part of these efforts, the County is focusing on reducing its carbon footprint by replacing older vehicles with low to zero-emission vehicles, and building electric vehicles (EV) charging infrastructure and EV stations to comply with California’s Air Resource Board’s initiative for EVs. In addition, the County is upgrading its Countywide facilities with best practices for efficiencies by retrofitting building-wide lighting systems with LED lighting, replacing lighting control systems with more effectively managed motion-based occupancy detection, installing solar panels and mechanical systems that regulate utility resources, and utilizing renewable natural gas and energy. The County is continuing the use of telecommuting, virtual meetings, working towards becoming paperless, accepting and submitting digital invoices with electronic signatures and payments via Electronic Fund Transfer (EFT), recycling, and minimizing waste and natural resources conservation.

Furthermore, the County is developing a Green Infrastructure Plan that focuses on ongoing development of green infrastructure specifications and long-term operation and maintenance plans, which complies with various regulatory requirements and future drought and climate action needs. Environmental sustainability is the next phase to be incorporated into the County's core functions and daily operations. This movement aligns with state and federal priorities and fundings opportunities.

Conclusion

The County's long-term commitment to a balanced budget and early action has proven successful in maintaining core services with minimum impact to service recipients. Through their commitment to fiscal prudence, the Board of Supervisors developed a vision for the County to address critical community, capital, and organizational needs while also allowing for accommodation of new fiscal challenges and opportunities as they arise.

An ongoing commitment to fiscal prudence will be required as the County attempts to balance the funding of identified needs and priorities and strives to provide high quality services and advance major initiatives. 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.

The Board of Supervisors will be apprised of the County's fiscal status on an ongoing basis via the annual and mid-year budget reporting processes and other methods, as appropriate. Carrying out vital services and assurance of responsible management requires that:

- Impacts continue to be evaluated and communicated timely;
- The County maintains disciplined financial management;
- Structural balance focused on values and core services continues to be a priority;
- The County remains committed to seeking creative alternatives and partnerships.

Coordinated efforts of the Board of Supervisors and the County employees make it possible to practice fiscal stewardship and to maintain government core services and priorities.

Economic Forecast

Introduction - General Economy

The 2023 Strategic Financial Plan economic forecast is informed primarily by projections developed by Chapman University and University of California, Los Angeles (UCLA). This overview discusses key economic indicators impacting Orange County including gross domestic product, consumer price index, consumer confidence, personal income, employment, housing, and taxable sales.

According to the October 2023 UCLA Anderson Forecast, the economy is projected to experience below trend growth as elevated interest rates will dampen personal consumption, housing, and business investment levels, especially in 2024. However, they are expected to return to trend growth by the end of the forecasted period in 2025. Economic growth, as measured by real gross domestic product (GDP), is forecasted to remain low at 2.3% in 2023, slowing to 1.5% in 2024 and a slight rebound of 1.7% in 2025. Although the economy is experiencing below-trend growth, the consensus is projecting no recession as there are other aspects of the economy that are displaying robust growth, specifically in retail sales, durable goods orders and factory construction spending (UCLA Anderson).

Inflation, as measured by the Consumer Price Index (CPI), is projected at 4.1% in 2023, declining to 3.0% in 2024 and 2.8% in 2025. The Federal Reserve’s preferred measure of inflation, the Core Personal Consumption Expenditure Price Index (PCE), is projected to follow a similar downtrend of 3.7% in 2023 and then lowering to 2.7% in 2024 and 2025. Although the Federal Reserve’s target of 2.0% rate of inflation is not projected to be met during this forecast, it does spotlight the probability of the Federal Reserve reducing interest rates by 25 basis points in mid-2024 and two more reductions in the Federal Reserve Funds rate for a total of 75 basis points due to inflation lowering. Furthermore, the unemployment rate is estimated to stay at 3.6% by the end of 2023 and slightly increase to 3.8 % in 2024 and 2025. The increase in unemployment rate in 2024 and 2025 is a byproduct of not enough workers rather than an absence of job openings (UCLA Anderson).

Consumer sentiment, also known as consumer confidence, is a statistical measurement and an indicator of consumers’ perceived overall health of the economy. Both the University of Michigan and the Conference Board survey consumers and report findings about their expected level of spending. These survey results are relevant to Orange

County as they measure people's confidence in their income stability and how confidence impacts their economic decisions, like spending activity. During times of low confidence, the County expects less revenue and growth than in periods with high confidence and economic prosperity. The survey results are also used by news and investment outlets to report on economic conditions. The University of Michigan reports that consumer sentiment fell back from an index of 68.1 in September 2023 to 63.0 in October 2023 as assessments of personal finances declined about 15%, primarily due to concerns over inflation. In the same manner, the Conference Board's Consumer Confidence Survey reports that consumer confidence declined from an index of 108.7 in August 2023 to 103.0 in September 2023 as rising prices in general, and specifically for groceries and gasoline, have troubled consumers. In addition, consumers also expressed worries about the political situation and the higher interest rate environment. These worries were also reiterated in the Expectations Index that declined to 73.7 in September from 83.3 in August 2023. Historically, a score of under 80.0 signals a recession within the next year, which is consistent with the Conference Board's anticipation of a short and shallow economic contraction in the first half of 2024.

The Federal Reserve Board, as of September 2023, maintained the federal funds rate at 5.25% to 5.50% and will continue to assess additional information and its implication on monetary policy. The decision to maintain the rate target range supports the Federal Reserve's price stability and maximum employment goal. The Federal Reserve Board continues to be highly attentive to inflation risks and is willing to make appropriate changes to monetary policy to bring inflation back to 2% over the long run, which could be a hint to an additional 25 basis point hike in late 2023. However, the timing and scope of future adjustments to the federal funds range will be dependent on a wide range of information such as labor market conditions, inflation pressures and financial and international developments. The Federal Reserve Board acknowledges inflation remains elevated, but there are positive signs as economic activity has been growing, job gains remain strong, and the unemployment rate has remained low.

National Economy

The Congressional Budget Office (CBO) *Monthly Budget Review: September 2023* approximates that the fiscal year 2023 federal budget deficit totaled $1.7 trillion, slightly more than the $1.4 trillion in fiscal year 2022. Outlays decreased by 2% primarily due to the stalled implementation of the Administration's plan to cancel student loan repayments because of the Supreme Court's June 2023 decision, as well as other areas that had outlay decreases due to COVID-19 related activity in Food and Nutrition Service, Public

Health and Social Services Emergency Fund and relief to state, local, tribal and territorial governments. In addition, revenues decreased by 9%, mainly because of lower than anticipated collections of individual and corporate income taxes. This could be a result of smaller capital gains and other types of income and the possibility of taxpayers who were affected by natural disasters, including most taxpayers in California, in which the Internal Revenue Service postponed the filing deadline for payments throughout the year. The major sources of government revenues, individual income taxes and payroll taxes are estimated to decrease by 17% and increase by 9%, respectively.

Based on *The Budget and Economic Outlook: 2023 to 2033* from the CBO in February 2023, the budget deficit is estimated at 5.3% of GDP in 2023 and increases to 6.1% in 2024 and 2025. Due to the expiration of certain income tax provisions, the budget deficit then decreases to 5.7 % and 5.5% in 2026 and 2027, respectively, only to increase to 6.9% of GDP in 2033. The increase is correlated to interest costs and mandatory benefit program spending, such as Medicare and Social Security, as well as other legislative changes impacting the estimated deficit amount. The CBO projects outlays at 23.7% of GDP in 2023 and are projected to remain below 24.0% up until 2028, in which they then increase to 24.9% in 2033. Revenues are estimated at 18.3% of GDP in 2023, decreasing over the next two years before rising again in 2026 and 2027 and then stabilizing. The decrease in receipts is correlated to a decline in individual and corporate income tax receipts received.

The following table provides CBO forecasts of key national indices.

National Indices	**Notes**	**2024**	**2025**	**Annual Average**	
				2026-2027	**2028-2033**
Real GDP	1	2.5%	2.6%	2.3%	1.8%
CPI	1	2.4%	2.1%	2.1%	2.3%
Unemployment Rate	2	4.8%	4.6%	4.1%	4.5%
3-Month Treasury Bill	3	3.2%	2.5%	2.2%	2.3%
10-Year Treasury Note	3	3.8%	3.8%	3.8%	3.8%
Deficit	4	(5.8%)	(6.1%)	(5.6%)	(6.3%)

Source: Congressional Budget Office, The Budget and Economic Outlook: 2023 to 2033, February 2023

Notes:
1 – Fourth Quarter to Fourth Quarter, Percentage Change
2 – Fourth Quarter Level, Percent (Annual averages reflect value for last year in the range)
3 – Annual Average, Percent
4 – Gross Domestic Product, Percentage of

California Economy

On June 27, 2023, the Governor signed the FY 2023-24 State Budget, which is projected to end with $37.8 billion in general fund reserves, consisting of $22.3 billion in the Budget Stabilization Account (BSA), $3.8 billion in the Special Fund for Economic Uncertainties, and $900 million in the Safety Net Reserve. As outlined by the Legislative Analyst's Office (LAO) in *The 2023-24 Budget: Overview of the California Spending Plan (Preliminary Version)* publication, after two years of significant surpluses, the state faced a budget deficit. To address the budget problem, it included $13 billion in spending-related solutions, $10 billion in cost shifts, and nearly $4 billion in revenue-related solutions. The FY 2023-24 General Fund revenues and transfers budget of $208.7 billion is estimated to decrease from the prior year level by 2%, mostly due to a decline in personal income tax as weakness in the technology sector emerged and a decline in investment in California businesses, which drags down compensation to higher-income taxpayers. The General Fund expenditure budget totals $225.9 billion, a decrease of 4% or $8.7 billion over the revised prior year level.

The *June 2023 Chapman University Economic & Business Review* has a bleak outlook on job growth for 2023 as the forecast calls for a 1.3% increase compared to 5.5% increase in 2022. It also spotlights the potential of job growth turning negative if their forecast of an economic contraction occurs towards the latter part of 2023. With the State of Emergency for COVID-19 closing out, a trend that continues to be spotlighted is California's net domestic migration trend, which was a negative 407,000 in 2022 compared to a negative 347,000 in 2021. The *October 2023 UCLA Anderson Economic Forecast* indicates the largest gains in jobs over the last three months ending August 2023 have been in public and private education, and health care and social services. Furthermore, though not the fastest growing sector over the last three months, technology also posted gains in employment and is able to overcome large technology company layoffs by having a higher chance of being absorbed by green technology, medical technology, aerospace technology, and the like.

The following table provides forecasts by local economists of key state indices.

California Indices	Notes	Chapman	UCLA		
		2023	2023	2024	2025
CPI	1	N/A	4.1%	3.2%	2.9%
Taxable Sales	1	7.3%	1.0%	4.5%	3.9%
Personal Income	1	3.4%	3.9%	4.4%	5.0%
Payroll Employment	1	1.3%	0.7%	1.0%	0.8%
Unemployment Rate	2	N/A	4.5%	4.7%	4.6%

Sources: Chapman University Economic & Business Review, June 2023; UCLA Anderson Forecast, October 2023
Notes: 1 – Percentage Change; 2 – Not Percentage Change

Orange County Economy

In Orange County, Chapman University forecasts job growth to be 1.4% in 2023, which represents an increase of 24,000 jobs. Economic indicators at the local level will generally follow national and state trends. In Orange County, most jobs are forecasted to be created in the services sector, such as those in leisure and hospitality, and education and health, as well as state and local governments.

Two of the County's major funding sources are property and sales taxes, which commonly fluctuate with changes in the housing sector and taxable sales activity. Chapman University forecasts a decrease of 8.8% for the median price of all homes mainly due to the interest rate environment impacting mortgage rates, and an increase of 3.0% for taxable sales in 2023.

The following table provides trends in key local indices, followed by a discussion of the economic indicators.

Orange County Indices (Year-To-Year Changes)	2019	2020	2021	2022	2023 Forecast
Payroll Employment	1.3%	(8.5%)	3.6%	5.3%	1.4%
Total Personal Income	5.6%	7.3%	6.4%	0.5%	3.2%
Taxable Sales	3.3%	(8.4%)	22.6%	12.1%	3.0%
Residential Permits	27.0%	(42.6%)	26.5%	(13.2%)	(6.6%)
Existing Homes Price Index, Single-Family (Base Year = 2009)	0.8%	7.9%	16.4%	12.5%	(8.8%)

Source: Chapman University Economic & Business Review, June 2023

Employment – According to the California Employment Development Department, Orange County payroll employment increased by 2.6% from August 2022 to August 2023 with educational and health services and leisure and hospitality accounting for half of the total year-over-year nonfarm increase. The following table provides payroll employment changes.

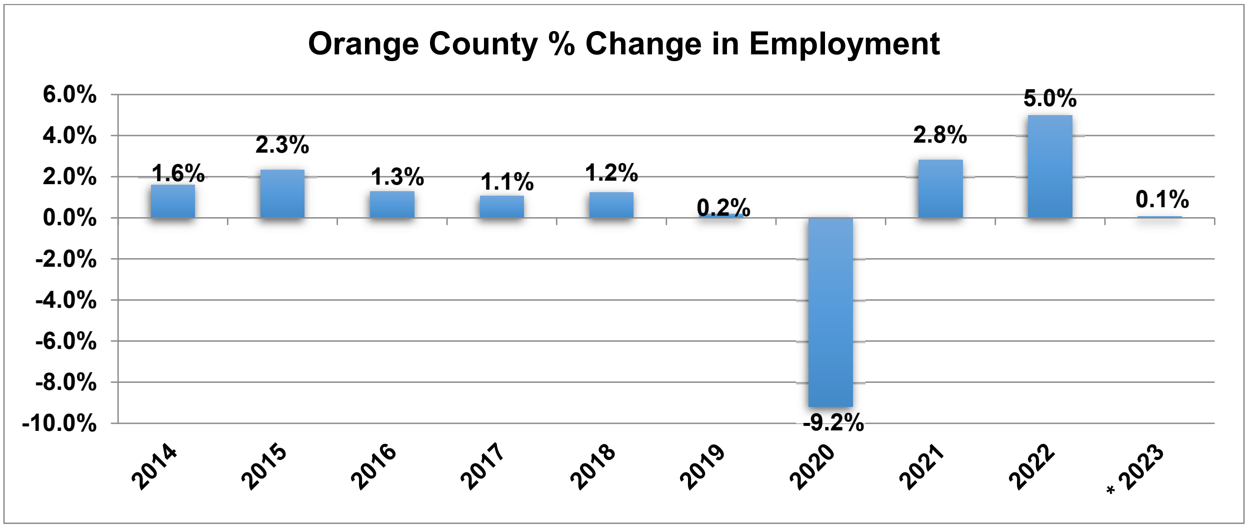
Industry	Payroll Employment Percent Change from August 2022 to August 2023
Construction	2.0%
Educational & Health Services	4.5%
Financial Activities	1.3%
Government	1.7%
Information	2.0%
Leisure & Hospitality	4.6%
Manufacturing	1.2%
Other Services	2.4%
Professional & Business Services	1.9%
Trade, Transportation & Utilities	2.0%

Source: State of California Employment Development Department, September 15, 2023

Orange County's unemployment rate was 3.9% in August 2023, slightly above the nation's 3.8%, but below the State's 4.6% and all surrounding Southern California counties. The following table provides key employment indices for Orange County and surrounding Southern California counties.

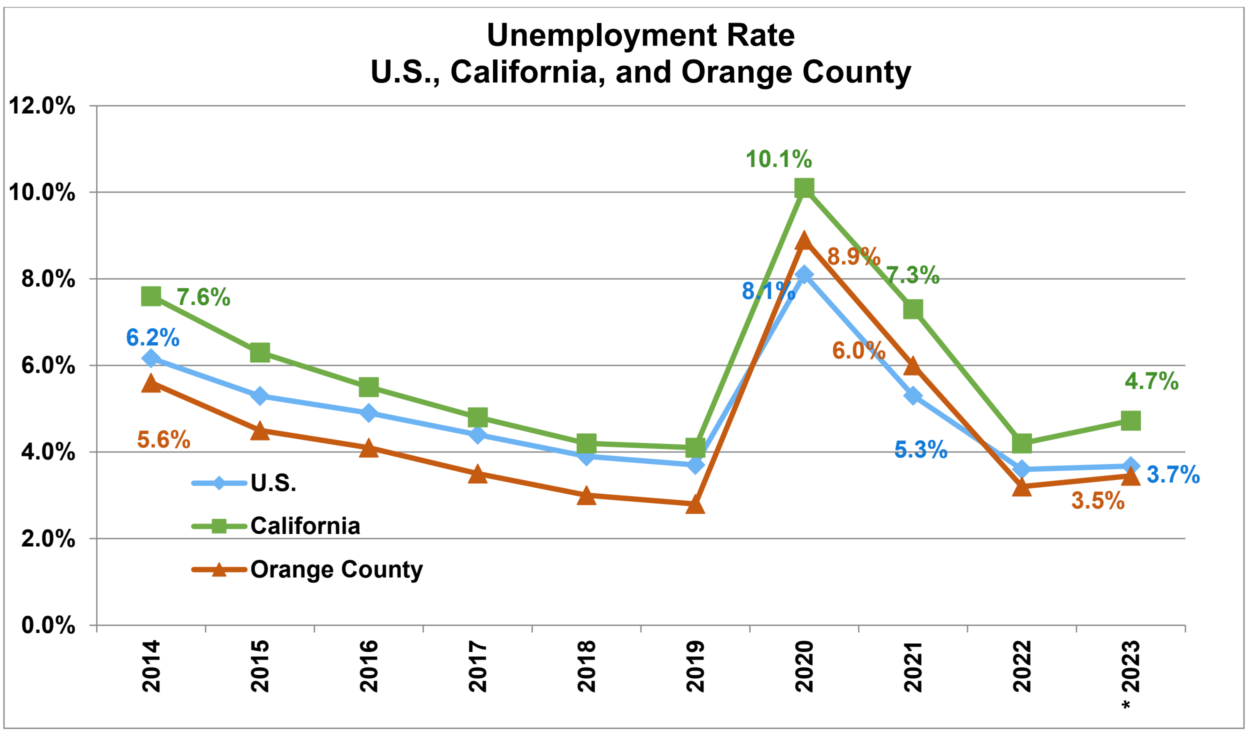
COMPARATIVE EMPLOYMENT STATISTICS			
County	**Total Labor Force**	**Total Employment**	**Unemployment Rate**
Los Angeles	5,004,300	4,712,300	5.8%
Orange	**1,592,500**	**1,529,900**	**3.9%**
Riverside	1,143,100	1,081,300	5.4%
San Bernardino	999,400	948,400	5.1%
San Diego	1,594,100	1,525,700	4.3%
Ventura	412,100	393,000	4.6%

Source: State of California Employment Development Department, September 15, 2022



*Reflects change between 2022 annual employment and 8-months average ending August 31, 2023.

Source: State of California Employment Development Department



*Reflects 8-months average unemployment rate.

Sources: U.S. Bureau of Labor Statistics (National); State of California Employment Development Department (State and County); Annual average for the calendar year.

Housing – Chapman University projects a modest 2.9% increase in housing affordability from an index of 52.9 in 2022 to 54.0 in 2023, as the Orange County median home price is forecasted to hover below $1 million.

The California Association of Realtors August Home Sales and Price Report indicates that Southern California home sales decreased by 13.9% from August 2022 to August 2023, with Orange County having the lowest sales decrease at 8.4%. Double-digit median home sales price increases continued in Southern California, with an increase of 4.4% year-over-year to $830,000. For Orange County, the median home sales price increased by 9.2% while unit sales decreased by 8.4% year-over-year. In comparison to surrounding counties, Orange County exhibited the highest median sales price for existing single-family homes at $1,310,000.

Residential Building Permit Valuation is an estimate of the total cost of residential building construction. In Orange County, it is expected to decrease by 13.0% in 2023 (Chapman University).

The following table provides key housing indices for the Southern California region.

COMPARATIVE HOUSING STATISTICS					
	Median Sales Price (single family homes, as of August)			**Unit Sales** (single family homes, as of August)	**Median Household Income**
	2022	**2023**	**% Change**	**% Change (from prior year)**	**Last 12 Months**
Los Angeles County	$854,960	$882,020	3.2%	(12.5%)	$82,516
Orange County	**$1,200,000**	**$1,310,000**	**9.2%**	**(8.4%)**	**$106,209**
Riverside County	$620,000	$618,000	(0.3%)	(14.6%)	$86,748
San Bernardino County	$472,750	$495,000	4.7%	(17.6%)	$79,091
San Diego County	$886,250	$1,000,000	12.8%	(16.0%)	$98,928
Ventura County	$884,000	$915,000	3.5%	(20.3%)	$102,569
Southern California	$795,000	$830,000	4.4%	(13.9%)	N/A

Sources: California Association of Realtors August Home Sales and Price Report; U.S. Census Bureau, 2022 American Community Survey SI901 ACS 1-Year Estimates of Median Household Income in past 12 months.

Taxable Sales – Taxable sales represent consumer spending transactions that are subject to sales and use taxes. Taxable sales provide an indication of economic activity and contribute to County funding sources such as General Purpose Revenue sales taxes and General Fund department sources such as Public Safety Sales Tax and Realignment Revenue. General Fund sales tax receipts typically trend with taxable sales.

The following table provides taxable sales for Orange County, including historical annual activity from 2014 through 2022 with growth projected at an increase of 3.0% in 2023.

Orange County Annual Taxable Sales		
Year	**Taxable Sales (Billions)**	**% Change**
2023 Forecast	$90.4	3.0%
2022	$88.0	12.5%
2021	$78.3	22.6%
2020	$63.8	(8.4%)
2019	$69.7	3.3%
2018	$67.5	3.6%
2017	$65.1	3.3%
2016	$63.1	1.8%
2015	$61.9	3.0%
2014	$60.1	4.4%

Sources: California Department of Tax and Fee Administration for 2014-2022; Chapman University Economic & Business Review, June 2023, for 2023 forecast

Taxable sales tend to increase when personal income increases. Chapman University forecasts a 3.2% increase in total personal income for Orange County in 2023.

Conclusion

The national, state, and local economies are expected to experience below trend growth, and inflation will continue to be tempered slowly by elevated interest rates; nevertheless, the UCLA forecast does not forecast a recession as other sectors of the economy continue to show strength. The County will continue to monitor the State budget, including updates and prepare contingency plans to address any possible adverse funding impacts. The County remains committed to public health and safety as it navigates through these economic changes. Through diligent departmental endeavors and deliberate and timely action by the Board of Supervisors, the County is committed to continue delivering high quality public services, leveraging limited resources for one-time projects and priorities, and seeking creative alternatives and partnerships for expanding or establishing new programs and services.

The County will continue to ensure that measures taken now do not create long-term, unintended consequences. It is a priority to judiciously plan for today and the future to achieve the goal of enriching the lives of Orange County residents and visitors.

General Purpose Revenue Forecast

Introduction

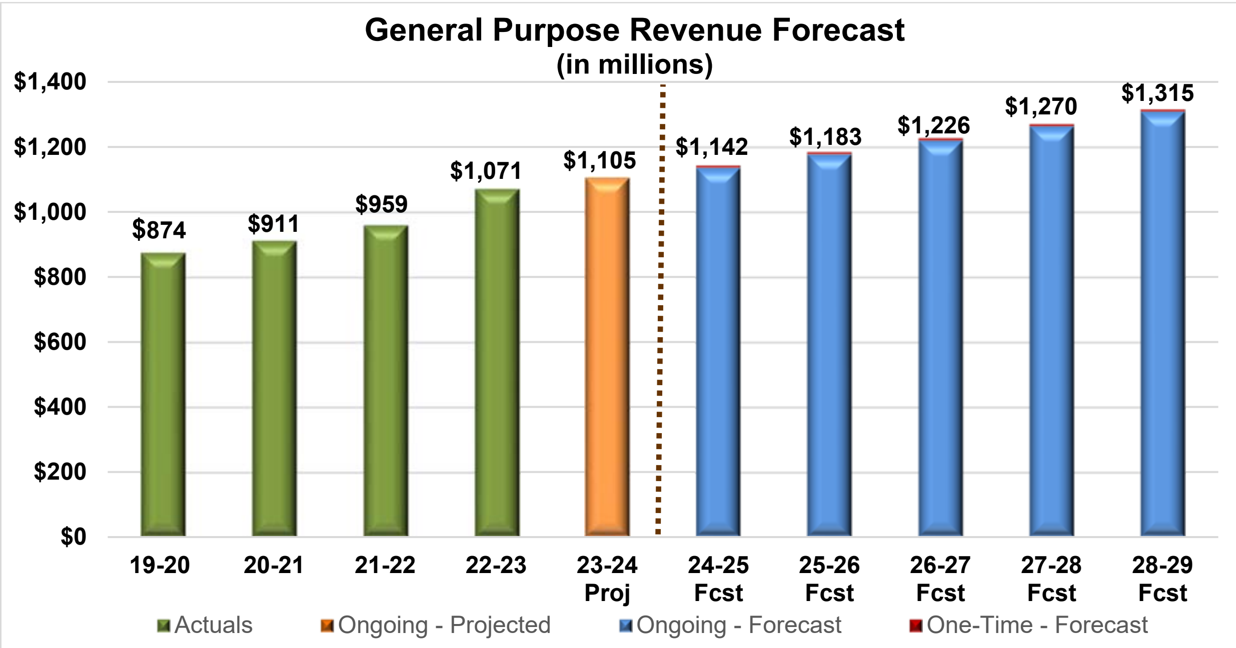
The General Purpose Revenue forecast is a critical component of the Strategic Financial Plan (SFP). The forecast provides projections for the portion of the budget over which the County has some discretion. The County uses approximately 84% of the General Purpose Revenue to meet its mandated services requirements that are not fulfilled by the state and federal governments such as match or maintenance of effort requirements for Community Services programs and operational expenses of the Public Protection and General Government Services departments. Forecasted General Purpose Revenues includes projections for the following sources, which comprise approximately 99% of total ongoing General Purpose Revenues (listed from greatest to least):

1. Property Taxes
2. Interest Income
3. Property Tax Administration Fees
4. Sales and Other Taxes
5. Miscellaneous Revenue
6. Franchises and Rents

The County Executive Office (CEO) prepared the projections considering historical and current revenue and economic trends, forecasts from the Auditor-Controller and local economists (e.g. Chapman University and UCLA). SFP projections are monitored closely and may be modified, if needed, during the FY 2024-25 annual budget development process.

General Purpose Revenue Forecast

The estimated General Purpose Revenue, excluding Fund Balance Unassigned (FBU – defined as funding carried over from the previous year) and use of General Fund reserves, is projected at $1.1 billion for FY 2023-24. Over the next five years, the ongoing revenue growth forecast, on average, is about 5% annually, and reaches $1.3 billion in FY 2028-29.

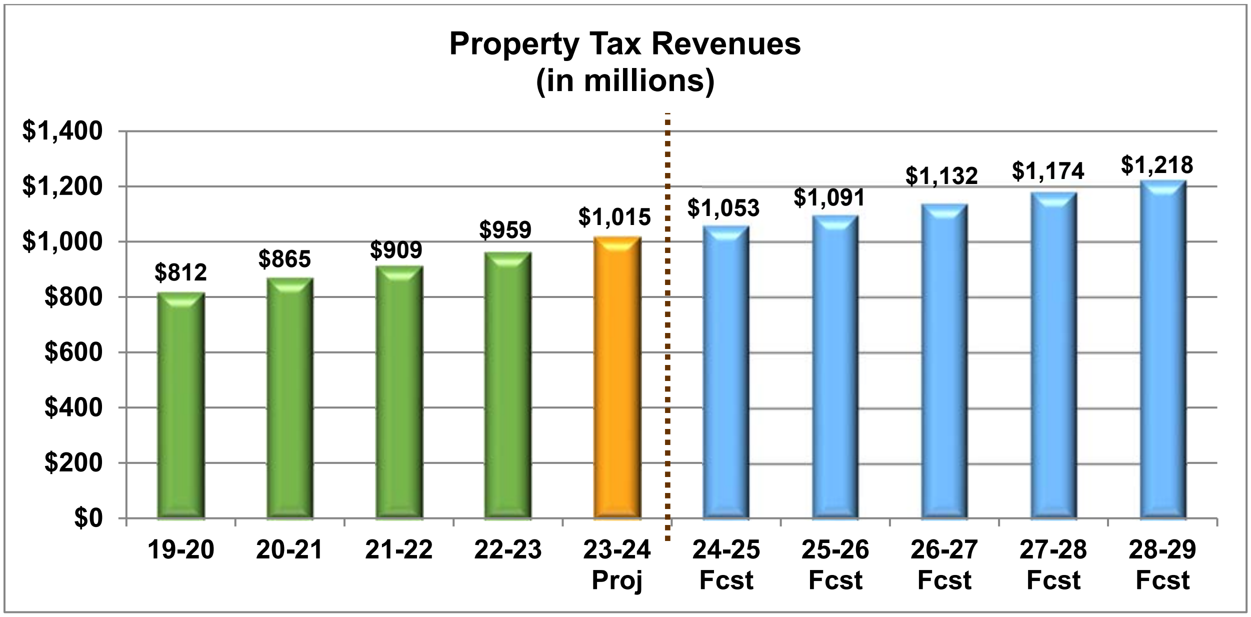


The following table provides detail of the ongoing and one-time revenue sources assumptions (in millions):

		One-Time Sources & Transfers In	
Fiscal Year	**Ongoing**	**Teeter**	**Total**
2022-23	1,046.0	25.0	1,071.0
2023-24	1,105.1	0.0	1,105.1
2024-25	1,135.9	6.0	1,141.9
2025-26	1,177.0	6.0	1,183.0
2026-27	1,219.7	6.0	1,225.7
2027-28	1,263.4	6.0	1,269.4
2028-29	1,309.3	6.0	1,315.3

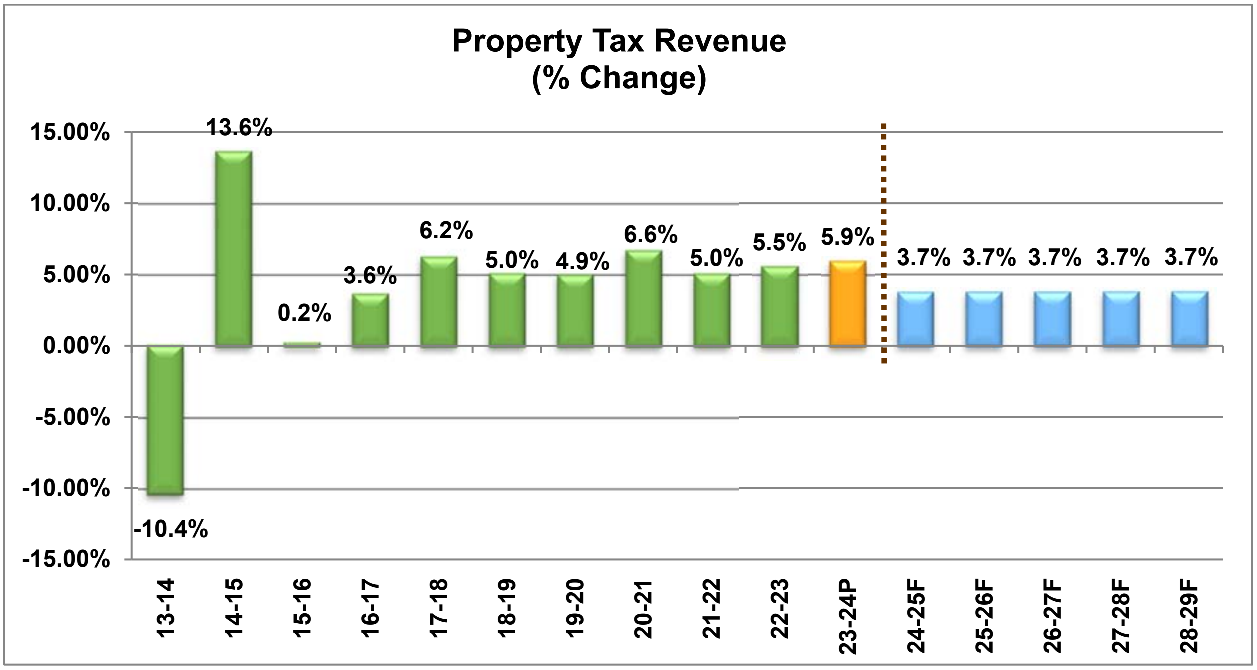
Property Taxes are the largest and most important source of General Purpose Revenues. As of November 2023, property taxes were forecasted to account for almost 92% of all General Purpose Revenues.

The following chart illustrates the projected growth of property tax revenues over the forecasted period.



In Orange County, housing prices continued to rise, with a year-over-year 9.2% increase in the median sales price for newly built and existing homes in September 2023, as reported in the California Association of Realtors September Home Sales and Price Report dated October 17, 2023. However, as a whole, Orange County sales volume decreased by 19.6% from the prior year which is not projected to negatively impact overall property tax revenues. The Orange County Assessor's Secured Roll of Values for FY 2023-24 includes an increase of 6.4%.

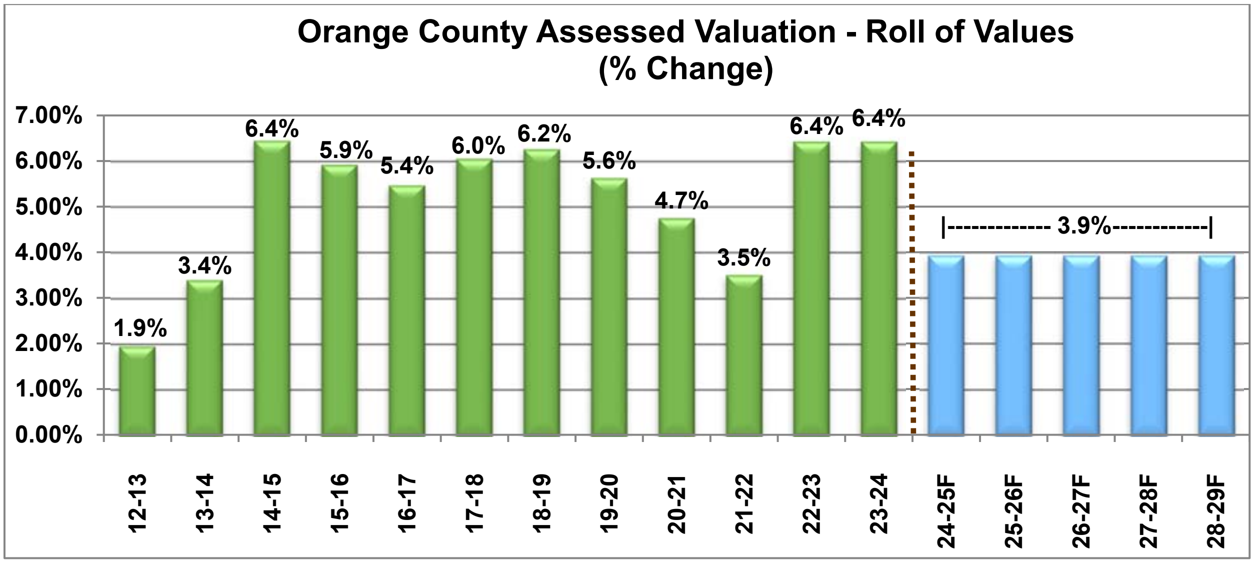
The following chart illustrates the history of property tax revenue growth rates as well as forecasts for the five years of the SFP.



The percentage changes shown in the chart above demonstrate wide property tax variances from FY 2013-14 through FY 2016-17, and the following table provides explanations:

Fiscal Year	Gross % Change	Adjusted % Change	Variance Explanation
2013-14	- 10.4%	+ 10.7%	Adjusted % change assumes exclusion of VLFAA revenue impacts
2014-15	+ 13.6%	+ 5.7%	Gross % includes one-time Teeter Penalty Tax Loss Reserves of $46.7 million
2015-16	+ 0.2%	+ 5.8%	Gross % includes a net decrease of $35.0 million due to prior year and current year one-time Teeter Penalty Tax Loss Reserves adjustments
2016-17	+ 3.6%	+ 5.4%	Gross % includes a decrease of $11.6 million in prior year one-time Teeter Penalty Tax Loss Reserves adjustments

The following chart illustrates historical percentage changes in the Assessment Roll of Values based on the Orange County Assessor's annual press release. The chart also exhibits projected increases in the secured roll over the forecasted period.



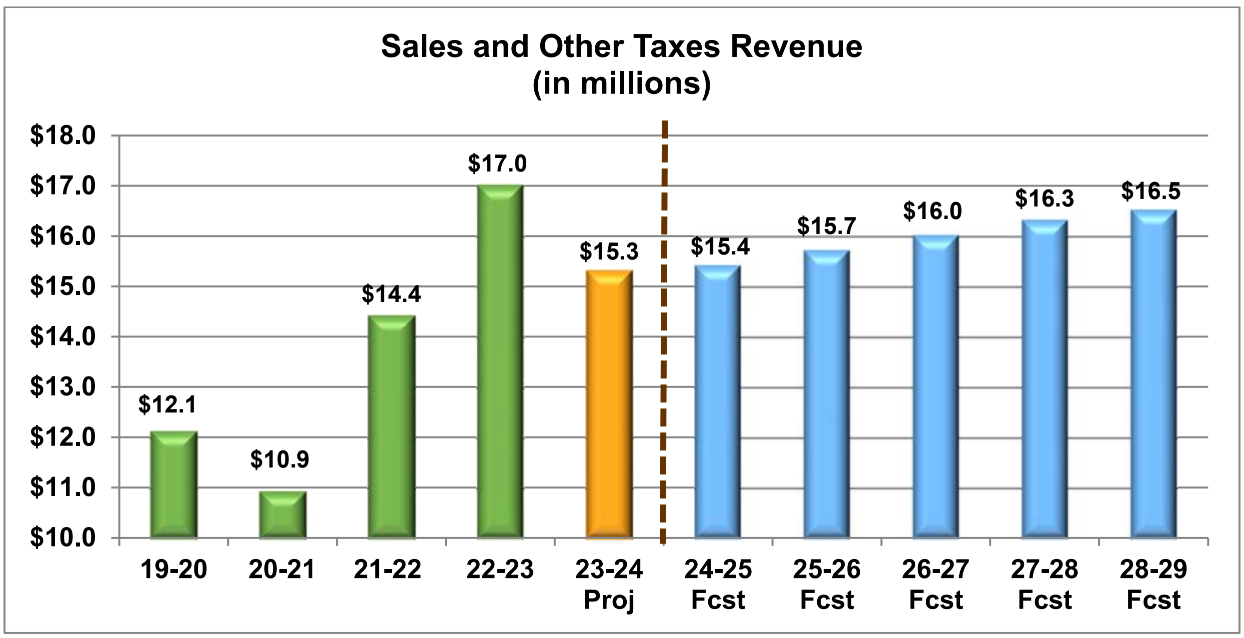
Projections for FY 2024-25 through FY 2028-29 were developed early in the SFP process and incorporated review of economic trends and data. In FY 2023-24, the Assessed Roll of Values is up 6.4% compared to last year. The Secured and Unsecured Rolls increased by 6.2% and 12.3%, respectively. The Assessed Roll of Values is potentially affected by new construction, the current commercial market climate, and economic impacts from unemployment, financing, and foreclosures.

Interest Income - The Treasurer-Tax Collector invests County funds to earn interest income. Safety and liquidity are the primary goals while the third objective is attaining a market rate of return commensurate with the risk profile and cash flow characteristics of the portfolio. Higher interest income for FY 2023-24 is expected compared to the prior fiscal year due to the Federal Open Market Committee (FOMC) raising short-term interest rates. Forecasted interest income for later years will be determined by subsequent FOMC interest rate changes.

Property Tax Administration Fees relates to the recovery of the net costs incurred by County departments in the administration of property tax and administrative costs attributable to supplemental property taxes. Revenue ranges from $27.4 million to $28.5 million annually in the forecast period, averaging 2.5% of total Property Tax Revenue.

Sales & Other Taxes revenue is mostly comprised of sales and other taxes from unincorporated county areas, as well as aircraft tax revenues. Sales tax is levied on purchases and certain leases that occur in unincorporated county areas. Use tax is also collected on items purchased for business use and on taxable property purchased without paying California tax if the use of the property is not for resale. Exemptions to the sales tax generally include food for home consumption, prescription drugs, and electricity.

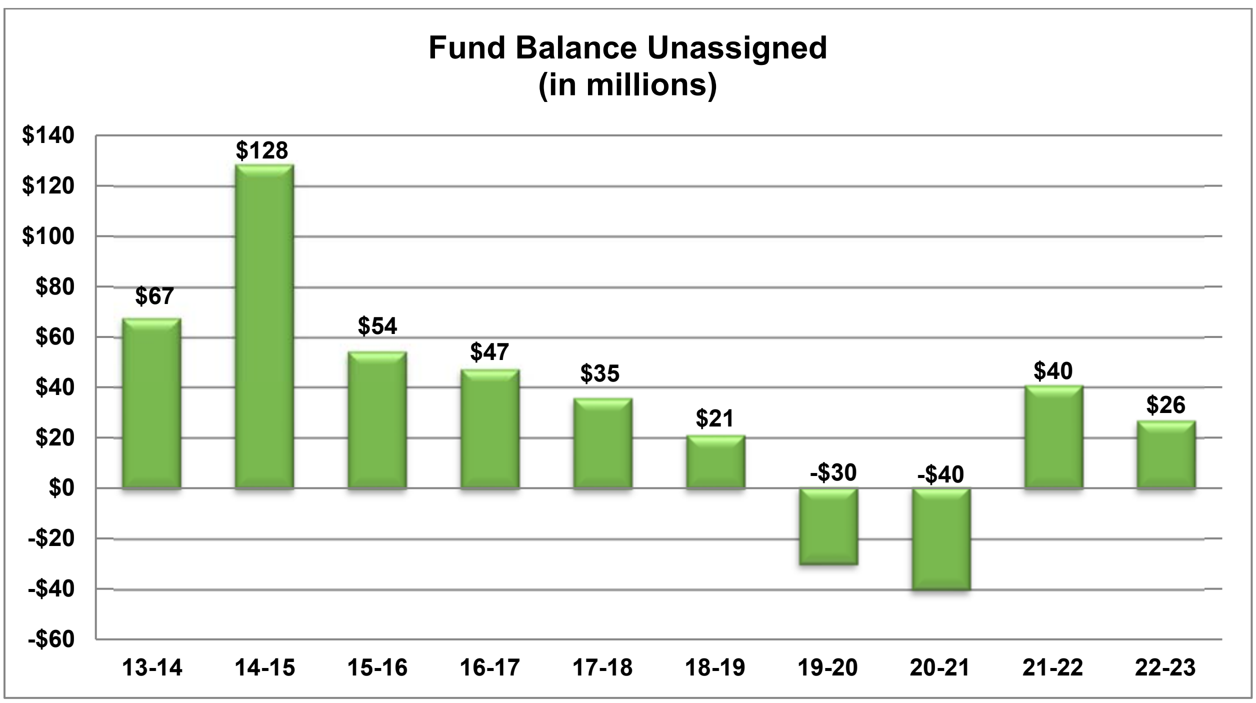
The County's sales tax revenue does not incorporate the half-cent tax levied for Public Safety. The Public Safety Sales Tax is distributed separately and is restricted for public safety uses. Sales and Other Taxes revenue on average comprise less than 2% of total General Purpose budgeted revenues. Forecasted sales tax revenues take into consideration the current trend growth in the economy.



Other General Fund Sources include transfers in from the Teeter debt service fund (Teeter). In FY 2023-24, the County did not budget any transfers in from the Teeter fund. Over the five years of the SFP, projections of annual transfers in from the Teeter fund are $6 million per year. In addition, the County General Fund can draw from the OCERS Investment Account reserves toward the cost of retirement. In FY 2023-24, the County budgeted $10 million; however, actual use of the OCERS Investment Account reserves is determined annually and contingent upon earning sufficient investment returns, without impacting the principal balance.

Fund Balance Unassigned (FBU) is the final component accounted for in the revenue projection for FY 2023-24. If expenditures occurred as planned in the annual budget, FBU would be zero. However, variances in projections of revenues and expenditures result in positive or negative balances recorded as increases or decreases to obligated fund balance. In FY 2014-15, receipt of one-time revenues positively affected the FBU balance. However, since FY 2015-16 FBU balances have been on a downward trajectory falling from $54 million in FY 2015-16 to $21 million in FY 2018-19 as the cost of doing business increased and the County implemented its General Purpose Revenue-funded strategic priorities. In FY 2019-20 and FY 2020-21, due to revenue impacts associated with the COVID-19 pandemic FBU was a negative $30 million and $40 million respectively, necessitating a draw from contingency and budget stabilization reserves to balance the General Fund. In FY 2022-23, through responsible fiscal management, strategic planning and prudent allocation of resources, FBU closed with a positive balance of $26 million, which was transferred to the Budget Stabilization Reserve to meet the GFOA recommended target for FY 2023-24.

As approved by the Board with adoption of the FY 2010-11 Annual Budget, any positive year-end General Fund FBU is transferred to Obligated Fund Balance Assigned.



Note: FY 2014-15 FBU includes $47M in one-time Teeter-related revenue and a $49M one-time SB90 reimbursement from the State.

Conclusion

The County's General Purpose Revenues are projected to grow in the current fiscal year and increase slightly over the five years of the SFP. Growth is expected to be moderate and below prior peak experience. The County uses its General Purpose Revenue to meet its mandated services and to provide required funding to meet state and federal grant and allocation requirements.

Other Revenue Sources Forecast

Introduction

In addition to the General Purpose Revenue forecast, discussed in the previous section, the County's Strategic Financial Plan (SFP) includes a wide variety of other financing sources. Key revenue sources comprise approximately 95% of the County's total funding for the 2023 SFP and include (listed from greatest to least):

1. Intergovernmental Revenues
2. Charges for Services
3. Other Financing Sources
4. Miscellaneous Revenues
5. Tax Revenue

Departments prepare revenue projections using various tools and techniques, including institutional forecasts, national, state and local economic indicators, trend analysis, and outside consultants. SFP projections for FY 2024-25 through FY 2028-29 are monitored closely and may be modified, if needed, during the FY 2024-25 annual budget development process.

Other Revenue Sources Forecast

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. The estimated intergovernmental revenues are projected at $3.3 billion for FY 2024-25. In years two through four of the SFP, intergovernmental revenues are projected to remain flat at $3.2 billion, and then increase back to $3.3 billion in year five.

The following table provides details of the ongoing intergovernmental revenues forecast over the five-year SFP:

(Amounts in Millions)

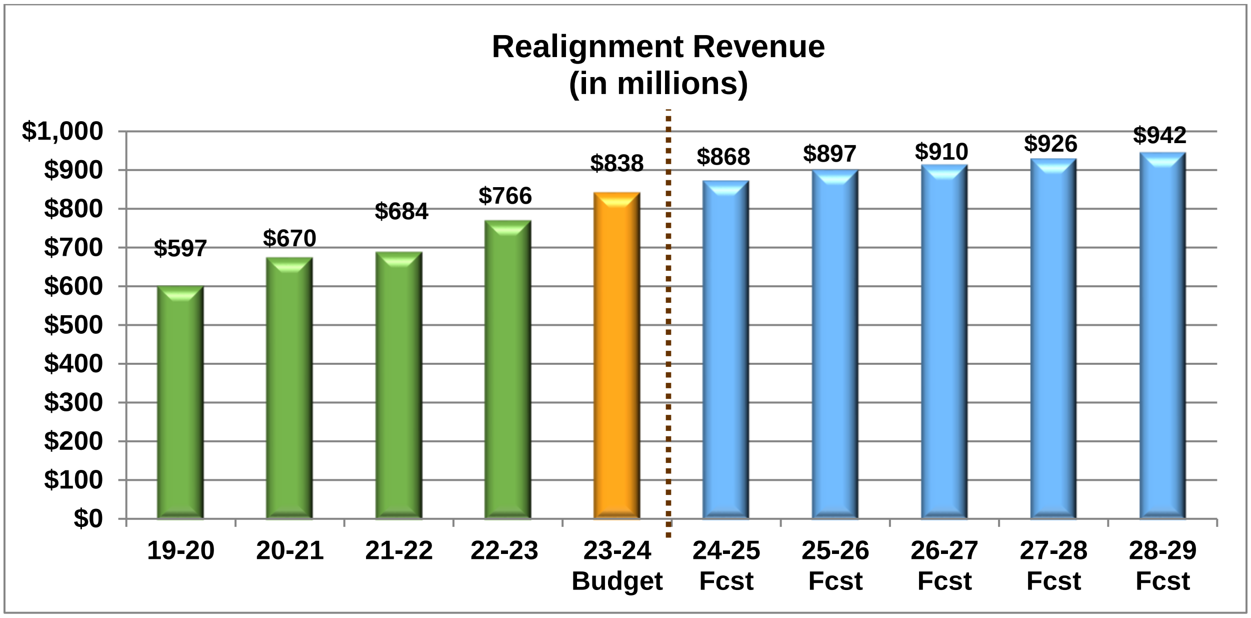
Revenue Type	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Intergovernmental Revenue	$ 3,257.7	$ 3,167.8	$ 3,207.6	$ 3,206.5	$ 3,253.0

Major County intergovernmental revenues include:

- **Realignment** revenue is a major and important revenue source for multiple County departments such as the Health Care Agency, Social Services Agency, OC Sheriff's Department, District Attorney – Public Administrator, Probation and Public Defender. There have been three legislative acts whereby programs and services were realigned to the County level with funding provided and limited to those realigned services. The following provides a brief summary:
  - 1991 Realignment – In FY 1991-92, the State approved the Health & Welfare Realignment Program which involved a shift of fiscal and programmatic responsibilities for many health and human services from the State to the counties. This shift was funded through a corresponding shift of new dedicated Sales Tax and Vehicle License Fee revenues.
  - 2011 Realignment – Part of the FY 2011-12 Budget plan, the State enacted another major shift of fiscal and programmatic responsibilities for various criminal justice, mental health, and social services programs from the State to the counties. This shift was funded through a corresponding shift of existing state and local tax revenues.
  - Juvenile Justice Realignment – Senate Bill (SB) 823 (2020), Juvenile Justice Realignment: Office of Youth and Community Restoration, enacted legislation that realigned the responsibility of the youth formally eligible to serve commitments at the Department of Juvenile Justice to the counties' juvenile corrections systems to serve their custodial commitments within their home counties and undergo in-custody program/treatment and receive transitional/reentry services as ordered by the Juvenile Court.

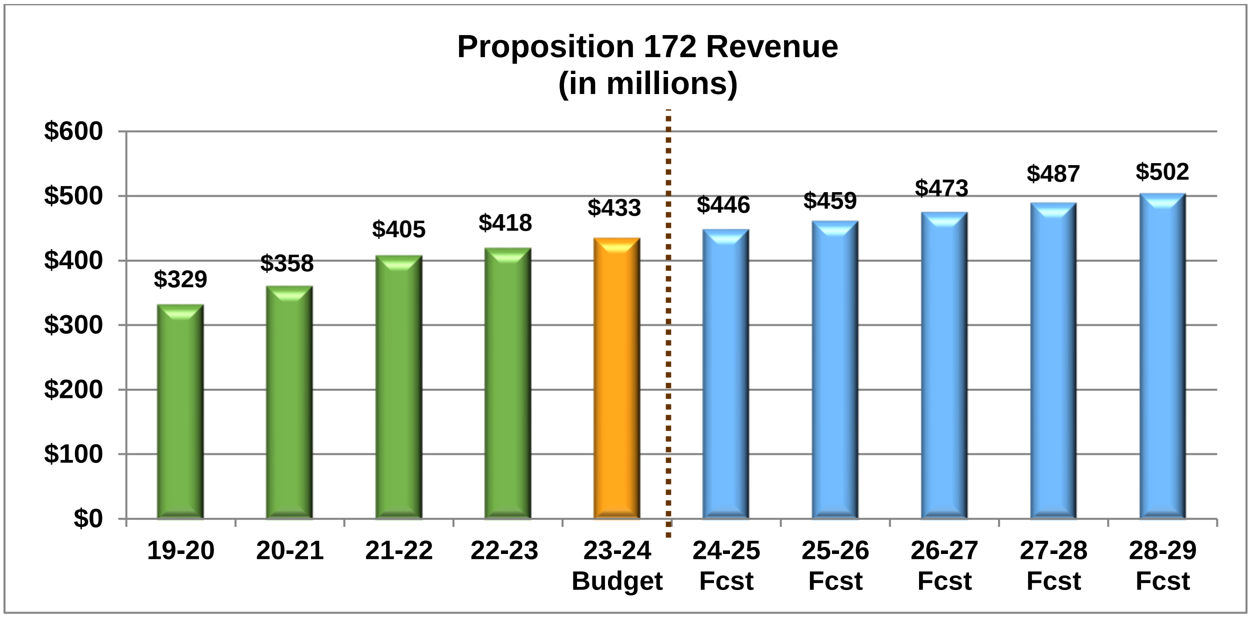
  Realignment revenue is purpose restricted to support and sustain State mandated programs. This revenue stream fluctuates with the economy, but based on current trends, Realignment revenue is projected at $868.4 million in FY 2024-25. Over the next five years, the ongoing revenue growth forecast, on average, is about 2.4% annually, and reaches over $941.8 million in FY 2028-29.

  The following chart illustrates the history of Realignment revenue growth as well as forecasts for the five years of the SFP.



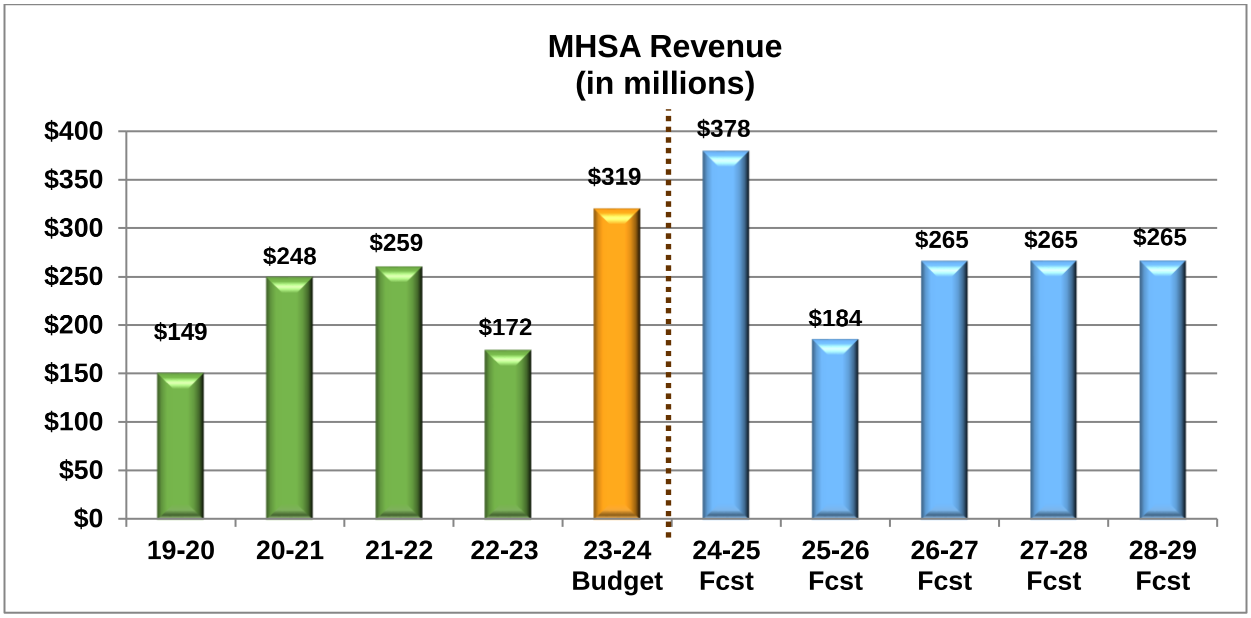
- **The Public Safety Sales Tax (Proposition 172)** is a half-cent sales tax revenue and a significant revenue source for the OC District Attorney (OCDA) and OC Sheriff's Department (OCSD). The County's Public Safety Sales Tax revenue is distributed to OCDA (20%) and OCSD (80%) separately and is restricted for public safety uses. Forecasted Proposition 172 revenue takes into consideration the continued below trend growth in the economy. Based on current trends, Proposition 172 revenue is projected at $445.7 million in FY 2024-25. Over the next five years, the ongoing revenue growth forecast, on average, is about 3.0% annually, and reaches over $501.6 million in FY 2028-29.

  The following chart illustrates the history of Proposition 172 revenue growth as well as forecasts for the five years of the SFP.



- **Mental Health Services Act (MHSA)** – In 2004, California voters approved Proposition 63 and the MHSA was enacted in 2005 by placing a one percent tax on personal income above $1 million. This funding is restricted for county mental health programs for all populations: children, transitional age youth, adults, older adults, families, and, most especially, the unserved and under-served. In addition, this funding is designed to provide a wide range of prevention, early intervention, and treatment services, including the necessary infrastructure, technology, and enhancement of the mental health workforce to support it. Based on current trends, MHSA revenue is projected to increase to $377.7 million in FY 2024-25 due to the true up from capital gains in 2021. However, in year two of the SFP, MHSA revenue is projected to decline to $183.9 million due to an anticipated decline in the economy, and then increase and remain level at $264.7 million through year five of the SFP. These projections do not take into account the Governor's proposed MHSA Modernization legislation, which, if enacted, would require an approved Behavioral Health Services Act (BHSA) Integrated Plan for FY 2026-27 through FY 2028-29, (years 4 and 5 of the SFP). Of significant note, this legislation includes a redirection of 30% of the current MHSA projected funds to a newly created Housing Intervention category, which is just one of many potential adjustments. A plan for managing the impacts of the reduced revenue, should the legislation be enacted, is currently being developed.

The following chart illustrates the history of MHSA revenue growth as well as forecasts for the five years of the SFP.



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 services continue in the future. Charges for services are projected at $1.0 billion in FY 2024-25. Over the next five years, the ongoing charges for services revenue growth forecast, on average, is about 0.2% annually, and remains at $1.0 billion in FY 2028-29. This forecast does not include salaries and benefit increases not yet approved by the Board due to ongoing negotiations with various labor groups at the time of publishing the 2023 SFP.

The following chart illustrates the projected growth of Charges for Services revenue over the five years of the SFP.

(Amounts in Millions)

Revenue Type	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Charges for Services	$ 1,044.0	$ 1,036.6	$ 1,039.0	$ 1,021.5	$ 1,044.1

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 projected at $746.5 million in FY 2024-25. Over the next five years, the Other Financing Sources are projected to decline to an estimated $694.0 million in FY 2028-29, primarily due to MHSA revenue decreasing over the five year SFP, as discussed previously in this section.

(Amounts in Millions)

Revenue Type	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Other Financing Sources	$ 746.5	$ 686.6	$ 666.3	$ 682.6	$ 694.0

Miscellaneous Revenues are mostly comprised of tobacco or other settlements, other sales, welfare repayments, insurance premiums, principal payment on demand bonds and money or other assets donated, paid or transferred to the County from private agencies, persons or other sources. The estimated miscellaneous revenues are projected at $487.1 million in FY 2024-25. Over the next five years, the ongoing miscellaneous revenue growth forecast, on average, is about 4.2% annually, and reaches $618.3 million in FY 2028-29.

(Amounts in Millions)

Revenue Type	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Miscellaneous Revenues	$ 487.1	$ 518.0	$ 547.3	$ 581.9	$ 618.3

Miscellaneous revenues also include:

- **Opioid Abatement Funds** – The County is scheduled to receive an estimated $5.5 million annually for 18 years (range of 8-18 years) for various nationwide settlements from Opioids manufacturers, distributors, and other entities. The Opioid remediation funds must be used towards various abatement strategies including prevention, education, and intervention by leveraging current systems and infrastructure for maximum benefit for the community. These strategies meet the Opioid Use Disorder (OUD) and opioid overdose needs of Orange County by focusing on the most critical issues such as education, prevention, perinatal interventions and community awareness campaigns by leveraging current resources for mental health and recovery services and from community coalitions. In addition, the plan aligns with a critical component in the County's 2025 Vision for OC CARES, Justice through Prevention and Intervention.

Tax Revenues consist of property tax, sales and use tax, Mello-Roos taxes for Community Facilities Districts, and other tax revenues. For SFP purposes, the tax revenue forecast included in this section is net of General Fund property tax revenue, which is included in the *General Purpose Revenue* forecast. The estimated tax revenues are projected at $364.0 million in FY 2024-25. Over the next five years, the ongoing tax revenue growth forecast, on average, is about 2.8% annually, and reaches $427.2 million in FY 2028-29.

The following chart illustrates the projected growth of tax revenues over the forecasted period.

(Amounts in Millions)

Revenue Type	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Tax Revenue	$ 364.0	$ 378.1	$ 393.9	$ 412.2	$ 427.2

Conclusion

The County projects revenues to grow in the current fiscal year and increase slightly over the five years of the SFP. The growth is expected to be moderate and below prior peak experience and is monitored on a continuous basis to allow for budgetary modifications, as needed.

Plan Summary

The Strategic Financial Plan Summary provides a high-level overview of forecasted sources and uses of funding supporting general County operations and obligations. Sources of funding include Fund Balance Unassigned and General Purpose Revenues (discussed in detail in the *General Purpose Revenue Forecast* section of this document). The Fund Balance Unassigned projection is zero in each of the five years of the SFP.

The Planned Use of Reserves portion of the summary indicates reserve draws for the purpose and use of covering unanticipated and severe economic downturns, major emergencies, or catastrophes that cannot be covered with existing appropriations; the use of Reserves is for one-time needs. The Planned Increases to Reserves section of the summary indicates increases to reserves anticipated over the five Plan years required to meet target amounts.

Net County Cost (NCC) Limits, established at the beginning of the Strategic Financial Plan process, are set for ongoing baseline operations (current levels of service). NCC Limit growth is 0% for all five Plan years (FY 2024-25 through FY 2028-29) and increases will be strategically allocated based on need and the County's priorities, rather than as a percentage of base limits.

The reported variance is the result of total General Purpose Revenue (GPR) including transfers in plus draws from reserves minus the NCC Limits; restoration, expand, capital improvement, information technology and strategic priority requests from departments and increases to reserves needed to maintain the County's Budget Stabilization and Contingencies Reserves at the Government Finance Officers Association (GFOA) recommended levels of two months of General Fund operating revenue and 15% of GPR, respectively, in each of the five Plan years. 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. The variance, inclusive of restore level of service requests, demonstrates either overages or shortfalls in funding availability for departmental operations.

Expand level of service requests include additions of new positions or programs, or higher service levels with funding requirements of less than $1 million in any one year of the SFP. Capital Improvement Plan (CIP) requests are for projects not currently addressed through the Countywide Capital Projects Fund and department funded projects.

Information Technology (IT) Plan requests are for significant IT projects costing more than $150,000 over the five-year financial planning period, not currently included in the Countywide IT Projects Fund. Strategic Priority funding requests are for 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. The CIP, IT and Strategic Priorities sections of this Plan include further discussion and detail.

2023 STRATEGIC FINANCIAL PLAN SUMMARY
Forecasted Sources and Uses

	Final FY 2022-23	Adopted FY 2023-24	Projected FY 2023-24	FY 2024-25
SOURCES ($ Millions)				
Fund Balance Unassigned (FBU) Beginning	$0.0	$0.0	$0.0	$0.0
General Purpose Revenues (GPR)				
Property Taxes (+3.7%, +3.7%, +3.7%, +3.7%, +3.7%)	958.5	982.5	1,015.0	1,052.5
Sales & Other Taxes (0.8%, 1.9%, 1.9%, 1.8%, 1.7%)	17.0	16.4	15.3	15.4
Motor Vehicle License Fees	2.7	2.6	2.7	2.6
Property Tax Administration	30.1	24.1	26.9	27.4
Franchises and Rents	2.7	2.6	2.7	2.7
Interest (4.1%, 4.1%, 4.1%, 4.1%, 4.1%)	32.1	6.1	39.6	33.4
Miscellaneous	2.9	1.9	2.9	1.9
Subtotal - GPR before Transfers In	***$1,046.0***	***$1,036.2***	***$1,105.1***	***$1,135.9***
Transfers In	25.0	0.0	0.0	6.0
Total GPR (excluding FBU/Use of Reserves)	**$1,071.0**	**$1,036.2**	**$1,105.1**	**$1,141.9**
Planned Use of Reserves				
Catastrophic Event Contingencies (9741)	0.0	0.0	0.0	0.0
Reserve for Maintenance & Construction (9743)	6.7	0.0	0.0	0.0
Reserve for Teeter Loss (9746)	30.0	0.0	0.0	0.0
Total Planned Use of Reserves	**$36.7**	**$0.0**	**$0.0**	**$0.0**
GRAND TOTAL - SOURCES (Total GPR Plus Planned Use of Reserves)	**$1,107.7**	**$1,036.2**	**$1,105.1**	**$1,141.9**
Planned Increases to Reserves				
Catastrophic Event Contingencies (9741)	90.4	0.0	0.0	15.0
Reserve for Capital Projects (9744)	10.0	0.0	0.0	0.0
Reserve for Budget Stabilization (9745)	87.7	0.0	26.2	0.0
Total Planned Increases to Reserves	**$188.1**	**$0.0**	**$26.2**	**$15.0**
USES ($ Millions)				
NCC Limits [0%, 0%, 0%, 0%, 0%]	**$1,140.1**	**$1,036.2**	**$1,036.2**	**$969.2**
Restore Level of Service Requests (2)				94.9
Net Baseline Uses (NCC Limits Plus Reserve Increases & Restore Level of Service)				**$1,079.0**
Expand Level of Service Requests				2.4
Capital Improvement Plan (CIP) Requests				32.5
Information Technology (IT) Plan Requests				8.1
Strategic Priority Requests				64.5
Total Expand, CIP, IT & Strategic Priority Requests				**$107.5**
GRAND TOTAL - USES (Net Baseline Uses Plus Expand, CIP, IT & Strategic Priority Requests)				**$1,186.5**
Variance: Grand Total Sources Less Grand Total Uses				(44.6)
Cumulative Variance				(44.6)

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 STRATEGIC FINANCIAL PLAN SUMMARY
Forecasted Sources and Uses

FIVE-YEAR FORECAST				
FY 2025-26	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	
				SOURCES ($ Millions)
$0.0	$0.0	$0.0	$0.0	**Fund Balance Unassigned (FBU)**
				General Purpose Revenues (GPR)
1,091.4	1,131.9	1,174.1	1,217.9	Property Taxes (+3.7%, +3.7%, +3.7%, +3.7%, +3.7%)
15.7	16.0	16.3	16.5	Sales & Other Taxes (0.8%, 1.9%, 1.9%, 1.8%, 1.7%)
2.6	2.6	2.6	2.6	Motor Vehicle License Fees
27.9	28.4	28.1	28.5	Property Tax Administration
2.7	2.7	2.7	2.7	Franchises and Rents
34.8	36.2	37.7	39.2	Interest (4.1%, 4.1%, 4.1%, 4.1%, 4.1%)
1.9	1.9	1.9	1.9	Miscellaneous
$1,177.0	***$1,219.7***	***$1,263.4***	***$1,309.3***	***Subtotal - GPR before Transfers In***
6.0	6.0	6.0	6.0	Transfers In
$1,183.0	**$1,225.7**	**$1,269.4**	**$1,315.3**	**Total GPR (excluding FBU/Use of Reserves)**
				Planned Use of Reserves
0.0	0.0	0.0	0.0	Catastrophic Event Contingencies (9741)
0.0	0.0	0.0	0.0	Reserve for Maintenance & Construction (9743)
0.0	0.0	0.0	0.0	Reserve for Teeter Loss (9746)
$0.0	**$0.0**	**$0.0**	**$0.0**	**Total Planned Use of Reserves**
$1,183.0	**$1,225.7**	**$1,269.4**	**$1,315.3**	**GRAND TOTAL - SOURCES (Total GPR Plus Planned Use of Reserves)**
				Planned Increases to Reserves
6.2	6.4	6.5	6.9	Catastrophic Event Contingencies (9741)
0.0	0.0	0.0	0.0	Reserve for Capital Projects (9744)
8.9	16.2	16.5	18.3	Reserve for Budget Stabilization (9745)
$15.0	**$22.6**	**$23.0**	**$25.1**	**Total Planned Increases to Reserves**
				USES ($ Millions)
$972.5	**$969.2**	**$973.2**	**$969.2**	**NCC Limits [0%, 0%, 0%, 0%, 0%]**
118.6	130.6	150.5	161.8	Restore Level of Service Requests
$1,106.2	**$1,122.4**	**$1,146.7**	**$1,156.2**	**Net Baseline Uses (NCC Limits Plus Reserve Increases & Restore Level of Service)**
2.3	2.8	2.8	2.8	Expand Level of Service Requests
41.1	19.4	13.0	13.2	Capital Improvement Plan (CIP) Requests
6.8	5.2	0.7	0.8	Information Technology (IT) Plan Requests
29.1	79.6	52.0	45.6	Strategic Priority Requests
$79.3	**$107.0**	**$68.5**	**$62.4**	**Total Expand, CIP, IT & Strategic Priority Requests**
$1,185.5	**$1,229.4**	**$1,215.2**	**$1,218.6**	**GRAND TOTAL - USES (Net Baseline Uses Plus Expand, CIP, IT & Strategic Priority Requests)**
(2.5)	(3.8)	54.1	96.8	Variance: Grand Total Sources Less Grand Total Uses
(47.1)	(50.9)	3.2	100.0	Cumulative Variance

Financial Plans, Policies and Oversight

Introduction

The County maintains a number of financial plans, policies and oversight tools to strengthen its internal controls. These tools continue to be refined and are embedded in the County's robust financial management processes. The following provides a brief description of these tools.

Plans

Board of Supervisors Long-Term Strategic Priorities
In 2012 and reaffirmed in 2015, the Board of Supervisors (Board) adopted long-term Strategic Priorities. These priorities are included in the annual budget adopted by the Board each year. They provide a framework and serve as the basis for budget recommendations. The three long-term financial-related priorities include: stabilize the budget, prepare for contingencies, and address and fund agency infrastructure.

Strategic Financial Plan (SFP)
In 1997, the County initiated 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. This process provides a framework for testing budget assumptions and aligning available resources with operating requirements. In testing assumptions, the SFP serves as the basis for the development of the upcoming fiscal year budget. Additionally, the SFP includes capital and information technology (IT) project proposals facilitating early evaluation of project viability and economic feasibility. Finally, a ten-year forecast for strategic priorities is used in the SFP to assess the County's ability to fund new programs, initiatives, and priorities requiring more than one million dollars in any one year of the SFP.

Capital Improvement Plan (CIP)
The County and its departments develop the following capital improvement plans:

- The SFP Capital Improvement Plan is developed each year with a five-year projection of capital needs for projects anticipated to be funded by the General Fund or departmental revenues as well as those for which funding has not yet been identified. Projects identified with funding from the General Fund are reported in a summary format. Department-funded projects and those with funding to be determined are summarized using tables with brief descriptions. Department-funded projects include those from the OC Sheriff's Department, Social Services Agency, OC Public Works (OC Watersheds, OC Road, OC Flood), OC Community Resources (OC Parks, OC Libraries), John Wayne Airport, OC Waste & Recycling and OC Information Technology. These departments are included within the *Capital Improvement Plan* section of the SFP, with the exception of OC Public Works and OC Parks which have their own Board-approved CIPs.

- OC Public Works in collaboration with John Wayne Airport (JWA) and OC Community Resources, develops a Seven-Year CIP for OC Road, OC Flood, OC Parks, OC Public Libraries, and JWA 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 plan is presented to the Board for approval.

Information Technology Plan

The County compiles a five-year Information Technology (IT) Plan of significant IT projects as part of the SFP. The projects include both those requesting General Funds as well as proposed projects funded by non-General Fund sources. This document is updated annually with the SFP to reflect the changing needs and fiscal outlook of the County.

Policies

In addition to the following formal policies, the County exercises a "No Backfill" policy with regard to programs funded by specific grants or by the state or federal government sources. These programs are sized to the level of funding available unless a Maintenance of Effort requirement exists.

Budget Development Policies

The Annual Budget includes a description of budget policies and guidelines used by all departments in developing their budgets. Chief among the requirements is consistency with the SFP as well as uniform projections of salaries and benefits.

Debt Management Policy

The County's Debt Management Policy provides guidance for the issuance of bonds and other forms of indebtedness to finance capital improvements, acquire equipment, improve cash flow, and meet other identified needs. The Board approved the initial Debt Management Policy on December 6, 2016, as included in the 2016 SFP. Each year, the

CEO Budget and Finance office reviews the policy annually and includes the latest version in the presentation of the SFP to the Board.

Funding Allocation Policy and Process (FAPP) for Distributing Federal Housing and Community Development Funds
The FAPP outlines the methods used by the Urban County Program to distribute federal and local funds to applicants that request funding for housing and community development activities benefitting low and moderate-income communities and individuals. The Board approves the FAPP on an annual basis.

Information Technology Governance Policy
Central to the IT Policy is a governance structure that includes CEO advisory committees representing end users, technology experts, and department heads. The governance policy addresses IT issues impacting the public, staff, and investments. IT investments in excess of $150,000 annually are subject to review through the IT governance process. The policy fosters quality, innovative, fiscally responsible, and secure IT solutions that support the County's business needs as a whole, now and into the future.

Investment Policy Statement
Each calendar year, the Board approves an Investment Policy Statement and delegation of authority, which authorizes the Treasurer-Tax Collector to invest public funds for the year.

Pension Funding
The County participates in the Orange County Employees Retirement System (OCERS) and is committed to contributing the full Annual Required Contribution (ARC) for retirement to OCERS. The full payment is considered mandatory when developing the County's annual SFP and budget. When offered by OCERS and determined to be in the best financial interest of the County and approved by the Board, the County takes advantage of the OCERS Contribution Prepayment Program, which provides a discount to the County that reduces the cost of the ARC for the full advance payment. The OCERS Board has established policies related to administration of the retirement system found at https://www.ocers.org/board-charters-and-policies.

Position Policy
The Position Policy, established in 2016, provides guidance to departments seeking to add new positions, fill vacancies, as well as establishes conditions under which aged vacant positions will be deleted. In addition, the Board approved a vacant position policy effective July 1, 2018 to establish a standard protocol for managing vacant positions not filled within a reasonable period of time. Positions vacant for more than twelve months,

or eighteen months in the case of public protection positions, are subject to being automatically deleted.

Reserves Policy

The County's General Fund Reserves Policy provides guidance in the creation, maintenance, and use of reserves. The policy covers formal and informal reserves and includes provisions for reserves such as appropriations for contingencies, reserve-like appropriations, and reserve-like funds held by others such as the OCERS Investment Account. The policy also recognizes whether funds are legally required or discretionary or have special restrictions. The County's Reserves Policy is presented annually to the Board in the SFP.

Oversight

Audit Oversight Committee

In 1995, the Board established the Audit Oversight Committee (AOC) as an advisory committee to the Board on issues related to the County's Internal Audit function and the County's external audit coverage including financial statements and federal and state audits. The AOC assists the Board in ensuring the independence of the Internal Audit functions, reviews and recommends approval of the Internal Audit Department's Annual Audit Plan, reviews internal audit reports, and guarantees that corrective action is taken on audit findings.

Public Financing Advisory Committee

The Board established the Public Financing Advisory Committee (PFAC) in 1996. The purview of PFAC includes review and recommendation of all proposed public financings, and selection of financing professionals engaged in public financings.

Treasury Oversight Committee

The Board established the Treasury Oversight Committee (TOC) in 1995. The TOC reviews and monitors the annual investment policy prepared by the Treasurer, ensures an annual audit is conducted to determine the Treasurer's compliance with the Investment Policy Statement, submits an annual report to the Board regarding the Treasurer's compliance with governing laws and policies, and investigates any identified irregularities in the Treasurer's operations.

Reserves Policy

Obligated Fund Balances and Reserves Available to the General Fund

Introduction

The County of Orange General Fund Reserves Policy provides guidance in the creation, maintenance and use of reserves. The policy covers formal and informal reserves and includes provisions for reserves such as appropriations for contingencies, reserve-like appropriations, and reserve-like funds held by others such as the OCERS Investment Account. The policy also recognizes whether funds are legally required or discretionary or have special restrictions.

The importance of having and maintaining healthy reserve balances was evident during the COVID-19 pandemic. Temporary utilization of fund balance or reserves aided departments in offsetting decreases in revenue growth, funding reductions from various sources, and accommodating increased costs of doing business.

The General Fund Reserves policy strategy is to provide flexibility to the County and offer:

- Resources to address unanticipated or cyclical economic conditions.
- Resources for emergencies and/or catastrophic events.
- Mitigation of the volatility of revenues and expenditures in managing temporary cash flow shortages.
- Capacity to cover unexpected large one-time expenses and opportunities.
- Capacity to fund capital investments.
- Capacity to minimize borrowing costs.
- Capacity to provide some level of protection against statutory changes to County revenues and impacts from federal and state actions.

The County has a variety of reserve funds available to both the General Fund and Non-General Funds including:

- Fund Balance Assigned for Contingencies – This reserve was established through the Strategic Financial Plan process for the purpose and use of covering unanticipated and severe economic downturns, major emergencies, or catastrophes that cannot be covered with existing appropriations. The target for this reserve is 15% of ongoing annual General Purpose Revenues.

- Fund Balance Assigned for Budget Stabilization – This reserve, established through the quarterly budget report process, ensures prudent reserve levels are maintained and replenished on a regular basis. The current year target, based on the Government Finance Officers Association's (GFOA) best practice, is set at two months (approximately 17%) of General Fund operating revenues as budgeted in FY 2023-24.

- Reserve-like Appropriations – These are informal reserve amounts annually appropriated in the budget such as the Miscellaneous Contingency Reserve and Annual Leave Payouts.

- Reserve-like Funds – The reserve held by the Orange County Employees Retirement System (OCERS) on behalf of the County and established with the proceeds of the 1994 Pension Obligation Bonds is an example of a reserve-like fund. The purpose and use of this account includes the offset of County retirement expenses and reducing the County's share of the retirement system unfunded liability. Use of this account to offset the County's retirement expenses may free up existing or future General Fund resources for other purposes.

- Department Type Reserves – These are restricted reserves set aside in Non-General Funds for specific purposes. Department type reserves are limited to the purpose and use for which the Non-General Fund was established.

All the aforementioned reserves customarily are modified at the time of budget adoption (Government Code Section 29085) or at fiscal year-end (in accordance with GASB 54 requirements). Changes to reserve amounts at other times require a 4/5 vote of the Board of Supervisors in order to make such reserves available for appropriation to spend, if needed, during the fiscal year (Government Code Section 29130).

The County has provided for General Fund Obligated Fund Balances, developing specific targets for each reserve type based upon recommendations by GFOA and best practices based upon review of reserve policies implemented by other local governments. The County's policy follows GFOA's current recommendation, which states that, "at a minimum, general-purpose governments, regardless of size, maintain unrestricted fund balance in their General Fund of no less than two months of regular General Fund operating revenues or regular General Fund operating expenditures."

As part of the 2010 Strategic Financial Plan, the Board granted the County Executive Office approval to implement GFOA best practice for funding reserves and to continue reviewing the management of those reserve funds. Regular monitoring of reserves ensures effective control and consolidation of resources, if appropriate, while maintaining proper designations and flexibility. There is no request to change the existing reserve policy with this Strategic Financial Plan.

Reserve Targets and Descriptions

Under GFOA recommended practice, the County establishes an overall reserve target, and allocates the calculated target among the classes of obligated fund balances as appropriate. The County may fund more or less to each reserve class, for a variety of reasons such as current financial conditions, the need to set aside for particular goals or directives, or the need to bridge one-time gaps. The goal is to ensure regular maintenance and replenishment of a prudent reserve balance.

In implementing the GFOA's best practice, the County elected to establish a funding target based upon two months of General Fund operating revenues to lessen current and future risks such as revenue shortfalls and unexpected expenditures. As such, the current year target is set at two months (approximately 17%) of General Fund operating revenues as budgeted in FY 2023-24 as follows:

General Fund Budgeted Revenues FY 2023-24	$ 4,907,248,532
Less: Non-Operating Items	(574,245,737)
Less: One-Time Items – COVID Relief	(311,297,686)
Net FY 2023-24 Operating Revenues	4,021,705,109
Target – 2 Months General Fund Operating Revenues	$ 670,284,185

The following table summarizes the current reserves by classification. Due to strategic and prudent allocation of one-time funding and sources, the Budget Stabilization Reserve for FY 2023-24 met the GFOA recommended target of $670,284,185. Going forward, as General Fund budgeted revenues are expected to increase over the five years of the SFP, the goal is to adjust the Budget Stabilization and Contingencies Reserves in each year to maintain the GFOA recommended target amounts. Adjustments to maintain the targets could be achieved by allocation of General Purpose Revenue growth, allocation of one-time funding and sources, re-allocation of specific-use reserve balances, or any combination of the three. The 2023 SFP assumes use of General Purpose Revenue growth each year to meet the target amounts; however, the ability to achieve this will be determined during the annual budget development process.

	Balance at 6/30/2023	Changes		Projected Balance at 6/30/2024
		Actual	Projected	
Reserve Classifications				
Reserve for Budget Stabilization [Goal = 2 months of Countywide Operating Revenues = $670M]	$ 669,499,332	$ 26,219,748	$ -	$ 695,719,080
Catastrophic Event Contingencies [Goal = 15% of General Purpose Revenue = $155M]	155,430,076	-	-	155,430,076
Assigned (9740)	26,219,748	(26,219,748)	-	-
Grand Total - General Fund Total Reserves	**$ 851,149,156**	**$ -**	**$ -**	**$ 851,149,156**

An alternate approach used by some credit rating agencies is to evaluate the County's available fund balance as a ratio of the General Fund's assigned and unassigned fund balances (from the County's Annual Comprehensive Financial Report [ACFR]) as a percentage of total expenditures. A threshold of 15% of expenditures or greater is considered strong. On a Generally Accepted Accounting Principles (GAAP) basis, the County's percentage in FY 2021-22 was 16% of expenditures and the preliminary percentage for FY 2022-23 is 41%. If the County prepays its pension contribution, the prepaid amount is reported as Non-Spendable Fund Balance rather than Unassigned Fund Balance in the ACFR as required by Governmental Accounting Standards Board (GASB) Statement Number 54. However, if the prepaid costs for General Fund short term Taxable Pension Obligation Bonds (POB) were to be considered as available, which they are, the percentages change to 30% and 41% for fiscal years 2021-22 and 2022-23 (preliminary), respectively. The following table demonstrates the available fund balance for FYs 2021-22 and 2022-23 (preliminary):

Amounts in thousands

	2021-22 ACFR [1]	2021-22 ACFR [2]	2022-23 Prelim ACFR [1]	2022-23 Prelim ACFR [2]
Fund Balance				
Non-Spendable	$ 517,721	$ 1,661	$ 2,175	$ 1,326
Non-Spendable-POB		516,060		849
Restricted	164,954	164,954	260,151	260,151
Assigned	316,809	316,809	653,241	653,241
Unassigned	127,721	127,721	772,383	772,383
Total Fund Balances	$ 1,127,205	$ 1,127,205	$ 1,687,950	$ 1,687,950
General Fund Expenditures	$ 3,711,261	$ 3,711,261	$ 4,074,355	$ 4,074,355
Calculated %	16%	30%	41%	41%

[1] Fund balance amounts in ACFR are calculated by Auditor-Controller based on Generally Accepted Accounting Principles (GAAP)
[2] Calculated % assumes that the non-spendable fund balance associated with the County's short-term Taxable Pension Obligation Bonds (POB) is available, which it is, to the General Fund.

It is important to note that the FY 2022-23 ACFR numbers were atypical due to the closeout of American Rescue Plan Act of 2021 (ARPA) with expenditures totaling approximately $506 million in FY 2022-23 ($197 million related to FY 2021-22 and $309 million related to FY 2022-23).

General Fund Obligated Fund Balances

Obligated Fund Balances are formal reserves and currently include Fund Balance Assigned for Contingencies and Fund Balance Assigned for Budget Stabilization. The reserves defined in the following pages are General Fund Obligated Fund Balances that are neither restricted nor committed as defined by GASB Fund Balance Reporting policy.

Contingencies

Target	15% of ongoing annual General Purpose Revenues (excluding FBA, transfers & other one-time revenue) or, currently, $155,430,076
Projected Balance @ June 30, 2024	$155,430,076 (15% of ongoing General Purpose Revenues)
Variance from target	At target

This compares to GFOA guidelines for funding contingencies at 15% or higher. A review of surrounding counties found contingency targets are based on varying percentages and criteria, which range from 17% to 25% of either a percentage of annual expenses, estimated discretionary revenue or locally funded appropriations.

Please see the following table for specific details of the contingency reserve:

Reserve for Contingencies	
Fund Number	100
Authority	Government Code Section 29085
When established	Budget Adoption
Budgeted	Schedule 3 of the County Budget
Board approval required	4/5 vote to change amount during the year or to appropriate and make available for use during the year (Government Code Section 29130)
Expiration Date	Ongoing
Interest Earnings	Credited to General Fund
Plan for reducing the variance	N/A

Assigned for Budget Stabilization Reserve

Target	$670,284,185
Projected Balance @ June 30, 2024	$695,719,080
Variance from target	25,434,895 above target

Please see the following table for specific details of the Target reserve:

Reserve for Budget Stabilization	
Fund Number	100
Authority	Approved Quarterly Budget Report
When established	November 17, 2015
Budgeted	Schedule 4 of the County Budget
Board approval required	4/5 vote to change amount during the year or to appropriate and make available for use during the year
Expiration Date	N/A
Interest Earnings	Credited to the General Fund
Plan for reducing the variance	NA

Appropriated Reserve-type Funds

Miscellaneous Contingency Reserve & Annual Leave Payouts

These appropriations are maintained in the Miscellaneous Fund within the County General Fund. The purpose and use of the appropriations is to provide additional appropriations to General Fund Departments through the end of the fiscal year for budgetary shortfalls, unanticipated one-time expenditures, emergencies, and opportunities. The appropriations are typically distributed during the Mid-Year Budget Report process and require a 4/5 Board of Supervisors vote for transfers of these funds per Government Code Section 29125(a)(2).

The FY 2023-24 beginning balance is $84,473,745 with an additional $1,000,000 earmarked by the Board on November 23, 2010, to establish funding for unanticipated annual leave payouts impacting small departments (approximately 100 employees or less). Five to ten million dollars is typically budgeted each year. The FY 2023-24 amount is higher than usual due to an increase in General Purpose Revenue. Funds will be allocated through this SFP process to fund ongoing and/or one-time augmentations, capital improvement projects, information technology projects and strategic priorities. Future Strategic Financial Plans may recommend changes to the current balance as funds are needed or become available.

Please see the following specific details of the Miscellaneous contingency and Annual Leave Payouts appropriations:

Miscellaneous Contingency Reserve & Annual Leave Payouts	
Fund/Budget Control Number	100-004
Authority	Board adoption of the Final Budget
Budgeted	Yes
Board approval required	4/5 Board of Supervisors vote to transfer funds
Target	$10,000,000
Expiration Date	Re-budgeted annually
Interest Earnings	Credited to the General Fund

Reserve Type Funds – OCERS Retirement Investment Account

The balance of this account at June 30, 2023 was $144,682,719. The assets held in the Investment Account are invested with the OCERS portfolio. As such, the balance in the account will change based on the performance of the investment assets and any draws from the account.

Reserves in this account are projected to fall by the end of the current fiscal year due to a planned reserve draw of $10,000,000 for the FY 2023-24 OCERS annual required contribution and due to projected net investment losses of $1,993,448.

Projected Balance @ June 30, 2024	$132,689,271 including projected net investment earnings/<losses> and draws

Please see the following table for specific details of the OCERS Investment Account:

Retirement Investment Account	
Fund Number	Held by OCERS
Authority	Board agreement with OCERS
When established	1994
Interest Earnings	Credited to this account

Debt Management Policy

Introduction

The County of Orange Debt Management Policy provides guidance for the issuance of bonds and other forms of indebtedness to finance capital improvements, equipment acquisition, improve cashflow, and meet other identified needs.

The Debt Management Policy is intended to guide the County of Orange to:

- Maintain long-term financial stability by ensuring that its long-term financing commitments are affordable and do not create undue risk or burden
- Provide guiding principles for the use of debt as one source of financing to provide the proper funding for infrastructure needs identified in the Capital Improvements section of the Strategic Financial Plan and the annual budget
- Achieve and maintain high credit ratings
- Minimize debt service interest expense and issuance costs
- Provide accurate and timely financial disclosure and reporting
- Comply with applicable State and Federal laws and financing covenants

The Debt Management Policy is intended to improve the quality of decisions, provide guidance for the structure of debt issuance, and demonstrate a commitment to long-term financial planning. Adoption and adherence to a debt management policy is one factor by which rating agencies assess financial management practices. This policy governs all debt issued by the County of Orange (County), including bonds and other securities issued through any joint powers authority where the Board of Supervisors (BOS) acts as the legislative body.

The County is committed to fiscal responsibility and sustainability, as demonstrated by its Strategic Financial Plan, annual budget development and administration, maintenance of appropriate reserve levels, accurate and timely financial reporting, and management of debt and other long-term liabilities. As repeatedly stated in the Strategic Financial Plan, the County is dedicated to long-term strategic financial planning to ensure its ability to respond to economic fluctuations and unanticipated events in a manner that allows the County to maintain the quality and range of services provided to the community. This policy is intended to help ensure that, in managing its debt and other long-term liabilities, the County is able to meet these planning goals and objectives.

The County Executive Office (CEO), through the County Budget and Finance Office, is responsible for County debt management, including debt issuance, administration of proceeds, timely debt service payments, financial reporting, and continuing compliance with disclosure and other post-issuance obligations with exception of enterprise funds that are responsible for post-issuance administration and compliance.

Acceptable Uses of Debt

The County will consider financing for the acquisition, substantial refurbishment, replacement or expansion of major physical assets that would be unreasonable to cash finance from current revenues. Debt financing may also be appropriate for certain other extraordinary expenditures and for managing cashflows over a period of time.

The primary purpose of County debt is to finance one of the following:

1. Acquisition of a capital asset with a useful life of five or more years
2. Construction or reconstruction of a facility or other public improvement
3. Refunding, refinancing, or restructuring debt and similar obligations, subject to refunding objectives and parameters
4. The costs associated with a debt-financed project, including project planning, design, engineering and other preconstruction efforts; project-associated furniture, fixtures and equipment; and the costs of the financing itself, including capitalized interest, a debt service reserve, underwriter's discount and other costs of issuance
5. Interim or cashflow financing to better match revenues and expenditures, such as tax and revenue anticipation notes, or to provide temporary financing pending a more permanent financing plan
6. Prepaying a portion of the annual pension contribution to Orange County Employees Retirement System (OCERS) to receive an early payment discount that exceeds the cost of the borrowing
7. Paying for an extraordinary expense such as financing a major judgment or loss exceeding insurance

Prohibited Uses of Debt

The County will not use debt to defer obligations in a way that unduly burdens future taxpayers, rate payers or residents.

Types of Financing Instruments

Many different types of financing instruments are available to the County, the use of which will depend on the source of repayment and the use of proceeds. Some of these instruments are used to finance County projects, while others are used to provide tax-exempt financing to projects that are primarily for third parties where public benefit can be achieved while minimizing public risk. The following are the types of debt the County is most likely to issue.

Direct Debt Obligations

The following are considered "direct debt" obligations by rating agencies and other market participants, meaning that the debt is serviced out of tax or other general revenues.

1. General Obligation Bonds

    General Obligation (GO) Bonds need approval of 2/3 of those voting in an election as required by California State Constitution Article 16. GO bonds are secured by the levy of additional ad valorem property taxes to pay debt service. Uses of bond proceeds are limited to the acquisition and improvement of real property and costs of issuance.

2. Lease Revenue Bonds or Certificates of Participation

    Lease Revenue Bonds (LRBs) and lease-backed Certificates of Participation (COPs) are debt obligations serviced by a lease payment from the County's general fund. California courts have determined that such long-term contracts do not require voter-approval under California law (and therefore, are not "indebtedness" under the State Constitutional Debt Limit) as long as the lease meets certain conditions. These financings are typically secured by a lease-back agreement between the County and another public entity (e.g., South Orange County Public Financing Authority).

    To qualify as a valid lease, payments are due only to the extent that the County has use and occupancy of the leased property. The judicial decisions that define a valid lease financing effectively require that the fair rental of the leased property be equal to or greater than the lease payment that secures debt service. The governmental lessee is obligated to appropriate in the Annual Budget the rental payments that are due and payable during each fiscal, and to secure insurance to ensure that the property stays available for use.

Because it is paid from the General Fund and does not require voter approval, lease financing is the most common form of financing used by counties. Therefore, establishing thresholds for the appropriate levels for this form of “debt” is one of the critical goals of a debt policy. There are few external guidelines for the appropriate amount of lease debt. Agencies that set limits on “affordability” have established limits from 4% to 10% of General Fund expenditures or revenues (referred to as “lease burden”).

Rather than establish a specific limit on lease-backed debt, the County has a limit on long term General Fund debt obligations. Annual principal and interest payments on long term General Fund debt obligations will not exceed 4% of general fund revenue. The appropriate level of General Fund appropriation debt should also be considered in the development of the County’s Annual Strategic Financial Plan and Annual Budget process.

Revenue and other Special Fund Obligations

Debt secured by the County’s enterprise funds and certain other special funds can also be issued without voter approval. These obligations are payable solely from the dedicated revenues, and do not have recourse to ad valorem taxes or general fund revenues of the County.

- Revenue Bonds and Certificates of Participation (COPs)

  Revenue Bonds are obligations payable from revenue generated by an enterprise fund. These obligations can be in the form of revenue bonds issued under an indenture, or COPs secured by an installment sale agreement. Two County enterprise funds that have supported revenue debt in the past are John Wayne Airport and Orange County Waste and Recycling.

  In accordance with the agreed upon bond covenants, the revenues generated by these enterprise funds must be sufficient so that net revenues, after the payment of operating expenses, are greater than debt service so as to maintain required coverage levels. The revenue bond issuer covenants to revise the rates, fees and charges of the enterprise to maintain the required net revenue coverages.

In determining whether to issue revenue bonds, the County should consider similar principles that it would for the incurrence of other governmental debt: the extent it is more appropriate to spend the cost of capital improvements over time, without unduly increasing the capital costs, rather than pay for them out of current revenues. Other factors include the County's ability to maintain the rate covenants that will be required by the bond market.

Interim Financing

The County may consider the use of various debt instruments to better match short-term revenues and expenditures.

1. Tax and Revenue Anticipation Notes

   Tax and Revenue Anticipation Notes (TRANs) are short-term notes payable out of current year revenues, proceeds of which allow a municipality to cover the periods of cash shortfall resulting from a mismatch between timing of revenues and timing of expenditures.

   The County may issue TRANs if necessary to meet General Fund cashflow needs in the upcoming fiscal year, which consist primarily of salaries and benefits, in anticipation of the receipt of property taxes and other revenues later in the fiscal year. The cashflow needs are determined by projections prepared by Auditor-Controller and CEO that require an estimate of a cashflow deficit during the fiscal year. The County's municipal advisor is required to review and concur with the County's cashflow projections if a TRANs is to be considered. As property tax payments and other revenues are received, they are used in part to repay the TRANs.

2. Prepayment of Annual Employer Pension Contribution

   The County may receive notification from OCERS that the Board of Retirement approved a discount in the amount due if paid early. Typically, the payment must be received by mid-January to fund the next fiscal year's annual employer contribution to OCERS, a period of no longer than eighteen months. The County prepares an analysis, to determine the budget savings achieved from the OCERS discount, to evaluate whether to recommend financing the prepayment. While these borrowings are essentially a cashflow financing such as TRANs, they are structured as a short-term pension obligation bond to allow the obligation to extend beyond the fiscal year in which it is issued.

3. Teeter Financing

   Under the alternative method of allocating taxes commonly referred to as the "Teeter Plan," a county can advance property taxes to its taxing jurisdictions whether or not they are received, in exchange for retaining the penalties and interest received from late payments. These advances can be financed with funds of the County or by an external borrowing. For a number of years, the County issued commercial paper to finance these advances (Teeter Program). Commercial paper (CP) is an obligation maturing in less than 270 days that is secured by a letter of credit. Maturing CP is typically refinanced with a subsequent CP issue until a permanent financing source is in place or the debt can otherwise be retired. Since 2013, the Teeter Program has been financed by a revolving line of credit from a commercial bank.

4. Interfund Borrowing

   In lieu of issuing bonds or otherwise borrowing from third-parties, there will be situations where the most appropriate means is to temporarily transfer money from a County fund. Annually, in the final budget adoption, the BOS authorizes those funds which can provide temporary transfers. The BOS establishes the appropriate term and interest rate of each Interfund loan by resolution. The interest rate will be the amount that would have been earned by the lending fund from the County's investment pool.

Conduit Financings

Conduit financings are sponsored by the County to allow third-parties to access tax-exempt interest rates. These financings are not secured by regular County revenues.

1. Community Facilities and Assessment Districts

   Community Facilities Districts (CFD) and 1913/1915 Act Assessment Districts (AD) are typically developer initiated, whereby the developer seeks a public financing mechanism to fund public infrastructure. Special taxes or assessments may be levied upon properties within a district to pay for facilities. The conditions for the

County's approval of these financings are contained in a separate set of policies. Further information on formation of CFDs and ADs is available in the Orange County Public Finance Program Policy Statement and Application Information Package as amended September 12, 2000 and as amended May 18, 2004. This policy is posted on the County's website.

2. Multi-Family Housing Revenue Bonds

   Multi-Family Housing Revenue Bonds are issued to finance construction or rehabilitation of multi-family housing projects providing tax exempt financings for developers willing to set aside a portion of the units in the project as affordable housing. The County, as well as State agencies and joint powers authorities, may sponsor this type of conduit financing for those activities that have a general public purpose.

3. Public-Private Partnership (P3)

   A P3 is a partnership between a public sector entity and a private sector entity to develop, design, construct, and finance a public facility. It can involve alternate approaches to both project procurement and its financing. In some cases, the private entity is a not-for-profit entity, with the financing structured to allow for the issuance of tax-exempt bonds to provide the lowest cost funding.

   While the financing costs of a P3 can at times be higher than a direct County borrowing, there can still be offsetting benefits to a P3, such as transferring design and construction risks. The County shall perform an analysis to determine the benefits of this type of project procurement and alternate financing versus the County issuing the debt directly.

Tax Increment Financing

Tax increment financing is a tool that allows municipalities to promote economic development by earmarking tax revenues from increases in assessed value within a designated tax increment financing district. Redevelopment Agencies, a frequently used tool of the past, were dissolved by the California legislature as of February 12, 2012.

1. Enhanced Infrastructure Financing District

On September 24, 2014, the governor approved Senate Bill 628, which authorized the formation of an Enhanced Infrastructure Financing District (EIFD). An EIFD is a limited tax increment financing district created after the dissolution of redevelopment agencies in 2012.

An EIFD would allow two or more governmental entities to agree to secure a portion of property tax revenue for the construction of infrastructure and other capital needs. A key difference between EIFDs and former redevelopment agencies is, that the tax increment given to the new district excludes all property taxes associated with school districts.

No new taxes are created by establishing an EIFD. The County’s participation in any such district is voluntary and would require Board approval. The conditions for the County’s participation in an EIFD are contained in a separate EIFD participation policy.

Debt Structure

The following are some general principles that will govern the structuring of County debt issues from time to time.

1. Term of Debt

In general, debt will be structured to distribute the payments for the asset over its useful life so that benefits closely match costs for current and future residents. Notwithstanding this policy goal, the early payment of principal (referred to as the “rapidity of debt repayment”) is considered a credit strength by the rating agencies, as it creates future debt capacity. The County will consider such accelerated retirement when there is the capacity to accommodate such payments. Debt should not exceed the useful life of the improvement that it finances.

2. Debt Service Structure

To the extent practical, bonds will be amortized on a level repayment schedule. Alternate schedules can be considered when appropriate. For example, escalating debt service may be considered if it better matches forecasted available revenues;

any such escalation of debt service should be modest, to provide a margin of safety if revenue growth should underperform expectations. Deferral of the amortization of principal can be considered in order to wrap outstanding debt and create total level debt service. Extreme deferral of debt service (such as with capital appreciation bonds, which defer both interest and principal) should be avoided.

3. Optional Prepayment

Long-term debt will, in most cases, contain an optional call provision to allow for the refunding of debt at lower interest rates in the future. A ten-year call option is most common for tax-exempt bonds. In considering the terms of the call, the County will evaluate any additional interest cost demanded by investors with the potential future benefits of the option.

4. Capitalized Interest

Use of capitalized interest (where interest in the early years is funded through the sale of additional bonds) should be minimized where possible. Interest may be capitalized for the construction period of a revenue producing project so that debt service expense does not begin until the project is expected to be operational and generating revenue. State law requires that interest be capitalized when a lease financing is secured by the project being constructed with the proceeds, so that no payment is due until the County has use and occupancy. When possible, the County will secure its lease financing with existing County facilities to avoid issuing additional bonds for capitalized interest; this structure is referred to as an "asset transfer."

5. Debt Service Reserve Fund

Debt service reserve funds are held by and are available to the bond trustee to make principal and interest payments to bondholders in the event that pledged revenues are insufficient to do so.

The maximum size of the reserve fund for a tax-exempt bond issue is governed by tax law, which permits the lesser of: 1) 10% of par; 2) 125% of average annual debt service; or 3) 100% of maximum annual debt service. The County may issue bonds with a debt service reserve fund that is sized at a lower level or without a reserve fund if economically advantageous and recommended by the finance team.

The reserve fund requirement may also be satisfied by a surety policy, a form of insurance provided by a bond insurer to satisfy a reserve fund requirement for a bond issuance. Under this arrangement, instead of depositing cash in a reserve fund, the issuer buys a surety policy by paying a one-time premium equal to a percentage of the face value of the policy. The County may use a surety policy instead of a debt service reserve when an analysis indicates that net cost to the County will be lower, taking into account the potential cost of replacing the surety at the time of any future refunding.

6. Credit Enhancement

Credit enhancement may be used to improve a credit rating on a County debt issuance. The most common form of credit enhancement is bond insurance, which will be considered when the cost of insurance is offset, on a present value basis, to the savings in debt service through the first optional call date of the bonds. Because of the County's high bond ratings, bond insurance will not be cost effective for most of the County's debt in the current market. The benefit of a credit enhancement will be evaluated for each bond issuance.

7. Variable Rate Debt

To maintain a predictable debt service burden, the County will give preference to debt that carries a fixed interest rate. An alternative to the use of fixed rate debt is variable rate debt. It may be appropriate to issue long-term variable rate debt to diversify the County's debt portfolio, reduce interest costs, provide interim funding for capital projects or improve the match of the County's assets (such as cash in the Treasury invested in shorter-term securities) to debt liabilities.

8. Use of Derivatives

The County will not use interest rate swaps in connection with variable rate debt to create synthetic fixed-rate debt.

Method of Sale

Debt issues can be sold through a public offering through either a competitive sale or a negotiated sale. In a competitive sale, bid parameters are established in the notice of sale or notice inviting bids. Bids are received from various underwriters at a given time, and the bonds awarded to the bid producing the lowest true interest cost (the interest rate that discounts debt service to the net amount of proceeds received after accounting for underwriter's discount). In a negotiated sale, the County selects the underwriter in advance through a request for proposal process, and the interest rate is set based on the orders received from investors during the pricing period. While there are advantages to both methods of sale, most municipal bonds are currently sold on a negotiated basis, which has been the County's primary practice.

On occasion, the County may choose to privately place a financing with a bank, rather than borrowing through a public offering sold to multiple investors. Such financings can be more cost effective for smaller transactions, or for financings such as commercial paper that would otherwise require an alternative bank facility such as a letter of credit.

The Budget and Finance Director will recommend the appropriate method of sale based on the specific offering and market conditions, seeking advice from the County's municipal advisor.

Refunding of Indebtedness

Most municipal bonds can be pre-paid prior to their maturity by the exercise of an optional call. As a result, sometimes bond issues can be refunded for savings. The following are the two types of refundings.

- Current Refunding - The refunding bonds are issued less than 90 days before the date upon which the refunded bonds will be redeemed.

- Advance Refunding - The refunding bonds are issued more than 90 days prior to the date upon which the refunded bonds will be redeemed, and the refunding bond proceeds placed in an escrow that is sufficient to pay interest and principal until the call date. Municipal bonds may only be advanced refunded once over the life of a bond issuance. The Tax cuts and Jobs Act, enacted December 22, 2017 essentially eliminated advanced refunding for municipal bonds issued after 2017 by making interest on advanced refunding bonds taxable. Interest on current refunding bonds remains tax-exempt eligible.

The County will regularly review its outstanding debt portfolio to identify opportunities to achieve net economic benefits from refunding its bonds. Recognizing that the County's ability to refund its debt is limited (i.e., federal tax law constraints on advance refundings and the market practice of making most fixed-rate bond issues non-callable for their first ten years), the County will seek to deploy its refunding options prudently. At a minimum, the County will seek to achieve net present value ("NPV") savings equal to at least three percent (3%) of the par amount of the bonds that are refunded. For advance refundings, the threshold goal will be five percent (5%) NPV savings. A second limiting factor on advance refundings will be that negative arbitrage (the amount of additional funds that need to be deposited into an escrow to make up for interest earnings being less than the interest on the defeased bonds) will be no greater than half the amount of the NPV savings. The present value savings will be net of all costs of the refinancing and will consider the difference in interest earnings of the debt service reserve funds of the refunded and refunding bonds.

These savings requirements may be waived by the BOS upon a finding that a refunding producing lower savings is in the County's best financial interest; for example, by restructuring debt service or eliminating burdensome covenants.

Debt Management Practices

The County Budget and Finance Office shall be responsible for ensuring the County's debt is administered in accordance with the terms of the governing bond documents, federal and state law and regulations, and the best industry practices.

1. Arbitrage

   Arbitrage is the profit made by issuing bonds bearing interest at tax-exempt rates and investing the proceeds at materially higher taxable yields. The Internal Revenue Code limits the opportunity for borrowers to retain such investment profits; in most cases, the borrower must calculate such profits and rebate them to Internal Revenue Service every five years.

   Public Finance shall maintain a system of recordkeeping to meet the arbitrage compliance requirements. The County will retain an arbitrage rebate consultant to assist in calculating any earnings on bond proceeds in excess of the rate on its bonds, and to calculate whether arbitrage should be rebated to the Federal Government. The County Budget and Finance Office shall ensure the calculation and payment are made in a timely manner.

2. Administration and Investment of Bond Proceeds

Bond proceeds are administered in the County Budget and Finance Office to provide segregation of duties between the County administrative function responsible for disbursing bond proceeds and the County department or entity expensing the proceeds. Bond documents contained in the official bond transcripts govern the use of bond proceeds, as well as debt service payment terms and other legal covenants, and are maintained and accessible in the County Budget and Finance Office. Bond proceeds shall be deposited in a trustee bank and invested consistent with federal tax requirements and requirements contained in the governing bond documents.

Finance Accounting, an Auditor-Controller department satellite unit located within the County Budget and Finance Office, is responsible to ensure bond proceed receipts are recorded in the County's accounting records, and confirm accounts established at the trustee and deposit of bond proceeds reconcile with controlling bond documents. Finance Accounting monitors accounts at the trustee, records expenditure activity, and reconciles trustee statements to County accounting records monthly.

Drawdown and use of bond proceeds are initiated by the project manager representing the County department or entity expensing the proceeds for eligible purposes. The requisition or drawdown request will contain invoices and other back-up documentation to validate the eligible expenses. Each requisition or drawdown request is reviewed by Finance Accounting staff and management and a Finance analyst before final approval and authority to disburse from the Finance Team Lead, and then forwarded to the trustee.

3. Continuing Disclosure

The County is committed to primary and secondary market disclosure practice. To remain in compliance with Security and Exchange Commission Rule 15C2-12, required information shall be submitted as stated in each bond financings' continuing disclosure certificate.

The County shall maintain a log or file evidencing that all continuing disclosure filings have been made promptly. Continuing disclosure procedures are maintained by the County Budget and Finance Office and will be updated as needed.

4. Disclosure on County's Website

All disclosure reports, County credit ratings and the debt program are posted on the County's website. The website shall be updated as needed.

5. Compliance with Other Bond Covenants

The County is responsible for verifying compliance with all covenants and agreements of each bond issuance on an ongoing basis. This typically includes ensuring:

- Annual appropriations to meet debt service payments
- Taxes/fees are levied and collected where applicable
- Timely transfer of debt service/rental payments to the trustee or paying agent
- Compliance with insurance requirements
- Compliance with rate covenants where applicable
- Recordkeeping and continued public use of financed asset
- Compliance with tax covenants including the timely spend-down of project fund proceeds
- Compliance with all other bond covenants

Rating Agency Relations and Annual or Ongoing Surveillance

The County seeks to maintain the highest possible credit ratings that can be achieved for debt instruments without compromising the County's policy objectives. Ratings are a reflection of the general fiscal soundness of the County.

The Finance Team Lead shall be responsible for maintaining the County's relationship with S & P Global Ratings, Fitch Ratings, Moody's Investors Service and any other rating agency, including communicating with credit analysts at each agency and providing any requested information as deemed appropriate.

The Finance Team Lead shall report feedback from rating agencies to the Chief Financial Officer and BOS, when and if available, regarding the County's financial strengths and weaknesses and recommendations for addressing any weaknesses as they pertain to maintaining the County's existing credit ratings.

Prior to each proposed new debt issuance, the Finance Team Lead shall determine the number of rating agencies to provide a credit rating based upon the recommendations of the finance team. Meetings and/or conference calls with agency analysts shall be conducted to provide a thorough update on the County's financial position, including the impacts of the proposed debt issuance.

Financing Professionals

Process and Selection of Professionals

Once a financing need is identified, the County Budget and Finance Office will work with the appropriate County departments to recommend a finance team, debt structure, and debt service term to the Public Financing Advisory Committee (PFAC) and the BOS for consideration.

PFAC is responsible for reviewing all proposed County financings and financing professionals recommended by Public Finance. PFAC will approve, modify, or deny the proposed recommendation. The BOS will ratify or disapprove the selection made by PFAC. Further information on PFAC is included in the Fourth Amended and Restated County of Orange Board of Supervisors Policies and Procedures approved by the BOS on February 26, 2019 and posted on the County's website.

The Board of Supervisors shall be responsible for the selection of Financing Professionals engaged to assist in a public financing. Financial Professionals shall include Municipal Advisor(s), Underwriters, Bond Counsel, Disclosure Counsel, and any other paid professional utilized in connection with a proposed financing. The procurement of financial professionals shall be conducted according to procedures delineated in the County's Contract Policy Manual.

Selection and Compensation

The Finance Team Lead shall be responsible for establishing a solicitation and selection process for securing professional services that are required to develop and implement a debt issuance.

The identification of municipal advisor, underwriter, bond counsel and disclosure counsel shall be done through a Request for Qualifications (RFQ) process to create a pool of professionals in each of the stated categories. For each new financing, a Request for Proposal (RFP) shall be completed for municipal advisor, underwriter, bond counsel and disclosure counsel, as appropriate. The RFQ and RFP shall be in accordance with the County Procurement rules. The selection of the professional from each category and financing shall be first recommended for approval by PFAC and then ratified by the BOS.

If a sole source selection of a financial professional or consultant is recommended, the County Budget and Finance Office will follow sole source selection procedures as outlined in the County's Contract Policy Manual.

Compensation for the financing professionals is typically paid from the bond proceeds cost of issuance account.

1. Municipal Advisor

   The primary responsibilities of the Municipal Advisor are to provide independent analysis of the proposed financing to the County. Their responsibilities also include but are not limited to, working with underwriters and other finance team members to formulate a general financing plan for the issuance of bonds, assisting in the financing schedule, transaction structuring, and pricing of bonds. The Municipal Advisor shall also provide pricing comparables and market conditions advice.

2. Bond Counsel

   The County will retain external Bond Counsel for all debt issuance. Bond Counsel will prepare the necessary authorizing resolutions, ordinances, agreements, and other legal documents necessary to execute the financing.

3. Disclosure Counsel

   The County will retain Disclosure Counsel for all public issuances that entail disclosure of County finances and financial status. Disclosure Counsel will advise on issuer disclosure obligation, federal securities laws and proper disclosure practices, and due diligence process.

The Finance Team Lead may recommend separate firms in the capacity of Bond and Disclosure Counsel or a single firm to perform bond and disclosure counsel functions based on anticipated complexity of the financing.

4. Underwriter

   An Underwriter is a firm that administers the public issuance and distribution of the bond issuance. Underwriter services may include assisting in securing credit and meetings with principal retail/institutional investors. When undertaking a negotiated sale, the County will select an Underwriter through the solicitation process described previously.

5. Other Service Providers

   Other professionals may be selected, at the discretion of the Finance Team Lead, on an as-needed basis. These include, but are not limited to, the services of trustee, credit rating agencies, escrow agents, bond insurance providers, credit and liquidity banks, verification agents, title insurance companies, and document printing services.

Conclusion

This Policy is intended to guide and regulate the County's issuance of debt. The County is aware, however, the financial environment and best practices may change. This policy will be reviewed annually during the Strategic Financial Plan process and any necessary updates will be presented to the BOS for consideration.

General Fund Debt Service

The following table provides details of the 5-year ongoing General Fund debt service as well as the final maturity and optional redemption at par dates:

Description of General Fund Debt	Fiscal Year 2024-25	2025-26	2026-27	2027-28	2028-29	Final Maturity	Optional Redemption at Par
South Orange County Public Financing Authority, Central Utility Facility Lease Revenue Bonds, Series 2016	$4,489,000	$4,489,000	$4,487,750	$4,490,000	$4,490,250	4/1/2036	4/1/2026 $34,655,000
California Municipal Finance Authority Lease Revenue Bonds, Series 2017A (Orange County Civic Center Infrastructure Improvement Program - Phase I) (1)	9,981,500	9,981,000	9,982,000	9,979,000	9,981,750	6/1/2047	6/1/2027 $129,565,000
California Municipal Finance Authority Lease Revenue Bonds, Series 2018A (Orange County Civic Center Infrastructure Improvement Program - Phase II) (1)	12,917,750	12,917,500	12,917,250	12,916,500	12,919,750	6/1/2048	6/1/2028 $160,995,000
South Orange County Public Financing Authority, Lease Revenue Bonds, Series 2022 (OC Sheriff's Department Facility)	5,506,750	5,506,500	5,507,750	5,505,250	5,504,000	6/1/2052	6/1/2032 $68,625,000
Total General Fund Debt Service	**$32,895,000**	**$32,894,000**	**$32,894,750**	**$32,890,750**	**$32,895,750**		

Notes:
(1) These amounts represent the total debt service. A portion of these amounts are allocated to Non-General Fund departments occupying the County Administration South (CAS) and County Administration North (CAN) buildings.
(2) Par value represents the face value of the bonds as no premium, or additional amount, is required to redeem bonds after this date.

Five-Year Capital Improvement Plan

Introduction

The Five-Year Capital Improvement Plan (CIP) is a compilation of significant projects countywide and is divided into three sections. The first section focuses on projects funded by the General Fund through the Countywide Capital Projects Non-General Fund, the second focuses on capital projects with no identified funding, and the third focuses on department-funded projects.

The CIP aids the County in its assessment of the most effective use of County General Funds and provides goals for developing capital assets while maintaining long-term financial stability. The assessment is an ongoing process influenced by many changing factors such as service needs, available resources resulting from changes in the economy, Board of Supervisors priorities, legal mandates, age and condition of existing buildings, and health and safety considerations.

The five-year CIP provides information about capital projects in excess of $150,000 per project. The CIP is not a budget document but rather a planning tool to be used in conjunction with the budget development process for FY 2024-25 through FY 2028-29 and the County Facilities Master Plan. For the purposes of the SFP, a summary of the five-year plan for countywide General Fund projects is included, followed by a summary of major projects not currently addressed in the baseline operations of the County's departments, and department funded projects.

This document is updated annually to reflect the changing needs and the fiscal outlook of the County.

Countywide Capital Projects - General Fund

The Net County Cost (NCC) limit for the Countywide Capital Projects General Fund is set at $12.1 million for each fiscal year of the five-year plan, which is transferred to the Countywide Capital Projects Non-General Fund. This NCC provides potential funding for multi-year projects including Probation and OC Sheriff's Department capital projects. As of October 31, 2023, appropriations in the Countywide Capital Projects Non-General Fund total $534.7 million for FY 2023-24. This includes allocations for OC CARES initiatives and various significant countywide projects currently under evaluation or in the planning (design/pre-construction) phase. The closing fund balance reserve line in the table below includes funding for the projects that are in the planning phase. Funds will be appropriated for use closer to actual project start.

The five-year capital project costs summarized in the capital projects fund include $151.4 million in appropriations funded by $60.7 million in transfers from the General Fund, $26.3 million from OC Waste & Recycling Net Importation Revenue Sharing, $25.0 million transfers in from General Fund for early County bond repayments, $12.7 million from the OC CARES Fund for the Juvenile Corrections Campus, $11.0 million transfers in from Utilities for future Cogeneration/Central Utility Facility (CUF) project reserves, $1.5 million pass-through for capital projects, and $14.2 million in reserves held for capital projects.

These projects (and any subsequently identified) will be evaluated for funding during the FY 2024-25 annual budget process. Project needs and related costs will be reviewed again during the next Strategic Financial Planning cycle which will begin in August 2024.

Countywide Capital Projects Non-General Fund

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
Appropriations						
Countywide Capital Projects - OC Public Works						
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 (Brad Gates & Osborne Buildings)	1,105,000	3,441,000	2,244,000	3,055,000	1,100,000	10,945,000
1770 Broadway (Auditor-Controller)	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 Corrections 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 14Q)	2,668,100	2,668,100	2,668,100	2,668,100	2,668,100	13,340,500
Central Utilities Facility 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**

Note: The above SFP requests do not commit the County for funding. The funding is committed through the annual budget process and the above information is subject to change at that time.

Countywide Capital Projects – NCC Requests

The County monitors and strategizes for department-specific capital improvement projects that are significant in cost, have significant community impact, and/or have long-range impact on County government and the community. These projects are considered essential by departments and may require General Fund support if other funding sources are not available.

The five-year capital project costs summarized in this section include projects pertaining to OC Sheriff's Department ($80.7 million), Social Services Agency ($36.0 million), OC Waste & Recycling ($171.0M), and Orange County Trial Courts ($2.4 million). These projects (and any subsequently identified) will be evaluated for funding during the FY 2024-25 annual budget process. Project needs and related costs will be reviewed again during the next Strategic Financial Planning cycle which will begin in August 2024.

Countywide Capital Projects – NCC Requests

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
OC Sheriff's Department (OCSD)						
Intake Release Center						
ADA, Safety and Security Upgrades - Mods J & N	6,111,110	3,888,890	0	0	0	10,000,000
Air Handler Units Replacement	2,462,972	2,462,972	2,462,972	1,462,972	0	8,851,888
Sally Port Concealment Solar Panels	0	0	0	1,200,000	0	1,200,000
James A. Musick Facility						
Repair/Replace Flooring and Support Structure	0	2,012,827	0	0	0	2,012,827
Red Team - Visiting Area Renovation	0	0	0	3,163,680	0	3,163,680
Central Men's (CMJ) & Women's Jails (CWJ)						
CMJ - Roof Expansion - Recreation Area	1,900,000	0	0	0	0	1,900,000
CMJ/CWJ - Staff Locker Room Remodel	0	0	0	0	2,500,000	2,500,000
CMJ - Warehouse Remodel	0	0	0	0	2,000,000	2,000,000
CMJ - Dis-Iso Renovation	0	0	0	0	2,000,000	2,000,000
Theo Lacy Facility						
Theo Lacy Facility Lobby Renovation	1,500,000	0	0	0	0	1,500,000
Orange County Jail Facilities						
Jail Security Electronic Control Systems Upgrade	4,500,000	3,500,000	5,700,000	2,100,000	2,800,000	18,600,000
ADA Compliance Upgrade	1,415,780	1,488,000	1,547,520	1,802,240		6,253,540
Jail Hardening	0	1,071,102	1,072,135	0	0	2,143,237
Hazardous Materials Abatement	0	0	0	1,576,951	0	1,576,951
OCSD Facilities Projects						
Headquarters Renovations and Hazardous Material Abatement	4,759,667	0	4,759,667	0	0	9,519,334
Loma Ridge - Communications Redundancy	1,500,000	0	0	0	0	1,500,000
Brad Gates - Upgrade UPS System and Add Redundancy	1,214,201	0	0	0	0	1,214,201
Loma Ridge - Emergency Operations System Expansion	0	0	1,391,184	0	0	1,391,184
Research & Development Office Renovation	0	2,000,000	0	0	0	2,000,000
OC Crime Lab - Renovate and Reconfigure the Forensic Areas	0	1,386,375	0	0	0	1,386,375
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						
HVAC Replacement	0	9,000,000	0	0	0	9,000,000
Roof Maintenance	0	3,710,000	0	0	0	3,710,000
Perimeter Fencing	0	2,000,000	0	0	0	2,000,000
CCTV Upgrades	0	1,175,000	0	0	0	1,175,000
On-going Maintenance	0	1,000,000	0	0	0	1,000,000
Orangewood Children & Family Center						
Restrooms & Kitchen	1,677,000	726,000	330,000	363,000	15,000	3,111,000
Bedrooms & Classrooms	852,000	117,000	369,000	291,000	60,000	1,689,000
Facility Design	603,000	224,000	282,000	220,000	335,000	1,664,000
Doors & Windows	633,000	201,000	348,000	181,000	1,235,000	2,598,000
Flooring & Painting	435,000	174,000	588,000	392,000	1,017,000	2,606,000
Lighting	327,000	218,000	363,000	290,000	0	1,198,000
Parking Lot & Outdoor Areas	219,000	102,000	145,000	0	0	466,000
Other SSA Facilities						
Eckhoff Facility - Floor Replacement	0	4,600,000	0		0	4,600,000
Tustin Family Campus - Building Improvements	0		0	0	1,200,000	1,200,000
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**

Note: The above CIP information 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.

OC Sheriff's Department (OCSD) – Requests $80.7 million in General Funds over the five-year period for projects in excess of the Net County Cost allocation to OCSD: $63.7M is for various renovations, repairs and replacements to ensure safety and reduce ongoing maintenance costs at the Intake Release Center, Men's Central Jail, Women's Central Jail, James A. Musick Facility, and the Theo Lacy facility; $17.0 million is for various renovations, repairs and replacements to optimize space, ensure safety, and reduce ongoing maintenance costs at the Headquarters facility, OC Crime Lab, and the Loma Ridge Emergency Operations Center.

Social Services Agency (SSA) – Requests $36.0 million in General Funds over the five-year period: $13.3M is for facility upgrades at the Orangewood Children & Family Center to address deficiencies and comply with the Americans with Disabilities Act standards in providing access to all services and activities for all children, staff, and clients. The improvements address structural and mechanical upgrades throughout the facility, including plumbing, electrical and lighting components, window and door replacements, kitchen and bath renovations, and other renovations to living quarters; $16.9 million is for the Santa Ana Regional Center to replace the HVAC system, upgrade the CCTV System, install perimeter fencing, and for various improvements to ensure a safe and healthy environment for staff and the visiting public; $5.8 million includes facility improvements at the Eckhoff Center and Tustin Family Campus.

OC Waste & Recycling (OCWR) – OCWR is implementing its Circular Economy long-term plan of Organics to Renewable Natural Gas and Energy to ensure the County of Orange jurisdictions are in compliance with SB 1383 requirements,. This plan will provide sufficient capacity to process organics materials that are required to be diverted from landfills. The estimated project cost is $171.0 million and includes the development of composting centers and digesters for processing organic materials at the Olinda Alpha Landfill, Frank R. Bowerman Landfill, and the Prima Deshecha Landfill. OCWR intends to fund these projects with revenue generated from a higher disposal rate which is anticipated to go into effect in FY 2025-26. The disposal rates are currently under negotiation with participating cities and are therefore not included in the Department's baseline operations. **General Fund support is not requested for these projects.**

Orange County Trial Courts – The Lockyer-Isenberg Trial Court Funding Act of 1997, Assembly Bill 233 (AB 233), provided that the State of California assume fiscal responsibility for operations of all Orange County Trial Courts and required the County to contribute its share of costs. The Board of Supervisors approved the transfer of all Court facilities maintenance responsibilities from the County to the State, as required by the 2002 Trial Court Facilities Act, Senate Bill 1732 (SB 1732). In addition, SB 1732 required the County make County Facility Payments to the State for all Court facilities. By

December 31, 2009, the County executed Transfer Agreements and Joint Occupancy Agreements for all Court facilities with the State. Most of these facilities are jointly occupied by the Courts and County. The 2023 SFP, FY 2024-25 baseline includes $3.8 million in funding towards Trial Courts deferred capital and maintenance projects with an additional $2.4 million requested in Net County Cost.

Capital Projects - Department Funded and Other Non-General Funds

Departments also plan for capital improvement projects that are significant for their ongoing operations for which there are dedicated revenue sources. This section includes capital improvement needs for OC Sheriff's Department, Social Services Agency, OC Public Works (OC Watersheds, OC Road, OC Flood), OC Community Resources (OC Parks, OC Libraries), John Wayne Airport, OC Waste & Recycling, and OC Information Technology. The five-year CIP for department funded and non-General Funds totals $1.5 billion, excluding Countywide Capital Project Non-General Fund.

Summaries of these projects are provided by Program in the following pages. Project funding comes from local, state, and federal sources. These projects (and those subsequently identified) will be evaluated for funding during the FY 2024-25 annual budget process.

Program/Dept: **Public Protection / OC Sheriff's Department** Fund: **14Q**
Budget Control: **14Q – Sheriff-Coroner Construction & Facility Development**

OC Sheriff's Department (OCSD) five-year Capital Improvement Plan (CIP) is $13.3 million. Due to the age of the OCSD facilities, various renovations, repairs and replacements are needed to optimize space, ensure safety, and reduce ongoing maintenance costs.

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
Theo Lacy Facility Projects						
Deputy Work Station for Module Q	0	0	242,000	0	0	242,000
Replace Escalators	0	0	252,554	0	0	252,554
Parking Lot Repairs	0	0	0	255,473	0	255,473
Restrooms/Showers/Locker Rooms Upgrades	0	0	0	0	900,000	900,000
Flock Camera/License Plate Readers	0	0	0	0	150,000	150,000
Building B (P,Q, & R) – Roof Repair/Replacement	0	0	0	0	257,346	257,346
Barracks A-E Walkway Cover Replacement	546,900	0	0	0	0	546,900
Inmate Programs Building – Roof Replacement	0	723,508	0	0	0	723,508
Building C (K/L) – Roof Replacement	0	257,346	0	0	0	257,346
Mod I/J – Roof Replacement	1,362,200	0	0	0	0	1,362,200
Building A (Mod M, N, O) – Roof Replacement	0	257,346	0	0	0	257,346
Central Plant Building A – Roof Replacement	0	245,590	0	0	0	245,590
Barracks A-H, & Inmate Programs Building (IPB) – Replace Electrical A/C Control System and Wiring	0	0	0	346,876	0	346,876
Intake Release Center Projects						
Reseal Isolation Joints	258,240	0	0	0	0	258,240
Replace Roof	0	0	424,971	0	0	424,971
Visiting Guard Station Renovation	0	0	0	0	185,754	185,754
Katella Training Division Projects						
Tactical Training Range – Air Conditioner Replacement	0	0	476,000	0	0	476,000
Sandra Hutchens Regional Law Enforcement Training Center – Carpet Replacement	0	0	269,000	0	0	269,000
Katella Academy Building – Roof Replacement	0	0	0	242,840	0	242,840
Convert Garage to Armory Area	0	0	0	990,897	0	990,897
Coroner Facility Projects						
Remodel/Upgrade Public Lobby	0	250,000	0	0	0	250,000
Roofing Over Training Facility	0	434,310	0	0	0	434,310
OCSD Headquarters Projects						
Video System Upgrade	0	500,000	0	0	0	500,000
Tenant Improvement	0	0	474,039	0	0	474,039
Central Men's (CMJ) & Women's Jails (CWJ)						
CMJ – Elevator #3 Overhaul	0	0	311,400	0	0	311,400
CMJ – Laundry Guard Station	0	0	0	0	350,000	350,000
CMJ – South Entrance Security Door	0	0	0	0	466,000	466,000
CMJ – Second Floor Clothing Room Drop Ceiling Installation	0	0	0	151,000	0	151,000
CWJ – Second Floor CSA Office Remodel	0	0	0	200,000	0	200,000
CMJ & CWJ – Emergency Panic Alarms In Kitchens	270,860	0	0	0	0	270,860
CMJ & CWJ – Joint Briefing Room	0	0	0	0	359,000	359,000
Other Facilities Projects						
Loma Ridge – Roof Maintenance	229,900	0	0	0	0	229,900
Aliso Viejo Substation – Roof Repair/Replacement	0	0	0	169,614	0	169,614
OC Crime Lab – Forensics Basement Firearms Range	0	0	218,136	0	0	218,136
Brad Gates – Professional Standard Division 4th Floor Remodel of Reception Areas	0	0	0	311,400	0	311,400
Total Expense:	**2,668,100**	**2,668,100**	**2,668,100**	**2,668,100**	**2,668,100**	**13,340,500**
Total Funding:	**2,668,100**	**2,668,100**	**2,668,100**	**2,668,100**	**2,668,100**	**13,340,500**
Balance*:	**0**	**0**	**0**	**0**	**0**	**0**

*Note: Balance is funded by Net County Cost (NCC) or Fund Balance.

Program/Dept: **Community Services/ OC Community Services** Fund: **100**
Budget Control: **024 – OC Animal Care**

OC Animal Care's five-year CIP is $5.0 million and includes replacement and improvement of essential components at the OC Animal Shelter. This includes the HVAC system, building ventilation, and electrical equipment, which are essential to maintain and protect the Animal Shelter in order to provide efficient, high-quality animal care services to the County and 14 Contract Cities.

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
OC Animal Shelter						
Capital Improvement Program (CIP)	573,213	1,174,255	1,243,295	1,491,959	548,285	5,031,007
Total Expense:	**573,213**	**1,174,255**	**1,243,295**	**1,491,959**	**548,285**	**5,031,007**
Total Funding:	**573,213**	**1,174,255**	**1,243,295**	**1,491,959**	**548,285**	**5,031,007**
Balance*:	**0**	**0**	**0**	**0**	**0**	**0**

*Note: Balance is funded by Net County Cost (NCC) or Fund Balance.

Program/Dept: **Community Services/ Social Services Agency** Fund: **100**
Budget Control: **063 – Social Services Agency**

Social Services Agency's five-year CIP is $3.3 million and includes renovations and upgrades to the Children Services Headquarters to ensure compliance with electrical, plumbing, health and safety codes, and ADA.

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
Children Services Headquarters (Eckhoff)						
Remodels and ADA Upgrades	2,790,000	0	0	0	0	2,790,000
HVAC Replacement	500,000	0	0	0	0	500,000
Total Expense:	**3,290,000**	**0**	**0**	**0**	**0**	**3,290,000**
Total Funding:	**3,290,000**	**0**	**0**	**0**	**0**	**3,290,000**
Balance*:	**0**	**0**	**0**	**0**	**0**	**0**

*Note: Balance is funded by Net County Cost (NCC) or Fund Balance.

Program/Dept: **Community Services/ OC Community Services** Fund: **108**
Budget Control: **108 – OC Dana Point Harbor**

OC Community Resources' five-year CIP for Dana Point Harbor (DPH) is $24.8 million and includes the County's $20.0 million contribution to the Dry Stack Boat Storage facility project as part of the DPH Revitalization Plan. Additionally, due to the age of the facilities, the DPH Baby Beach shelter needs refurbishment, and the OC Sailing and Events Center (OCSEC) Harbor Patrol roof and the OCSEC North and South docks need to be replaced.

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
Dana Point Harbor						
Dry Stack Boat Storage Contribution	0	0	0	0	20,000,000	20,000,000
Baby Beach Shelter Refurbishment	121,000	0	0	0	0	121,000
OCSEC Dock Replacement and Maintenance	0	2,200,000	2,200,000	0	0	4,400,000
OCSEC and Harbor Patrol Roof Replacements	275,000	0	0	0	0	275,000
Total Expense:	**396,000**	**2,200,000**	**2,200,000**	**0**	**20,000,000**	**24,796,000**
Total Funding:	**396,000**	**2,200,000**	**2,200,000**	**0**	**20,000,000**	**24,796,000**
Balance*:	**0**	**0**	**0**	**0**	**0**	**0**

*Note: Balance is funded by Net County Cost (NCC) or Fund Balance.

Program/Dept: **Community Services/ OC Community Services** Fund: **119**
Budget Control: **119 – OC Public Libraries - Capital**

OC Public Libraries (OCPL) identified $21.9 million in various modernization and repair projects, which include interior refurbishments, ADA accessibility, lighting and electrical repairs, refurbishment and replacements of HVAC systems, and roof replacements. These projects will ensure safe and welcoming OCPL for the community.

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
Library Branches Projects						
Tenant Enhancements - Multiple Branches	5,030,000	0	150,000	2,500,000	0	7,680,000
Tenant Enhancements and HVAC Replacements - Multiple Branches	0	0	4,090,000	500,000	2,850,000	7,440,000
Tenant Enhancements, HVAC and Roof Replacement	4,100,000	0	0	0	0	4,100,000
HVAC Replacements - Multiple Branches	200,000	0	0	0	0	200,000
Roof Replacement - Multiple Branches	250,000	0	1,000,000	1,200,000	0	2,450,000
Total Expense:	**9,580,000**	**0**	**5,240,000**	**4,200,000**	**2,850,000**	**21,870,000**
Total Funding:	**9,580,000**	**0**	**5,240,000**	**4,200,000**	**2,850,000**	**21,870,000**
Balance*:	**0**	**0**	**0**	**0**	**0**	**0**

*Note: Balance is funded by Net County Cost (NCC) or Fund Balance.

Program/Dept: **Community Services/ OC Community Resources** Fund: **406**
Budget Control: **406 – OC Parks Capital**

OC Parks' five-year CIP is $37.7 million and includes modifications, repairs, replacements, and restorations needed at various parks. These projects range from mainline irrigation pipe replacement, HVAC system replacement, roof replacements, drainage improvements, water line and crossing repairs and replacements, equipment replacement and resurfacing for playgrounds, converting restrooms to unisex/ADA compliant restrooms, and installation of a new arterial loop road.

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
Craig Regional Park						
Irrigation Infrastructure Replacement - Phase I	0	0	0	2,000,000	2,000,000	4,000,000
Restrooms Replacement	1,025,000	1,025,000	1,025,000	0	0	3,075,000
Arden - Modjeska House						0
Parking Lot and Stone House 2nd Floor Renovation	0	308,643	0	0	0	308,643
Opid Cottage Restoration	0	0	1,659,000	0	0	1,659,000
Roof Replacement/Repairs	0	456,000	0	0	0	456,000
Irvine Regional Park						
Restrooms #6, 8, & 10 - Replacement	0	0	1,300,000	1,300,000	0	2,600,000
Site Lighting Replacement	1,137,400	0	0	0	0	1,137,400
Mile Square Regional Park						
Golf Course to Park Conversion - Phase II	5,000,000	5,000,000	0	0	0	10,000,000
Golf Course to Park Conversion - Phase III	0	0	0	1,454,750	1,454,750	2,909,500
Old County Courthouse						
Replace HVAC & Exhaust Systems 3rd Floor & Lobby – Phase IV	0	753,500	0	0	0	753,500
Replace Roof & Skylight	0	0	2,200,000	0	0	2,200,000
Various Parks						
Aliso Creek Bikeway Pedestrian Cross & Slope Repairs	1,100,000	0	0	0	0	1,100,000
Irvine Ranch Open Space - Augustine Maintenance Yard - New Electrical Connection	600,000	0	0	0	0	600,000
Laguna Niguel Regional Park - Restroom #1 and #6 Remodel	220,000	220,000	0	0	0	440,000
Saddleback Gateway - Roof Replacement	0	0	500,000	0	0	500,000
Salt Creek Beach - Parking Lot Lighting Replacement and Electrical Repairs	0	0	0	0	1,265,500	1,265,500
Salt Creek Beach - Restroom Remodel	0	0	1,025,000	1,025,000	1,017,500	3,067,500
Yorba Regional Park - Restroom #5 - Replacement	0	1,650,000	0	0	0	1,650,000
Total Expense:	**9,082,400**	**9,413,143**	**7,709,000**	**5,779,750**	**5,737,750**	**37,722,043**
Total Funding:	**9,082,400**	**9,413,143**	**7,709,000**	**5,779,750**	**5,737,750**	**37,722,043**
Balance*:	**0**	**0**	**0**	**0**	**0**	**0**

*Note: Balance is funded by Net County Cost (NCC) or Fund Balance.

Program/Dept: **Infrastructure & Environmental/ OC Public Works** Fund: **100**
Budget Control: **034 – OC Watersheds**

OC Watersheds plans to build and install a fully certified hazardous waste storage building at the OC Watersheds Glassell yard. The building would provide advantages over the use of the existing storage area, would be mobile if relocation is necessary, and would be fully certified to comply with the required codes.

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
OC Watersheds						
Hazardous Waste Storage at the Glassell Yard	400,000	0	0	0	0	400,000
Total Expense:	**400,000**	**0**	**0**	**0**	**0**	**400,000**
Total Funding:	**400,000**	**0**	**0**	**0**	**0**	**400,000**
Balance*:	**0**	**0**	**0**	**0**	**0**	0

*Note: Balance is funded by Net County Cost (NCC) or Fund Balance.

Program/Dept: **Infrastructure & Environmental/ OC Public Works** Fund: **100**
Budget Control: **040 – Central Utility Facility**

OC Public Work's Central Utility Facility's five-year CIP is $25.8 million and includes various modifications, repairs and replacements needed to ensure safety, reduce ongoing maintenance costs, and ensure uninterrupted delivery of electrical, steam and chilled water supply to the Civic Center.

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
Central Utility Facility						
Blowdown Tank Heat Exchanger Installation	150,000	0	0	0	0	150,000
Duct Burner Evaluation and Modification	150,000	0	0	0	0	150,000
Cooling Tower Foundation modification	0	0	756,000	0	0	756,000
Switchgear and IRC meter	0	78,000	600,000	0	0	678,000
Clarifier Modification	0	624,000	0	0	0	624,000
Low Temp Tank Removal	0	420,000	0	0	0	420,000
4 HVAC Unit Upgrade	0	0	0	0	180,000	180,000
Gas Turbine fuel modification	0	0	0	0	180,000	180,000
Emergency Diesel Generator Replacement	0	0	0	0	1,559,487	1,559,487
Replace Gas Compressors	2,500,000	2,500,000	2,500,000	0	0	7,500,000
Steam Lines Leg 2 Replacement	5,313,000	0	0	0	0	5,313,000
Historic Court House - Steam Lines Replacement	0	0	480,000	4,800,000	0	5,280,000
Santa Ana Library - Vault and Utilities Replaced	0	0	300,000	1,440,000	0	1,740,000
Underground Diesel Fuel Tank Replacements	0	0	0	1,224,000	0	1,224,000
Total Expense:	**8,113,000**	**3,622,000**	**4,636,000**	**7,464,000**	**1,919,487**	**25,754,487**
Total Funding:	**8,113,000**	**3,622,000**	**4,636,000**	**7,464,000**	**1,919,487**	**25,754,487**
Balance*:	**0**	**0**	**0**	**0**	**0**	**0**

*Note: Balance is funded by Net County Cost (NCC) or Fund Balance.

Program/Dept: **Infrastructure & Environmental/ OC Public Works** Fund: **137**
Budget Control: **137 – Parking Facilities**

OC Public Work's Central Parking Facilities identified the need to resurface, re-slurry, seal and stripe Westminster Justice Center Parking Lot E to ensure the parking lot is maintained for use by the public and staff.

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
Westminster Justice Center Parking Lot						
Reslurry, Seal and Stripe Parking Lot E	0	250,000	0	0	0	250,000
Total Expense:	**0**	**250,000**	**0**	**0**	**0**	**250,000**
Total Funding:	**0**	**250,000**	**0**	**0**	**0**	**250,000**
Balance*:	**0**	**0**	**0**	**0**	**0**	**0**

*Note: Balance is funded by Net County Cost (NCC) or Fund Balance.

Program/Dept: **Infrastructure & Environmental/ OC Public Works** Fund: **174**
Budget Control: **174 – OC Road - Capital Improvement Projects**

OC Road's five-year CIP is $203.8 million and includes bridge replacements, construction of paved bikeways, extensions and repairs to roadways, sidewalks, and drainage, and replacement of traffic signal hardware, among other various upgrades and repairs. The projects are needed to enhance safety and mobility and to comply with Americans with Disabilities Act (ADA) standards. Projects are funded by state (68%), federal (24%), and other revenue sources (8%).

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
Bridge Projects						
Brea Canyon Channel Bridge Maintenance	579,000	3,764,000	0	0	0	4,343,000
Modjeska Canyon Road Bridge Retrofit	2,125,000	0	0	0	0	2,125,000
Silverado Canyon Road Bridge (55C-0177) Replacement	7,568,500	583,000	0	0	0	8,151,500
Trabuco Canyon Bridge Replacement	6,035,000	120,000	0	0	0	6,155,000
Bikeway Projects						
OC Loop Segment D Carbon Canyon Bikeway	610,000	0	0	0	0	610,000
OC Loop Segment O, P, Q Coyote Creek Bikeway	765,000	52,060,000	50,000	0	0	52,875,000
Road, Drainage, and Other Projects						
Antonio Parkway Gateway Improvements	190,000	3,050,000	0	0	0	3,240,000
Barrett Lane Drainage and Sidewalk Improvement	2,168,000	0	0	0	0	2,168,000
Collins Yard - Utility Undergrounding	620,000	0	0	0	0	620,000
Cow Camp Road (Segment 2C1)	357,107	0	0	0	0	357,107
Crawford Canyon Road Sidewalk Extension	205,000	0	0	0	0	205,000
Crawford Canyon Road Sidewalk Extension (Phase II)	355,000	205,000	3,061,000	374,000	0	3,995,000
Gilbert St. Improvements at Railroad Crossing (Phase 2)	150,000	0	0	0	0	150,000
Guardrail Project -Silverado Canyon Road	69,000	3,457,000	0	0	0	3,526,000
Los Patrones Parkway Extension	75,000	4,490,000	240,000	240,000	0	5,045,000
Los Patrones Parkway Safety Improvement Project	280,000	95,000	3,880,000	145,000	0	4,400,000
Newport Avenue Roadway Improvements	0	0	0	0	382,000	382,000
Panorama Heights Drainage and Road Improvements	16,367,000	0	0	0	0	16,367,000
Santa Clara Avenue and Yorba Street Improvements	8,060,000	0	0	0	0	8,060,000
Santiago Canyon Road Corridor Improvements	338,350	23,519,250	0	0	0	23,857,600
Trabuco Creek Road Stabilization	2,555,000	6,525,000	0	0	0	9,080,000
Santiago Creek Island Improvements	282,000	2,100,000	0	0	0	2,382,000
Modjeska Grade Road, Road and Drainage Improvements	10,075,000	2,636,000	0	0	0	12,711,000
El Toro Road Corridor Improvements	1,525,000	1,055,000	10,775,000	0	0	13,355,000
Annual Projects						
ADA (Americans with Disabilities Act) Upgrades	1,035,000	120,000	1,035,000	120,000	1,035,000	3,345,000
Sidewalk Gap Closure (Annual)	422,000	155,000	422,000	155,000	422,000	1,576,000
Street Drainage Improvements (Annual)	0	0	0	5,740,000	5,740,000	11,480,000
Traffic Signal Upgrades (Annual)	0	550,000	550,000	550,000	1,100,000	2,750,000
Traffic Signal Upgrades (Annual) Esperanza Rd at Fairlynn B	500,000	0	0	0	0	500,000
Total Expense:	**63,310,957**	**104,484,250**	**20,013,000**	**7,324,000**	**8,679,000**	**203,811,207**
Total Funding:	**63,310,957**	**104,484,250**	**20,013,000**	**7,324,000**	**8,679,000**	**203,811,207**
Balance*:	**0**	**0**	**0**	**0**	**0**	**0**

*Note: Balance is funded by Net County Cost (NCC) or Fund Balance.

Program/Dept: **Infrastructure & Environmental/ OC Waste & Recycling** Fund: **273**
Budget Control: **273 – OCWR Capital Project Fund**

OC Waste & Recycling's five-year CIP is $206.9 million and includes repairs to landfill roads, expansions of landfill disposal areas which include protective liners, installation of leachate collection systems, landfill gas collection and facility drainage control. Other projects include design and build of a Materials Recovery Facility (MRF) funded by AB 939 and implementation of various technologies for processing organic materials such as installing Covered Aerated Static Pile (CASP) systems that will increase the compost output, and a new Household Hazardous Waste Collection Center (HHWCC) in the City of Santa Ana to comply with the Household Hazardous Waste Element (HHWE) of the County's Solid Waste Disposal Plan.

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
Olinda Alpha Landfill (OAL) Projects						
East Channel/Perimeter Road Repair/Replacement	3,000,000	0	0	0	0	3,000,000
Leachate Panel Access Road Paving	0	0	1,000,000	0	0	1,000,000
Low NOx Flare	0	0	3,000,000	0	0	3,000,000
Main Access Road Extension	3,000,000	0	0	0	0	3,000,000
Metal Storage Building	0	0	2,000,000	0	0	2,000,000
Materials Recovery Facility Awnings	0	500,000	0	0	0	500,000
New Administration Building	3,000,000	0	0	0	0	3,000,000
Frank R. Bowerman (FRB) Landfill Projects						
East Drainage Remediation	0	0	7,500,000	0	0	7,500,000
Landfill Gas Probe Expansion	0	500,000	0	0	0	500,000
Main Access Road Repair and Repave	1,100,000	0	0	0	0	1,100,000
Phase VIII-A1 Groundwater Protection and Stockpile	5,000,000	0	0	0	0	5,000,000
Phase VIIIA-2 Groundwater Protection and Stockpile	0	18,000,000	6,000,000	0	0	24,000,000
Sewer Line and Water Treatment System	6,500,000	0	0	0	0	6,500,000
West Basin Expansion	4,000,000	0	0	0	0	4,000,000
Prima Deshecha Landfill Projects						
Administration Building Expansion & Remodel	0	2,500,000	5,000,000	2,500,000	0	10,000,000
Infrastructure Phase II Project	0	7,900,000	0	0	0	7,900,000
Resource Recovery Facility	0	3,350,000	2,850,000	0	0	6,200,000
Zone 4 Phase A Main Gas Line	0	0	1,500,000	4,000,000	0	5,500,000
Zone 4 Phase A Mass Excavation and Ground Water Protection	30,000,000	1,000,000	0	0	0	31,000,000
Zone 4 Phase B Mass Excavation and Liner	0	5,000,000	10,000,000	5,000,000	0	20,000,000
Zone 4 Phase C/D Mass Excavation and Liner	0	0	0	0	20,000,000	20,000,000
Organics Management Projects						
Organics Phase IB - Olinda Valencia Greenery - CASP	6,000,000	0	0	0	0	6,000,000
Organics Phase IB - Prima Capistrano Greenery - CASP	8,850,000	8,850,000	0	0	0	17,700,000
Organics Phase IC - FRB Bee Canyon Greenery - CASP	15,000,000	0	0	0	0	15,000,000
OCWR Projects						
Household Hazardous Waste Center in Santa Ana	2,700,000	0	0	0	0	2,700,000
Bee Canyon Greenery Retention Basin Improvements	750,000	0	0	0	0	750,000
Total Expense:	**88,900,000**	**47,600,000**	**38,850,000**	**11,500,000**	**20,000,000**	**206,850,000**
Total Funding:	**88,900,000**	**47,600,000**	**38,850,000**	**11,500,000**	**20,000,000**	**206,850,000**
Balance*:	**0**	**0**	**0**	**0**	**0**	**0**

*Note: Balance is funded by Net County Cost (NCC) or Fund Balance.

Program/Dept: **Infrastructure & Environmental/ John Wayne Airport** Fund: **281**
Budget Control: **281 – Airport Construction Fund**

John Wayne Airport's five-year CIP is $590.9 million and includes replacements and repairs to the airport terminals, runways and taxiways, apron facilities, airport parking lots and structures, and enhancing drainage control infrastructure. Projects are funded by federal (25%) and other revenue sources (75%).

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
Airport Terminal Projects						
Common Use Passenger Processing System Upgrades	80,884,000	21,066,000	0	0	0	101,950,000
Concessions Infrastructure - Phase II	1,904,000	0	0	0	0	1,904,000
Elevator/Escalator Modernization and Refurbishment	7,141,000	9,123,000	25,251,000	5,154,000	22,124,000	68,793,000
Facility Accessibility Improvements	10,696,000	6,090,000	26,000	0	0	16,812,000
JWA Facilities Security Improvements	3,792,000	12,894,000	142,000	0	0	16,828,000
Terminal A and B Inbound Baggage System Improvements	84,000	6,319,000	42,701,000	51,866,000	363,000	101,333,000
Terminal Flooring and Carpet Replacement	0	0	0	1,390,000	5,519,000	6,909,000
Terminal Grease Interceptor Replacement and Improvement	61,000	0	0	0	0	61,000
Terminal Mechanical System Improvements	0	1,114,000	5,220,000	5,904,000	2,351,000	14,589,000
Terminal Roof A & B and Expansion Joint Replacement	9,665,000	655,000	0	0	0	10,320,000
Airport Airfield Projects						
Airfield Runway 2L/20R Rehabilitation	0	1,985,000	21,077,000	0	0	23,062,000
Taxiway B Widening - West Infield Restricted Access Road Relocation	0	120,000	1,730,000	3,518,000	2,146,000	7,514,000
Taxiway Service Road Realignment	457,000	4,490,000	1,918,000	0	0	6,865,000
Taxiways A - D - E Reconstruction	11,381,000	12,621,000	0	0	0	24,002,000
Stormwater Projects						
Stormwater Treatment Improvements	3,416,000	18,641,000	155,000	0	0	22,212,000
Parking Projects						
Main St. Parking Lot Improvement & EV Charging Station Implementation	111,000	0	0	0	0	111,000
Parking Access Revenue Control Systems Replacement	0	0	664,000	6,722,000	50,000	7,436,000
Parking Structures A1, A2 & B2 Repairs	801,000	3,177,000	5,103,000	0	0	9,081,000
Apron Projects						
Biffy Dump Redesign	0	0	369,000	773,000	0	1,142,000
Commercial Ramp Ground Service Equipment Electric Vehicle Upgrades	148,000	514,000	0	0	0	662,000
Terminal Apron Improvements	0	0	1,858,000	21,740,000	12,181,000	35,779,000
Various Projects						
Airport Power Generation and Distribution Upgrades	15,561,000	38,615,000	36,383,000	10,820,000	450,000	101,829,000
JWA Perimeter Fence Enhancement	1,338,000	434,000	5,980,000	3,933,000	0	11,685,000
Total Expense:	**147,440,000**	**137,858,000**	**148,577,000**	**111,820,000**	**45,184,000**	**590,879,000**
Total Funding:	**147,440,000**	**137,858,000**	**148,577,000**	**111,820,000**	**45,184,000**	**590,879,000**
Balance*:	**0**	**0**	**0**	**0**	**0**	**0**

Program/Dept: **Infrastructure & Environmental/ OC Public Works** Fund: **400**
Budget Control: **400 – OC Flood**

OC Flood's five-year CIP is $10.0 million and includes engineering, design, civil work, permitting and all project related aspects to replace station engines, drive train, pumps, cooling systems and all associated systems and infrastructure.

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
Pump Station and Dam Projects						
Repower Cypress Pump Station	2,000,000	0	0	0	0	2,000,000
Repower Harbor Edinger Pump Station	0	3,000,000	0	0	0	3,000,000
Repower Huntington Beach Pump Station	0	0	3,000,000	0	0	3,000,000
Other Projects						
Villa Park Dam Gate and Associated Structural Components	2,000,000	0	0	0	0	2,000,000
Total Expense:	**4,000,000**	**3,000,000**	**3,000,000**	**0**	**0**	**10,000,000**
Total Funding:	**4,000,000**	**3,000,000**	**3,000,000**	**0**	**0**	**10,000,000**
Balance*:	**0**	**0**	**0**	**0**	**0**	**0**

*Note: Balance is funded by Net County Cost (NCC) or Fund Balance.

Program/Dept: **Infrastructure & Environmental/ OC Public Works** Fund: **401**
Budget Control: **401 – OC Flood - Capital Improvement Projects**

OC Flood's five-year CIP is $351.8 million and includes improvements needed for flood channels to withstand a 100-year storm event, improvements to segments that are hydraulically deficient, replacement of existing corroded sheet piles, reconstruction of channel to original grade, and widening portions of the channel to create additional habitat area and replace the existing bicycle bridge to allow continued coastal access.

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
Flood Channel Projects						
Carbon Creek Channel	0	0	315,000	22,170,000	9,340,000	31,825,000
East Garden Grove Wintersburg Channel	3,100,000	36,005,000	73,834,000	73,959,964	60,367,220	247,266,184
Fullerton Creek Channel	0	0	344,000	209,000	286,000	839,000
San Juan Creek Channel	0	0	792,000	2,252,000	33,249,600	36,293,600
Santa Ana-Delhi Channel	31,545,000	610,000	321,000	10,000	0	32,486,000
Other Projects						0
Santa Ana River Reach 5 Levee Height Correction	3,075,000	0	0	0	0	3,075,000
Total Expense:	**37,720,000**	**36,615,000**	**75,606,000**	**98,600,964**	**103,242,820**	**351,784,784**
Total Funding:	**37,720,000**	**36,615,000**	**75,606,000**	**98,600,964**	**103,242,820**	**351,784,784**
Balance*:	**0**	**0**	**0**	**0**	**0**	**0**

*Note: Balance is funded by Net County Cost (NCC) or Fund Balance.

Program/Dept: **Insurance, Reserves & Miscellaneous/ OCIT** Fund: **289**
Budget Control: **289 – OCIT Countywide Services**

The OC Data Center is an essential facility hosting the County's Enterprise computer network equipment. Several projects are planned in the next five years to ensure the data center continues to provide a secure and updated facility. Projects include replacement of both the leak detection system and the County Operations Center (COC) generator, and replacement of gate equipment and access controllers.

Description	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
OC Data Center (OCDC) Projects						
Data Center Leak Detection Upgrade	250,000	0	0	0	0	250,000
Data Center Main Gate Refresh	0	0	150,000	0	0	150,000
OC Data Center and COC Campus Generator Project	2,579,591	1,620,409	0	0	0	4,200,000
Total Expense:	**2,829,591**	**1,620,409**	**150,000**	**0**	**0**	**4,600,000**
Total Funding:	**2,829,591**	**1,620,409**	**150,000**	**0**	**0**	**4,600,000**
Balance*:	**0**	**0**	**0**	**0**	**0**	**0**

*Note: Balance is funded by Net County Cost (NCC) or Fund Balance.

Summary of Countywide Capital Projects

Summary of Countywide Capital Projects	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
Department Funded General Fund Capital Projects						
Expense Total	12,376,213	4,796,255	5,879,295	8,955,959	2,467,772	34,475,494
Revenue Total	12,376,213	4,796,255	5,879,295	8,955,959	2,467,772	34,475,494
Non-General Fund Capital Projects						
Expense Total	403,357,455	404,063,389	324,458,489	263,024,914	222,389,770	1,617,294,017
Transfers from General Fund (036):	12,133,931	12,133,931	12,133,931	12,133,931	12,133,931	60,669,655
Non-General Fund Revenue	406,164,026	370,127,069	328,054,942	265,484,508	231,812,255	1,601,642,800
Revenue Total	418,297,957	382,261,000	340,188,873	277,618,439	243,946,186	1,662,312,455
County Expense Total	**415,733,668**	**408,859,644**	**330,337,784**	**271,980,873**	**224,857,542**	**1,651,769,511**
County Revenue Total	**430,674,170**	**387,057,255**	**346,068,168**	**286,574,398**	**246,413,958**	**1,696,787,949**
County Balance	14,940,502	(21,802,389)	15,730,384	14,593,525	21,556,416	45,018,438

Summary of Countywide Capital Projects - NCC Request	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
Expense Total	32,509,730	41,057,166	37,358,478	101,042,843	78,162,000	290,130,217
Revenue Total	-	-	18,000,000	88,000,000	65,000,000	171,000,000
County Balance	**32,509,730**	**41,057,166**	**19,358,478**	**13,042,843**	**13,162,000**	**119,130,217**

Five-Year Information Technology Plan

Introduction

The proposed five-year Information Technology (IT) Plan for Fiscal Years 2024-25 through 2028-29 is the County's compilation of significant IT projects. The projects include those requesting General Funds and those proposing funding from non-General Fund sources. This document is updated annually to reflect the changing needs and fiscal outlook of the County.

Departments were requested to identify proposed IT projects costing more than $150,000 over the five-year financial planning period. Identification of projects in the IT Plan allows review of each request and assessment of five-year funding requirements. IT projects exceeding $1,000,000 in a single year requiring General Funds are reported in the IT Projects – Net County Cost (NCC) Requests summary below.

The IT Plan serves as an assessment tool to assist in the evaluation of funding commitments, as well as potential project overlap. Moreover, the plan provides a roadmap for future IT projects while maintaining long-term financial stability. The assessment is an ongoing process influenced by many changing factors such as service needs, available resources, Board of Supervisors priorities, legal mandates, age and condition of existing IT infrastructure, and considerations for changes in technology and IT data security.

The IT plan is not a budget document, but rather a planning tool to be used in conjunction with the budget development process for FY 2024-25 through FY 2028-29. The reported IT projects (and those subsequently identified) will be evaluated for funding during the FY 2024-25 annual budget development process. Project needs and related costs are reviewed again during the next SFP cycle which will begin in August 2024.

The County has an established IT Governance Policy to ensure alignment of IT strategies and planned expenditures with the County's strategic objectives. Compliant with this policy, all new IT projects costing $150,000 or more are to be reviewed and approved by the County's IT Investment Review Committee and the IT Executive Council prior to inclusion in the following year's budget requests.

Data Systems Development Projects General Fund and IT Projects Non-General Fund

The NCC Limit for Data Systems Development Projects is set at $4 million for each fiscal year of the five-year plan. The funds are transferred to the IT Projects Non-General Fund for use. This NCC, along with other funding sources provide potential funding for the IT project requests included in this SFP. As of October 31, 2023, appropriations in the IT Projects Non-General Fund total $34.2 million, funded by $4 million NCC, $2 million from State funding, and $28.2 million carryover fund balance. The total five-year IT projects costs summarized in this SFP is $3.6 million. In addition, departments are requesting $21.6 million in General Fund support for countywide IT Projects which are summarized in the IT Projects – NCC Requests section below.

IT Project Proposal Summary

Countywide IT Projects	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
Program I - Public Protection						
143 - Jail Commissary (OCSD)						
N Inmate Commissary Management System	1,000,000	150,000	150,000	150,000	150,000	**1,600,000**
Program II - Community Services						
120 - OC Public Libraries (OCPL)						
C OCPL Branch Routers	0	536,000	0	0	0	**536,000**
Program III - Infrastructure & Environmental Services						
280 - Airport - Operating (JWA)						
C Identity Management System	800,000	75,000	75,000	75,000	75,000	**1,100,000**
Program V - Capital Improvements						
15I – Countywide IT Projects Non-General Fund						
N Security Operations Center (SOC) Tools Enhancements	150,000	0	0	0	0	150,000
N eDiscovery Platform Upgrade	420,000	0	0	0	0	420,000
N Hardware and Software Asset Management	550,000	0	0	0	0	550,000
N County Unified Data Governance Solution	425,000	0	0	0	0	425,000
C Physical Identity and Access Management (PIAM)	1,290,000	405,000	0	0	0	1,695,000
N SCADA network upgrade	180,000	0	0	0	0	180,000
N Surveillance System upgrade	150,000	0	0	0	0	150,000
Program VII - Insurance, Reserves & Miscellaneous						
289 - OCIT Countywide Services (OCIT)						
N County Unified Data Governance Solution	0	50,000	50,000	0	0	100,000
C Physical Identity and Access Management (PIAM)	0	300,000	300,000	300,000	300,000	1,200,000
Total Expense:	**4,965,000**	**1,516,000**	**575,000**	**525,000**	**525,000**	**8,106,000**
Total Revenue:	**1,800,000**	**1,111,000**	**575,000**	**525,000**	**525,000**	**4,536,000**
Total NCC Request:	**3,165,000**	**405,000**	**0**	**0**	**0**	**3,570,000**

Legend: C = Continuing IT Project, N = New IT Project

Notes:

1) The above SFP requests do not commit the County to funding. The funding is committed through the annual budget process and the above information is subject to change at that time.

2) The NCC Limit for the Data Systems Development Projects Budget Control is set at $4 million for each fiscal year of the five-year plan.

- **Inmate Commissary Management System** – OC Sheriff's Department proposes modernizing the existing inmate commissary management system to streamline transactions, increase administrative efficiency and offer inmates access to essential items. If approved, the project would be completed in FY 2024-25. Implementation costs of $1,000,000 in FY 2024-25 and annual ongoing costs of $150,000 beginning in FY 2025-26 would be funded from the Jail Commissary fund balance.

- **Orange County Public Libraries (OCPL) Branch Routers** – OCPL proposes to replace its existing hardware that supports public and private resources including surveillance, internet, Wi-Fi and broadcast systems at each library building. The new hardware will ensure that OCPL devices will continue to receive the most recent firmware and security upgrades mitigating the risk of cybersecurity breaches. The project would be completed in FY 2026-27 with implementation costs of $536,000 funded from OC Public Libraries fund balance.

- **Identity Management System (IDMS)** – John Wayne Airport (JWA) proposes to replace and upgrade the existing identity management system to streamline and enhance the credentialing processes, improve the badging experience and increase safety for Airport partners, employees, tenants and guests. This project will ensure JWA's compliance with Title 49 CFR 1542 - Airport Security. If approved, the project would be completed in FY 2024-25. Implementation cost of $800,000 in FY 2024-25 and annual ongoing costs of $75,000 beginning in FY 2025-26 would be funded from airport parking and other fee revenue.

- **Security Operations Center (SOC) Tools Enhancements** – Orange County Information Technology (OCIT) proposes an upgrade of the Security Operations Center (SOC) toolset to identify, track and mitigate cybersecurity threats more rapidly. This project centralizes cybersecurity tools, standardizes processes and provides a unified approach to threat identification and incident response increasing the efficacy of the County's cybersecurity strategy. If approved, the project would be completed in FY 2024-25. Implementation cost of $150,000 NCC would be requested in FY 2024-25 with no anticipated ongoing costs.

- **eDiscovery Platform Upgrade** – OCIT proposes an enhancement to the eDiscovery tracking platform to include search and delivery of eDiscovery cases which is currently a manual process. This will improve efficiency, consistency, and security by delivering results, which include Public Records Act requests, legal searches and holds, and Human Resources investigations, directly from the system. If approved, the project would be completed in FY 2024-25. An implementation cost of $420,000 NCC would be requested in FY 2024-25 with no anticipated ongoing costs.

- **Hardware and Software Asset Management** – OCIT manages over 13,000 IT devices. Implementing the proposed Hardware (HAM) and Software Asset Management (SAM) solution will increase the efficacy of the County's tracking, planning and maintenance processes for IT hardware and software assets. In addition to maximizing utilization of IT assets, it will ensure software is compliant with licenses and increase security against cyberattacks. If approved, the project would be completed in FY 2024-25. An implementation cost of $550,000 NCC would be requested in FY 2024-25 with no anticipated ongoing costs.

- **County Unified Data Governance Solution** – OCIT proposes implementing a County Unified Data Governance Solution. The project will enable data curators and security administrators to manage and keep data secure while empowering data consumers to find valuable, trustworthy data. The solution will work with diverse agency datasets and provide centralized data management for County reporting, data warehousing, dashboards, and analytical development efforts. If approved, the project would be completed in FY 2024-25. Implementation cost of $425,000 NCC would be requested in FY 2024-25, and OCIT would charge $50,000 annual ongoing costs to users beginning in FY 2025-26.

- **Physical Identity and Access Management (PIAM)** – This continuing OCIT solution provides a policy-driven workflow system that automates badge access management by interfacing with Microsoft Identity Manager (MIM) and existing badge systems to establish a central portal for provisioning, de-provisioning, reporting, and auditing access to County assets. This project will be completed in FY 2025-26. Implementation cost of $1,290,000 NCC would be requested in FY 2024-25 and $405,000 in FY 2025-26. OCIT would charge $300,000 annual ongoing costs to users beginning in FY 2025-26.

- **Supervisory Control and Data Acquisition (SCADA) Network Upgrade** – OC Public Works (OCPW) proposes to replace the Central Utility Facility (CUF) communication network, SCADA systems that provide communication between the turbine hall electrical system and chiller hall. Upgrading the SCADA network will enhance operational performance, stability, and reliability of the system and mitigate risk of communication errors within the SCADA network that delivers electrical, steam and chilled water supply to the Civic Center. If approved, the project would be completed in FY 2024-25. Implementation cost of $180,000 NCC would be requested in FY 2024-25 and OCPW Utilities would charge $2,300 annual ongoing costs to users beginning in FY 2025-26.

- **Surveillance System Upgrade** – OCPW proposes replacing the CUF surveillance system that monitors the CUF entry gates, perimeter and critical areas in the CUF. Replacing the surveillance system will ensure the security of the CUF which is responsible for the delivery of electricity, chilled water, and steam to the Civic Center customers including Federal, State, City buildings and County facilities. If approved, the project would be completed in FY 2024-25. Implementation cost of $150,000 NCC would be requested in FY 2024-25 and OCPW Utilities would charge $18,282 annual ongoing costs to users beginning in FY 2025-26.

IT Projects – NCC Requests

This section includes IT projects that are significant in cost, may have significant community impact, or may have long-range impact on County government and the community. These projects are considered essential by departments and may require General Fund support if other funding sources are not available. The County Executive Office will work with departments to review and identify strategies and potential funding sources, other than NCC, for implementation of these projects

IT Project Proposal Summary
NCC Requests

IT Projects	FY 24-25 Forecast	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	SFP Total Forecast
OC District Attorney (OCDA)						
Case Management System	3,000,000	3,000,000	3,000,000	0	0	**9,000,000**
Health Care Agency (HCA)						
Environmental Health Data Management System	3,584,560	2,278,286	741,236	749,440	756,524	**8,110,046**
OC Information Technology (OCIT)						
Domain Change to orangecounty.ca.gov	1,500,000	1,500,000	1,500,000	0	0	**4,500,000**
Total Expense:	**8,084,560**	**6,778,286**	**5,241,236**	**749,440**	**756,524**	**21,610,046**
Total Revenue:	**0**	**0**	**0**	**0**	**0**	**0**
Total NCC Request:	**8,084,560**	**6,778,286**	**5,241,236**	**749,440**	**756,524**	**21,610,046**

Note: The above SFP requests do not commit the County to funding.

- **Case Management System** – OCDA seeks to upgrade or replace the current Case Management System (CMS) which would include new features and functions such as improved productivity and reliability and a more user friendly, stable, resilient, and modern system to securely maintain and preserve all OCDA case files. The new CMS would utilize an updated computer language framework which will yield long-term financial gains and would provide redundancy and allow business continuity. Total implementation costs are estimated at $9.0 million NCC. If approved, the project would be implemented in FY 2024-25 through FY 2026-27.

- **Environmental Health Data Management System** – The Health Care Agency (HCA) plans to implement a new database for Environmental Health estimated at

$8.1 million. The system will provide streamlined workflows for more efficient inspections, cloud-based data with platform agnostic capability, customizable reports, data transparency, appropriate fee collection, and offer a range of dashboards for customers, staff and the general public to conduct county business with ease. In addition, this new database system would provide data interface with other County and HCA-approved software to provide for a better output reporting to County end-users and stakeholders alike with access to data, information, and reporting that provides transparency. For strategic planning purposes, one Information Technologist II and one IT Applications Developer II would be needed starting in FY 2024-25 to support this system. In addition, HCA is proposing to use contracted technical resources. If approve, implementation would start in July 2024 and continue for up to 24 months from the start date with the target completion by June 2026. Funding has not been identified for this project.

- **Domain Change to orangecounty.ca.gov** – OCIT is required to migrate the County from the "ocgov.com" domain to the new "orangecounty.ca.gov" domain per State Bill AB 1637, enacted on October 8, 2023. This bill requires that no later than January 1, 2029, a local agency that maintains an internet website for use by the public to ensure that the internet website utilizes a ".gov" top-level domain or a ".ca.gov" second-level domain and would require a local agency that maintains an internet website that is noncompliant with that requirement to redirect that internet website to a domain name that does utilize a ".gov" or ".ca.gov" domain. This bill also requires a local agency that maintains public email addresses to ensure that each email address provided to its employees utilizes a ".gov" domain name or a ".ca.gov" domain name. This is a state mandated project and is expected to be completed in three fiscal years beginning in FY 2024-25. Projected costs are $4.5 million and no funding has been identified.

Strategic Priorities Table of Contents

Strategic Priorities Table of Contents (continued)

Strategic Priorities

One of the primary functions of the Strategic Financial Plan (SFP) is identification of major programmatic and infrastructure-related initiatives which are not currently addressed in the baseline operations of the County's departments, or which have high community awareness. These initiatives are referred to as Strategic Priorities and may include existing programs, new programs, program expansion, innovative partnerships with the community, new facilities, and major technology enhancements. As a companion to Strategic Priorities, the County Executive Office developed a sub-category, referred to as Emerging Initiatives, for requests that require additional information and analysis related to scope, timing, or funding requirements before being presented as Strategic Priorities.

Strategic Priorities submissions are characterized by the following basic criteria:

- **Significant in Cost Impact** – items at or exceeding $1 million in any one year, particularly those that would require County General Purpose Revenue (Net County Cost)
- **Of Community Awareness** – items that have or may have significant community impact
- **Measurable Outcomes** – measurable results have been identified so items can be evaluated from time to time on the basis of objective results
- **Personnel Impact** – may impact current work activities and/or require new positions
- **Efficient** – achieves the desired results in a sensible and cost-effective manner
- **Strategic** – may have a long-range impact on County government and the community it serves

The process of identifying Strategic Priorities involves the County's Department Heads, their staff, the County Executive Office and the Board of Supervisors. Departments submitted 34 Strategic Priorities (Priorities) and it was determined that 12 more closely fit the definition of Emerging Initiatives. The remaining 22 Strategic Priorities represent a total Net County Cost (NCC) of $270.8 million over the first five years with a first year NCC of $64.5 million down to an annual NCC of $45.6 million by the fifth plan year. The aggregate ten-year cost of the Priorities is estimated to be $373.2 million. Of the 22 priorities, 16 represent continuing priorities and 6 represent newly identified priorities. All Priorities are standardized into a ten-point format designed to capture all significant and relevant factors considered when making funding recommendations.

The primary focus of the SFP is on programs and resources funded from General Purpose Revenues (NCC); however, some Strategic Priorities may be funded from dedicated revenue sources (e.g. State and Federal grants). The County Executive Office will work with departments to review and identify strategies and potential funding sources, other than NCC, for implementation of the priorities. At this time, no funding is recommended for implementation of Strategic Priorities. Any funding of Strategic Priorities will be recommended as part of the FY 2024-25 budget process due to increasing ongoing operating costs beyond General Purpose Revenue growth and the need to maintain department current levels of service to the community to the extent possible.

The following have been identified as Emerging Initiatives and the County Executive Office will work with the respective departments to review and refine the requests and identify strategies and possible funding sources, other than NCC, for potential future inclusion as Strategic Priorities:

OC CARES

A description of the following emerging initiatives is included in the OC CARES Strategic Priorities introduction, after this summary:

- Coordinated Case Management Program
- System of Care Data Systems

OC Sheriff's Department(OCSD)

- Expand staffing to address workload issues – Request for additional staffing to address increasing and anticipated workload in the OC Crime Lab, Information Technology Division, Coroner Division, and the Research & Development Division.
- New Records Storage Location – Request for a new open warehouse building within the secure perimeter of the James A. Musick Facility to store property, records and evidence for the Department.
- Real Time Operations Crime Center Staffing & Equipment – Request to add additional staffing and equipment to support new Real Time Operations Crime Center to allow the Investigations Division to act as “virtual” partners to sworn and non-sworn personnel by quickly identify issues, develop tactical responses, and relay pertinent information during critical incidents all while located at the Real Time Operation Crime Center.
- Replacement Incident Command Post – Request to replace OCSD’s mobile incident command post, Samantha I (SAM I), which is over 20 years old, to ensure OCSD has access to critical technology when responding to incidents of civil unrest, protests, special events, and mutual aid requests.
- Southeast Operations New Location – Request for a new location for the Sheriff Station serving the residents of Lake Forest, Mission Viejo, Rancho Santa Margarita, and Southeast unincorporated communities.

Health Care Agency, OC Community Resources, Social Service Agency

- OC Access – Request to evaluate the current service delivery model and identify new and different ways to meet the needs of the community and increase the presence in areas to address barriers to accessing services.

OC Public Libraries

- New Library in the City of Laguna Niguel – Request for relocation of the current Laguna Niguel library and new facility space as part of the Laguna Niguel Town Center development.
- New Library in the City of Rancho Mission Viejo – Request for additional staffing, equipment and collection materials for a new library in the City of Rancho Mission Viejo. The developer of the Rancho Mission Viejo master plan will construct the new library.

OC Public Works

- South County Water Quality Improvement Plan – Request for additional resources to implement the South Orange County Water Quality Improvement Plan and achieve water pollutant load reductions. All municipalities, wastewater special districts, and stakeholders of South Orange County will fund this 30-year project. The National Pollutant Discharge Elimination System (NPDES) Storm Water Permit Implementation agreement governs contributions from each agency.

Assessor

- Assessment Tax System (ATS) – Request for additional resources to upgrade the current Assessment Tax System which is used to assess Orange County property values and produce assessment rolls of value in accordance with State laws and regulations.

The following is a summary of the 2023 Strategic Priorities and the NCC request by program and department.

2023 STRATEGIC PRIORITIES

C/N	Department	Strategic Priority Title	10-Year NCC Request	5-Year NCC Request	ANNUAL NCC REQUEST FY 24-25	ANNUAL NCC REQUEST FY 25-26
	OC CARES					
C	OC CARES Fund (12M)	Be Well Campus Expansion	0	0	0	0
C	OC CARES Fund (12M)	Coordinated Reentry System	0	0	0	0
C	OC CARES Fund (12M)	Expand Adult Specialty Courts	11,443,125	5,022,085	0	1,245,959
C	OC CARES Fund (12M)	Housing for Pre-Justice Involved Youth and Transitional Age Youth	9,300,000	4,550,000	825,000	850,000
C	OC CARES Fund (12M)	Housing for Transitional Aged Youth	0	0	0	0
C	OC CARES Fund (12M)	Juvenile Corrections Campus	100,000,000	100,000,000	0	0
C	OC CARES Fund (12M)	Permanent Supportive and Affordable Housing Access	TBD	TBD	TBD	TBD
C	OC CARES Fund (12M)	Pre-Trial Intervention Program	0	0	0	0
		OC CARES Subtotal	**120,743,125**	**109,572,085**	**825,000**	**2,095,959**
	Program I - Public Protection					
C	Public Defender (058)	Body Worn Camera Workload Impact Mitigation	39,132,373	17,783,578	1,210,576	4,022,068
N	Sheriff-Coroner (060)	New Emergency Operations Center and Parking	25,000,000	25,000,000	25,000,000	0
N	Sheriff-Coroner (060)	Search and Rescue Helicopter	15,000,000	15,000,000	15,000,000	0
C	Sheriff-Coroner (060)	Theo Lacy Facility Additional Staffing	83,124,402	40,437,522	7,720,198	7,843,814
		Program I Subtotal	**162,256,775**	**98,221,100**	**48,930,774**	**11,865,882**
	Program II - Community Services					
N	Health Care Agency (042)	Correctional Health Services - Medi-Cal Billing Implementation	0	0	0	0
C	Health Care Agency (042)	Environmental Health - Street Vending Program	0	0	0	0
C	Health Care Agency (042)	Long Term Care Beds	0	0	0	0
N	Health Care Agency (042)	Mobile Crisis Benefit Expansion	0	0	0	0
C	Health Care Agency (042)	Strengthening Environmental Health Division	4,623,353	2,021,402	187,409	341,434
N	Social Services Agency (063)	Expand CalFresh for Assistance Programs	33,277,371	16,095,031	3,058,788	3,138,492
C	Social Services Agency (063)	Master Plan for Aging	0	0	0	0
		Program II Subtotal	**37,900,724**	**18,116,433**	**3,246,197**	**3,479,926**
	Program III - Infrastructure & Environmental					
N	OC Waste & Recycling Enterprise (299)	Environmental Conservation and Sustainability Plan	0	0	0	0
		Program III Subtotal	**0**	**0**	**0**	**0**
	Program IV - General Government Services					
C	CAPS Program (014)	CAPS+ Financial/Procurement, Human Resources/Payroll Future ERP System	52,301,468	44,901,468	11,494,262	11,645,804
C	Real Estate Development Program (135)	County Facilities Master Plan	0	0	0	0
		Program IV Subtotal	**52,301,468**	**44,901,468**	**11,494,262**	**11,645,804**
		Total NCC Request	**373,202,092**	**270,811,086**	**64,496,233**	**29,087,571**

Legend: C = Continuing Strategic Priority, N = New Strategic Priority

2023 STRATEGIC PRIORITIES

(COST LESS REVENUE OR OTHER SOURCES)						
FY 26-27	**FY 27-28**	**FY 28-29**	**FY 29-30 to FY 33-34**	**Strategic Priority Title**	**Department**	**C/N**
				OC CARES		
0	0	0	0	Be Well Campus Expansion	OC CARES Fund (12M)	**C**
0	0	0	0	Coordinated Reentry System	OC CARES Fund (12M)	**C**
1,245,959	1,245,959	1,284,208	6,421,040	Expand Adult Specialty Courts	OC CARES Fund (12M)	**C**
875,000	950,000	1,050,000	4,750,000	Housing for Pre-Justice Involved Youth and Transitional	OC CARES Fund (12M)	**C**
0	0	0	0	Housing for Transitional Aged Youth	OC CARES Fund (12M)	**C**
50,000,000	25,000,000	25,000,000	0	Juvenile Corrections Campus	OC CARES Fund (12M)	**C**
TBD	TBD	TBD	TBD	Permanent Supportive and Affordable Housing Access	OC CARES Fund (12M)	**C**
0	0	0	0	Pre-Trial Intervention Program	OC CARES Fund (12M)	**C**
52,120,959	**27,195,959**	**27,334,208**	**11,171,040**	**OC CARES Subtotal**		
				Program I - Public Protection		
4,092,470	4,188,705	4,269,759	21,348,795	Body Worn Camera Workload Impact Mitigation	Public Defender (058)	**C**
0	0	0	0	New Emergency Operations Center and Parking	Sheriff-Coroner (060)	**N**
0	0	0	0	Search and Rescue Helicopter.	Sheriff-Coroner (060)	**N**
8,043,932	8,292,202	8,537,376	42,686,880	Theo Lacy Facility Additional Staffing	Sheriff-Coroner (060)	**C**
12,136,402	**12,480,907**	**12,807,135**	**64,035,675**	**Program I Subtotal**		
				Program II - Community Services		
0	0	0	0	Correctional Health Services - Medi-Cal Billing Implementation	Health Care Agency (042)	**N**
0	0	0	0	Environmental Health - Street Vending Program	Health Care Agency (042)	**C**
0	0	0	0	Long Term Care Beds	Health Care Agency (042)	**C**
0	0	0	0	Mobile Crisis Benefit Expansion	Health Care Agency (042)	**N**
463,339	505,855	523,365	2,601,951	Strengthening Environmental Health Division	Health Care Agency (042)	**C**
3,194,530	3,266,753	3,436,468	17,182,340	Expand CalFresh for Assistance Programs	Social Services Agency (063)	**N**
0	0	0	0	Master Plan for Aging	Social Services Agency (063)	**C**
3,657,869	**3,772,608**	**3,959,833**	**19,784,291**	**Program II Subtotal**		
				Program III - Infrastructure & Environmental		
0	0	0	0	Environmental Conservation and Sustainability Plan	OC Waste & Recycling Enterprise (299)	**N**
0	**0**	**0**	**0**	**Program III Subtotal**		
				Program IV - General Government Services		
11,701,136	8,580,266	1,480,000	7,400,000	CAPS+ Financial/Procurement, Human Resources/Payroll Future ERP System	CAPS Program (014)	**C**
0	0	0	0	County Facilities Master Plan	Real Estate Development Program (135)	**C**
11,701,136	**8,580,266**	**1,480,000**	**7,400,000**	**Program IV Subtotal**		
79,616,366	**52,029,740**	**45,581,176**	**102,391,006**	**Total NCC Request**		

Legend: C = Continuing Strategic Priority, N = New Strategic Priority

OC CARES

The County of Orange has prioritized the coordination of programs and services focused on the needs of the adults and youth populations across departments and community providers to establish five County Systems of Care, referenced as OC CARES.

1. Behavioral Health
2. Healthcare
3. Community Corrections
4. Housing
5. Benefits and Support Services

The OC CARES system links the various systems of care in the County of Orange to provide full care coordination and services for individuals to address immediate and underlying issues and work towards self-sufficiency. This innovative approach was developed building on the County's efforts as part of the nationwide Stepping Up Initiative and locally developed Integrated Services Strategy. With Stepping Up, an overall strategy that focused on reducing the number of individuals with mental illness in custodial care was developed that required the integration of services from disparate county departments and community partners. This strategy was then expanded and used to create the Integrated Services – 2025 Vision (2025 Vision) implementation plan, which has been updated to serve as OC CARES.

The 2025 Vision was adopted by the Board of Supervisors (Board) on October 22, 2019, and links the county criminal justice system and our systems of care to provide inmates and at-risk-individuals with the services they need to become self-determined and facilitate successful reentry. The 2025 Vision is maintained quarterly to ensure the direction remains relevant with County goals and objectives.

The 2025 Vision addresses the expansion or implementation of projects that may be considered Strategic Priorities or Emerging Initiatives for each System of Care. There are five projects previously identified as Emerging Initiatives or Strategic Priorities which have either been implemented or are currently in progress:

- Mental Health and Substance Use Disorder Support Services for Juveniles
  This was first identified as an Emerging Initiative in the 2019 Strategic Financial Plan to provide consistent mental health services and substance use treatment to support juveniles and transitional aged youth as they move through the justice system. This was implemented with the FY 2023-24 Adopted Budget with the addition of four positions in the Health Care Agency to provide the mental health and substance use treatment services in the juvenile custodial facilities.

- Community Assistance, Recovery and Empowerment (CARE) Court
  Identified as a Strategic Priority in the 2022 Strategic Financial Plan, this project has been fully implemented in compliance with the CARE Act. This project established a CARE Court to provide supervision of individuals with untreated mental health and substance use disorders and address the support and care they need which has caused them to experience homelessness or incarceration.

- Coordinated Assessment Process
  Identified as an Emerging Initiative in the 2021 and 2022 Strategic Financial Plans, efforts have been successful in streamlining care coordination by capturing certain data elements in one shared platform thereby decreasing the need for information from various assessments currently in place. This project continues to complement and create efficiencies with the care coordination process and is managed by the County's System of Care Data Integration System.

- Expand Behavioral Health Law Enforcement Response Team
  Identified as a Strategic Priority in the 2016 through 2022 Strategic Financial Plans, this project was implemented with the FY 2023-24 Adopted Budget. In total, twelve specialized Deputy Sheriff positions were added to partner with Behavioral Health Clinicians to support behavioral health related calls, provide diversion options, conduct outreach, and serve as a resource for the community. This expansion allows for coverage for all patrol areas under the OC Sheriff's Department.

- Enhance Inmate Programming Services
  Identified as a Strategic Priority in the 2019 through 2022 Strategic Financial Plans, this project has been deemed substantially completed and no longer meets the criteria to be considered a Strategic Priority. Enhanced programming curriculum has been implemented that includes the expansion of existing successful programs as well as the use of tablets, virtual training headsets, and revised curriculum with enhanced vocational programming and certifications.

The following provides a brief summary of the new and remaining Emerging Initiatives and Strategic Priorities identified for the County's Systems of Care.

1. **Behavioral Health**
   Be Well Campus Expansion
   This is a continuing Strategic Priority. The Be Well Irvine Campus is the second planned behavioral health campus for the Health Care Agency. The first campus, located in the City of Orange, was implemented in April 2021, and included as a Strategic Priority in the SFP for the years 2016 to 2019.

2. Healthcare

Coordinated Case Management Program (Emerging)

This is a continued Emerging Initiative previously identified in the 2021 and 2022 Strategic Financial Plans to plan for and address the needs of individuals involved in the County's various Systems of Care, especially those identified as high-utilizers under the County's OC CARES Initiative. The program would coordinate and perform outreach and engagement services; ensure discharge plans are being followed and appointments kept; provide referrals or resources as needed to encourage self-sufficiency; and provide overall support for the individual. While some case management is currently being conducted for high-utilizers, significant work is still required to fully implement coordinated case management as envisioned.

3. Community Corrections

Pre-Trial Intervention Program

This is a continued Strategic Priority, formerly titled *Pre-Arraignment Diversion*, to establish diversion options for individuals post-arrest and prior to arraignment. The program would include assessments and consultations with behavioral health professionals that would be used by prosecuting and defending attorneys to determine if the individual would benefit from diversion into a treatment program in coordination with the Courts.

Expand Adult Specialty Courts

This continued Strategic Priority seeks to expand the capacity of the Adult Specialty Courts to provide hyper-supervision and intensive programming and coordination of care between the Courts, County, and community providers to meet current and anticipated demands of identified offenders.

Coordinated Reentry System

This is a continued Strategic Priority to establish a comprehensive reentry system accessible by all individuals released from county jails or state prison that includes a central reentry center, regional Reentry Community Resource Centers, a Workforce Reentry Center, mobile reentry services, and transportation services that provide linkages to support services or programs with "warm hand-offs" at each point in the reintegration process.

Juvenile Corrections Campus

This is a continued priority to establish a comprehensive juvenile corrections campus that fully utilizes existing space to provide a new Youth Transition Center with camp programing, education services, health and mental health services, housing for juvenile offenders and transitional aged youth, including those realigned from the State Correctional System, and modernization or replacement of older buildings to best support evidence-based and best practices.

4. Housing

Permanent Supportive and Affordable Housing Access

This is a continued priority involving multiple departments, aligned with the County's Housing Funding Strategy, to create subsidized housing units that combine affordable housing assistance with voluntary support services to address the needs of those who are chronically homeless. Given the commonality across the Systems of Care, an integrated approach in the implementation of these programs provides opportunities to leverage the services, funding, and data collection to more effectively and efficiently deliver these services.

Housing for Transitional Aged Youth (TAY)

This is a continued priority to establish transitional and permanent supportive housing and placement services for youths involved in the juvenile justice system that includes treatment and support services for substance use, mental health issues with little to no disruption to services received while in custody.

Housing for Pre-Justice Involved Youth and TAY

This is a continued priority to provide temporary and long-term housing for foster youth 13 years of age and older who have experienced child maltreatment and who also have a history or propensity for engaging in delinquent behaviors that put them at risk of involvement with, the juvenile justice system. This program would provide safe and appropriate supportive housing for these youth in a manner that enhances accessibility to treatment regardless of the youth's complexity of needs, such as homelessness, mental illness, substance use, gang affiliation, or CSEC involvement.

5. Benefits and Support Services

System of Care Data Systems (Emerging)

This revised Emerging Initiative was previously identified as a Strategic Priority titled *System of Care Data Integration for Care Coordination* in the 2016 to 2022 Strategic Financial Plans. Due to additional needs for care coordination and associated data, the previous Strategic Priority no longer addresses the needs of the departments. This project expands the scope to include the System of Care Data Integration System as well as various data and operational systems that will compliment or feed into the system and allow for more robust data and metrics reporting.

Be Well Campus Expansion

1. **Program Area**
   Community Services

2. **Involved Agencies and Departments**
   Health Care Agency (HCA)

3. **New or Continuing Strategic Priority**
   This is a continuing Strategic Priority previously identified in the 2021 and 2022 Strategic Financial Plans.

   HCA established its first behavioral health campus in the city of Orange, Be Well Orange, in April 2021. HCA is in the process of establishing its second campus in the city of Irvine, Be Well Irvine, comprised of three phases. Construction of phase 1 is currently underway.

4. **Description of Strategic Priority**
   The County has a goal of establishing behavioral health (Be Well) campuses, supporting the County's various Systems of Care with locations accessible to each respective Service Planning Area (SPA) and upholding the goals of each SPA. Every campus would provide easy access for law enforcement or other first responders and provide options for the individuals encountered who are facing a mental health or substance use crisis diverting them to treatment services and away from jail. Multiple services would be provided to meet specific community needs for mental health services and substance use treatment programs; be easily accessible for local law enforcement and residents seeking help in treating individuals experiencing a mental health or substance use crisis; and serve as an integrated support center that will provide linkages with complimentary community and social support services.

   HCA established its first behavioral health campus in the north SPA, Be Well Orange, in the city of Orange, in April 2021 through a public-private partnership. The Be Well Orange campus provides services for juveniles and adults including crisis stabilization services, residential substance use treatment services, crisis residential treatment services and a sobering station with linkages to community and social support services. In addition, the Be Well Orange campus provides the first adolescent crisis stabilization unit and the first adult sobering station in the County.

Be Well Campus Expansion

HCA is in the process of establishing its second campus in the south SPA, Be Well Irvine, in the city of Irvine, also through a public-private partnership. Plans currently involve three phases to development. The first phase, which is anticipated to be implemented in 2025, will house crisis stabilization units for adults and adolescents, a sobering center, adult residential treatment services, and a children, youth and families outpatient clinic. The second phase will include perinatal substance use residential services for pregnant and parenting women and their children up to age 10, an adolescent substance use residential program for both male and female, and expanded outpatient and intensive outpatient services for children and youth and perinatal women. The third and final phase may include education and training, a community meeting and events center, youth and senior centers and interfaith shared-use space.

5. Personnel Impacts

Most services are anticipated to be contracted. For strategic planning purposes, an estimated 24 additional positions would be needed for the behavioral health clinic intensive outpatient services and traditional outpatient programs.

Classification	No. of Positions
Behavioral Health Clinician II	13
Clinical Psychologist II	1
HCA Service Chief II	1
Mental Health Worker II	3
Office Specialist	4
Psychiatrist	2
Total Positions	**24**

6. Cost Impact

Total costs for Be Well Irvine phase 1 are approximately $86.0 million of which $40.0 million has already been provided to Be Well for incurred costs. Phase 2 is estimated at $85.6 million and is in the planning phase. Costs for services will be based on the future services provided. Cost estimates have not been developed for the third phase.

Be Well Campus Expansion

FY 2024-25: $25,000,000 One-time
FY 2025-26: $21,000,000 One-time, $3,693,332 Ongoing
FY 2026-27: $42,800,000 One-time, $3,753,858 Ongoing
FY 2027-28: $42,800,000 One-time, $3,837,806 Ongoing
FY 2028-29: $3,911,356 Ongoing
FY 2029-30: $3,911,356 Ongoing
FY 2030-31: $3,911,356 Ongoing
FY 2031-32: $3,911,356 Ongoing
FY 2032-33: $3,911,356 Ongoing
FY 2033-34: $3,911,356 Ongoing

7. **Funding Sources**

An amount up to $151.7 million has been identified for phase 2 and beyond with approximately $40 million already provided to Be Well to fund incurred costs. Funding sources include:

- $40.0 million in discretionary funds set aside in FY 2022-23
- $20.0 million Mental Health Services Act (MHSA) funds
- $10.0 million in California Health Facilities Financing Authority state grant
- $4.0 million received by the County in state and federal earmarks
- $37.7 million in Behavioral Health Continuum Infrastructure state grant
- $40.0 million in funding obtained from state and federal earmarks and other contributions from stakeholder organizations, such as hospitals and Cal Optima Health provided directly to Be Well.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
2%	57%	26%	15%

8. **Stakeholders**

Individuals experiencing a mental health or substance use crisis requiring immediate treatment services and their families, law enforcement and other first responders encountering individuals experiencing a mental health or substance abuse crisis, HCA, OC Sheriff's Department and Advocacy Groups.

9. **Mandated or Discretionary Program/Project?**

Discretionary: This project is discretionary but is a critical component in the County’s OC CARES initiative for the various Systems of Care.

Be Well Campus Expansion

10. Implementation Period if Funding Were Available

Construction of the first phase of Be Well Irvine is in progress with services anticipated to be implemented in 2025.

Be Well Campus Expansion					
	FY 24-25	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**
I. Cost					
Salaries & Benefits	0	3,693,332	3,753,858	3,837,806	3,911,356
Structures & Improvements	25,000,000	21,000,000	42,800,000	42,800,000	0
Total Cost	**25,000,000**	**24,693,332**	**46,553,858**	**46,637,806**	**3,911,356**
II. Non-General Fund Revenue					
Other Financing Sources	25,000,000	24,693,332	46,553,858	46,637,806	3,911,356
Total Revenue	**25,000,000**	**24,693,332**	**46,553,858**	**46,637,806**	**3,911,356**
III. General Fund Requirement	**0**	**0**	**0**	**0**	**0**
IV. Staffing					
Behavioral Health Clinician II	0	13	13	13	13
Clinical Psychologist II	0	1	1	1	1
HCA Service Chief I	0	1	1	1	1
Mental Health Worker II	0	3	3	3	3
Office Specialist	0	4	4	4	4
Psychiatrist	0	2	2	2	2
Total Positions Funded Per Fiscal Year	**0**	**24**	**24**	**24**	**24**

Be Well Campus Expansion

FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34	
					I. Cost
3,911,356	3,911,356	3,911,356	3,911,356	3,911,356	Salaries & Benefits
0	0	0	0	0	Structures & Improvements
3,911,356	**3,911,356**	**3,911,356**	**3,911,356**	**3,911,356**	**Total Cost**
					II. Non-General Fund Revenue
3,911,356	3,911,356	3,911,356	3,911,356	3,911,356	Other Financing Sources
3,911,356	**3,911,356**	**3,911,356**	**3,911,356**	**3,911,356**	**Total Revenue**
0	**0**	**0**	**0**	**0**	**IV. Balance**
					IV. Staffing
13	13	13	13	13	Behavioral Health Clinician II
1	1	1	1	1	Clinical Psychologist II
1	1	1	1	1	HCA Service Chief I
3	3	3	3	3	Mental Health Worker II
4	4	4	4	4	Office Specialist
2	2	2	2	2	Psychiatrist
24	**24**	**24**	**24**	**24**	**Total Positions Funded Per Fiscal Year**

Coordinated Reentry System

1. Program Area
Public Protection, Community Services

2. Involved Agencies and Departments
County Executive Office
Health Care Agency (HCA)
OC Sheriff's Department (OCSD)
Probation Department
OC Community Resources (OCCR)
Social Services Agency (SSA)

3. New or Continuing Strategic Priority
This is a continuing priority previously identified in the 2016 to 2022 Strategic Financial Plans under the current and former title, “Reentry Facility.”

In FY 2022-23, the County contracted with a reentry services provider to connect with individuals upon release from jail. The contract also includes transportation to referred services or to the regional Reentry Community Resource Center scheduled to open in Fall 2023.

The FY 2023-24 budget includes $30.6 million in appropriations and funding for a Reentry Center for the County. A contracted engineering firm has analyzed the planned facility and is currently in the design phase. Appropriations and funding are also included in the current year’s budget for two Sprinter-type vans and two RV-type vehicles to implement the Mobile Reentry program.

4. Description of Strategic Priority
Returning to the community from jail is a challenging transition for most offenders, as well as for their families and the community. It is widely recognized that the initial 72 hours following an individual's return to the community after any period of incarceration are a crucial determinant of their likelihood to reoffend. Those released often struggle with substance abuse, lack of adequate education and job skills, limited housing options and mental health issues. These challenges are significant contributors to higher recidivism rates and related victimizations.

Coordinated Reentry System

The County Departments and partners working with this population recognize the challenges and the obstacles faced by individuals upon release and the importance of in-reach, outreach, and engagement in the process. Failure to successfully link individuals with needed services can be detrimental to positive reintegration and increases the probability of the individual reoffending and cycling back through the criminal justice system. Although significant progress has been made with respect to providing transportation, one regional Reentry Community Resource Center, and the Mobile Reentry program, remaining key elements for the Coordinated Reentry System include a centralized reentry center with residential services, additional resource centers in each service plan area and a hands-on training program.

- **Reentry Center:** A dedicated facility accessible by all individuals involved in the justice system. The concept is “Reentry upon Entry” which involves evaluating individuals upon intake to identify their needs, such as health, education, or basic necessities and support, and to develop an individualized treatment or program addressing those needs and increasing their ability to self-sustain upon release. Individuals in the County jail system would be educated and encouraged to participate in the reentry programs and process prior to release. The model for the Reentry Center includes temporary housing for individuals difficult to place or those waiting for placement into a supportive program.

- **Reentry Community Resource Centers:** To encourage successful reintegration into the community and make reentry services easily accessible to all individuals involved in the criminal justice system, resource centers would be located in each service plan area. The resource centers would provide basic services to assist with essential needs and benefit programs and linkages or referrals to services or programs, as needed, specific to the demand of that service plan area. The first regional Reentry Community Resource Center was implemented in December 2023.

- **Workforce Reentry Center:** One or more contracted organizations would be sought to establish a forward-facing retail or service-based business where justice-involved individuals would receive relevant hands-on job training that could lead to employment, similar to the model employed by Homeboy Industries reentry program in Los Angeles. A Request for Qualifications was issued by the County in late FY 2022-23 with responses received in July 2023 which are currently being assessed by a selected panel of stakeholders. A public-private partnership is anticipated to be used to implement this project.

Coordinated Reentry System

5. Personnel Impacts
Services are anticipated to be contracted with no additional staffing required.

6. Cost Impact
Capital projects and improvements associated with each Reentry Community Resource Center are estimated at $6 million. One-time costs associated with the capital improvements for the Reentry Center total approximately $25 million and are included in the FY 2023-24 budget. Ongoing costs range from $1 million to $7 million for contracted services for vocational programs and administering reentry services. The Workforce Reentry Center is being pursued using a private-public partnership with costs to be determined.

7. Funding Sources
One-time costs will be funded through allocations set aside for the OC CARES initiative. Ongoing costs may be funded by 2011 Public Safety Realignment, Mental Health Services Act, and Workforce Innovation and Opportunity Act.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	0%	0%	100%

8. Stakeholders
Individuals released from the County jail or state prison needing assistance with reintegrating back into the community and their families; individuals involved in the justice system; Probation Department; HCA; OCCR; and SSA.

9. Mandated or Discretionary Program/Project?
Discretionary: This project is discretionary but is a critical component in the County's 2025 Vision for OC CARES, Justice through Prevention and Intervention.

Coordinated Reentry System

10. Implementation Period if Funding Were Available

The Reentry Center is in the final design phase with renovations anticipated to begin in 2024 and completion by December 2025. Additional Reentry Resource Community Centers are in the planning phase and potential sites to be renovated are yet to be identified. Proposals for a public-private partnership to develop and implement the Workforce Reentry Center are being reviewed by a panel of selected stakeholders. Based on the recommendation received, planning and design may begin in late FY 2023-24.

Coordinated Reentry System					
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
I. Cost					
Other Financing Uses	6,000,000	0	0	0	0
Services & Supplies	1,000,000	2,000,000	5,000,000	7,000,000	7,000,000
Total Cost	**7,000,000**	**2,000,000**	**5,000,000**	**7,000,000**	**7,000,000**
II. Non-General Fund Revenue					
Intergovernmental Revenues	1,000,000	2,000,000	5,000,000	7,000,000	7,000,000
Total Revenue	**1,000,000**	**2,000,000**	**5,000,000**	**7,000,000**	**7,000,000**
III. Reserves					
Reserves	6,000,000	0	0	0	0
Total Reserves Inc/(Dec)	**6,000,000**	**0**	**0**	**0**	**0**
IV. Balance	**0**	**0**	**0**	**0**	**0**
V. Staffing					
No Positions	0	0	0	0	0
Total Positions Funded Per Fiscal Year	**0**	**0**	**0**	**0**	**0**

Coordinated Reentry System					
FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34	
					I. Cost
0	0	0	0	0	Other Financing Uses
7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	Services & Supplies
7,000,000	**7,000,000**	**7,000,000**	**7,000,000**	**7,000,000**	**Total Cost**
					II. Non-General Fund Revenue
7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	Intergovernmental Revenues
7,000,000	**7,000,000**	**7,000,000**	**7,000,000**	**7,000,000**	**Total Revenue**
					III. Reserves
0	0	0	0	0	Reserves
0	**0**	**0**	**0**	**0**	**Total Reserves Inc/(Dec)**
0	**0**	**0**	**0**	**0**	**IV. Balance**
					V. Staffing
0	0	0	0	0	No Positions
0	**0**	**0**	**0**	**0**	**Total Positions Funded Per Fiscal Year**

Expand Adult Specialty Courts

1. **Program Area**
   Public Protection, Community Services

2. **Involved Agencies and Departments**
   Health Care Agency (HCA)
   District Attorney
   Public Defender
   Probation Department
   OC Sheriff's Department (OCSD)

3. **New or Continuing Strategic Priority**
   This is a continuing Strategic Priority, previously identified in the 2016 to 2022 Strategic Financial Plans under the current title and within the Strategic Priority titled "Stepping Up Initiative."

   The Courts have developed a proposed phased model and continue to analyze data to support the planned expansion and addition of new specialty courts as additional projects are implemented per the County's OC CARES 2025 Vision. State funding dedicated for related facility needs has been allocated to the Courts and a proposed site is being assessed.

4. **Description of Strategic Priority**
   The Specialty Court Programs combine judicial supervision with rehabilitative services aimed at addressing mental health and/or substance abuse issues that may have led to criminal behavior. The goal is to help the individual become productive and self-sustaining, to the best of their ability, in the community.

   The model for the Adult Specialty Courts is a post-arrest point of diversion that includes hyper-supervision and intensive programming with the possibility of immediate sanctions for non-compliance. The diversion is incentive-based whereby the charges against the offender are reduced or removed upon successful completion of the program. Current statistics show that offenders participating in the Specialty Court program demonstrate lower recidivism rates, have fewer hospitalizations, and succeed in the community.

   The Courts have developed an initial phased approach to expand the Specialty Courts that includes over eight new court programs and additional courtrooms which have been

Expand Adult Specialty Courts

incorporated into the plans for the proposed new Collaborative Court Justice Center. County departments are working with the Courts to determine the need for expansion of the Specialty Courts to meet the current and anticipated demands for program participation. Efforts include further review of outcome data/statistics; identifying the number of offenders unable to participate due to capacity issues; analyzing and determining the type of court to expand and the priority order; analyzing and identifying programmatic needs; and determining physical location requirements to accommodate the expanded services.

5. Personnel Impacts

As the Specialty Courts expand, additional staffing may be needed and would be identified depending on the type of court and level of expansion.

6. Cost Impact

Estimated costs include ongoing costs for County staff time and/or contracted treatment services to support the Specialty Courts expansion as follows:

FY 2024-25: $0
FY 2025-26: $6,537,787 ongoing
FY 2026-27: $6,537,787 ongoing
FY 2027-28: $6,537,787 ongoing
FY 2028-29 through FY 2033-34: $6,748,936 ongoing

Facility expansion costs are 100% Court/State responsibility.

7. Funding Sources

OC Courts
Mental Health Service Act
2011 Public Safety Realignment
Net County Cost

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	81%	19%	0%

Expand Adult Specialty Courts

8. Stakeholders

Adult felony offenders with underlying mental illness or substance use issues recommended to the Adult Specialty Courts, OC Courts, District Attorney, Public Defender, Probation Department, OCSD and HCA.

9. Mandated or Discretionary Program/Project?

Discretionary: This project is discretionary but is a critical component in the County's 2025 Vision for OC CARES, Justice through Prevention and Intervention.

10. Implementation Period if Funding Were Available

The expansion is dependent on the Court's construction of the new Collaborative Court Justice Center which is anticipated by FY 2025-26.

Expand Adult Specialty Courts					
	FY 24-25	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**
I. Cost					
Salaries & Benefits	0	6,537,787	6,537,787	6,537,787	6,748,936
Total Cost	**0**	**6,537,787**	**6,537,787**	**6,537,787**	**6,748,936**
II. Non-General Fund Revenue					
Intergovernmental Revenues	0	5,291,828	5,291,828	5,291,828	5,464,728
Total Revenue	**0**	**5,291,828**	**5,291,828**	**5,291,828**	**5,464,728**
III. General Fund Requirement	**0**	**1,245,959**	**1,245,959**	**1,245,959**	**1,284,208**
IV. Staffing					
No Positions	0	0	0	0	0
Total Positions Funded Per Fiscal Year	**0**	**0**	**0**	**0**	**0**

Expand Adult Specialty Courts					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
6,748,936	6,748,936	6,748,936	6,748,936	6,748,936	Salaries & Benefits
6,748,936	**6,748,936**	**6,748,936**	**6,748,936**	**6,748,936**	**Total Cost**
					II. Non-General Fund Revenue
5,464,728	5,464,728	5,464,728	5,464,728	5,464,728	Intergovernmental Revenues
5,464,728	**5,464,728**	**5,464,728**	**5,464,728**	**5,464,728**	**Total Revenue**
1,284,208	**1,284,208**	**1,284,208**	**1,284,208**	**1,284,208**	**IV. Balance**
					IV. Staffing
0	0	0	0	0	No Positions
0	**0**	**0**	**0**	**0**	**Total Positions Funded Per Fiscal Year**

Housing for Pre-Justice Involved Youth and Transitional Age Youth

1. **Program Area**
Public Protection and Community Services

2. **Involved Agencies and Departments**
Social Services Agency (SSA)
Probation

3. **New or Continuing Strategic Priority**
This is a continuing Strategic Priority, previously identified in the 2022 Strategic Financial Plan as "Housing for Justice Involved Youth and Transitional Age Youth."

4. **Description of Strategic Priority**
The County's Housing System of Care has limited options for both temporary (emergency) and long-term housing (placement) for foster youth 13 years of age and older, referred to as Crossover Youth. Crossover Youth are youth who have experienced child maltreatment and who also have a history or propensity for engaging in delinquent behaviors that put them at risk of, or lead to involvement with, the juvenile justice system. In certain instances, these Crossover Youth can fall under the jurisdiction of both Dependency (WIC § 300) and Wardship (WIC §§ 601 or 602). Youth exiting the juvenile correctional facilities also experience barriers to accessible housing. For example, a youth has completed their time in Juvenile Hall and there are conditions present which indicate it is unsafe for the youth to reside in their family's home, Orangewood Children & Family Center (OCFC) or another foster care placement setting. WIC § 16514 outlines additional factors that may limit the capacity of congregate care settings accessible to Crossover Youth.

In accordance with state law (WIC § 16501.1), whenever possible the County's preference is to secure housing for youth in the safest, least restrictive environment that is best suited to address the youth's individual needs. Youth who have pending criminal charges cannot be housed at OCFC due to Community Care Licensing regulations and to ensure the safety of children housed there who have been removed from their parents due to abuse and neglect. A concern also exists when housing low-level offenders with high-level offenders to ensure and maintain safety for all residents. Given that Crossover Youth requiring foster care placement typically experience co-occurring issues (e.g., homelessness, mental health challenges, incarceration, substance use vulnerabilities, gang affiliation, CSEC involvement, etc.), there is a need for a program to provide safe

Housing for Pre-Justice Involved Youth and Transitional Age Youth

and appropriate supportive housing for these youth, in a manner that enhances accessibility to treatment regardless of the youth's complexity of needs. Solutions include County contracted services that will provide beds in a variety of treatment settings across Orange County's placement continuum or establishing a County program to achieve the same objectives.

5. Personnel Impacts

Contracted services or additional staff and County resources would be utilized to provide the housing and supportive services. SSA and Probation will continue to evaluate staffing needs.

6. Cost Impact

It is estimated that an average of three youth would be housed in a high-need environment ($720,000/year), three would be housed in a short-term residential therapeutic program (STRTP) ($1,440,000/year) and three would be housed in a shelter or respite environment in lieu of secure housing throughout the year ($720,000/year). Ongoing costs are estimated to range from $3.3 million in FY 2024-25 to $3.8 million in FY 2028-29.

7. Funding Sources

A majority of youth and Transitional Age Youth (TAY) clients identified in this gap are eligible for Title IV-E funding, which is capped, and/or state realignment funding. General Fund support is requested due to limited funding options.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
50%	25%	25%	0%

8. Stakeholders

Juveniles and transitional age youth involved in foster care, Orangewood Children & Family Center and/or the corrections system, their families, HCA and Probation.

9. Mandated or Discretionary Program/Project?

Discretionary: This project is discretionary but is a critical component in the County's OC CARES initiative for the various Systems of Care.

Housing for Pre-Justice Involved Youth and Transitional Age Youth

10. Implementation Period if Funding Were Available

This Strategic Priority is currently in the planning and assessing phase to determine the best options available. Implementation could begin once this phase is completed should sufficient resources be identified.

Housing for Pre-Justice Involved Youth and Transitional Age Youth					
	FY 24-25	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**
I. Cost					
Services & Supplies	3,300,000	3,400,000	3,500,000	3,600,000	3,800,000
Total Cost	**3,300,000**	**3,400,000**	**3,500,000**	**3,600,000**	**3,800,000**
II. Non-General Fund Revenue					
Intergovernmental Revenues	2,475,000	2,550,000	2,625,000	2,650,000	2,750,000
Total Revenue	**2,475,000**	**2,550,000**	**2,625,000**	**2,650,000**	**2,750,000**
III. General Fund Requirement	**825,000**	**850,000**	**875,000**	**950,000**	**1,050,000**
IV. Staffing					
No Positions	0	0	0	0	0
Total Positions Funded Per Fiscal Year	**0**	**0**	**0**	**0**	**0**

Housing for Pre-Justice Involved Youth and Transitional Age Youth					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	Services & Supplies
3,800,000	**3,800,000**	**3,800,000**	**3,800,000**	**3,800,000**	**Total Cost**
					II. Non-General Fund Revenue
2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	Intergovernmental Revenues
2,850,000	**2,850,000**	**2,850,000**	**2,850,000**	**2,850,000**	**Total Revenue**
950,000	**950,000**	**950,000**	**950,000**	**950,000**	**IV. Balance**
					IV. Staffing
0	0	0	0	0	No Positions
0	**0**	**0**	**0**	**0**	**Total Positions Funded Per Fiscal Year**

Housing for Transitional Aged Youth

1. **Program Area**
   Public Protection, Community Services

2. **Involved Agencies and Departments**
   Probation Department
   Health Care Agency
   Social Services Agency
   OC Public Works (OCPW)

3. **New or Continuing Strategic Priority**
   This is a continuing Strategic Priority previously identified in the 2022 Strategic Financial Plan and as an Emerging Initiative in the 2021 Strategic Financial Plan.

   In FY 2022-23, the assessment of the programming needs and space required for the housing was completed with final designs for the new facility anticipated in early FY 2023-24.

4. **Description of Strategic Priority**
   Transitional aged youth (TAY) who are released from the juvenile correctional facilities are often faced with limited options for housing and face significant challenges to continue with the programs and services received while detained. There is a recognized need to establish transitional and permanent supportive housing and placement services for these youths specifically to provide essential support for substance use, mental health issues or those involved in the Commercial Sexual Exploitation of Children (CSEC) population.

   The County aims to create a specialized facility for the post-custody housing of TAY individuals within the juvenile justice system. This facility will offer treatment and support services, ensuring a smooth transition with minimal disruption to the services they received while in custody. Housing would consist of transitional housing, CSEC housing, and high needs housing. Existing space on the current Juvenile Hall campus has been identified and can easily be fenced off to establish the facility outside of the Juvenile Hall perimeter. The planned housing will offer independent living in a safe and welcoming environment to support the individuals as they move towards self-sufficiency.

   Supportive services to be provided include furnished housing, on-site case management and support, education and employment assistance, development of independent living

Housing for Transitional Aged Youth

skills, relational wellness and counseling services, financial education and personal budgeting assistance, and after-care support. The housing will be provided to young adults ages 16-26 and youth previously under the jurisdiction of Orange County Juvenile Court, who have aged out of foster care placement, former probation-involved youth, and current non-minor dependents involved with California Child Welfare.

5. Personnel Impacts

Additional staff or contracted services will be utilized to provide the supportive services.

6. Cost Impact

FY 2024-25: $15,000,000 one-time
FY 2025-26: $15,000,000 one-time; $1,250,000 ongoing
FY 2026-27 through FY 2033-34: $2,500,000 ongoing annual cost

7. Funding Sources

One-time costs for construction of the housing units are funded through allocations set aside for projects related to the OC CARES initiative.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	0%	0%	100%

8. Stakeholders

Transitional Aged Youth involved in the juvenile justice system, their families, and the community.

9. Mandated or Discretionary Program/Project?

Discretionary: This project is discretionary but is a critical component in the County's OC CARES initiative for the Housing System of Care.

10. Implementation Period if Funding Were Available

This project is currently in the final design and pre-construction phase which is anticipated to begin in Spring 2024 and to be completed by the end of 2025.

Housing for Transitional Aged Youth					
	FY 24-25	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**
I. Cost					
Services & Supplies	0	1,250,000	2,500,000	2,500,000	2,500,000
Structures & Improvements	15,000,000	15,000,000	0	0	0
Total Cost	**15,000,000**	**16,250,000**	**2,500,000**	**2,500,000**	**2,500,000**
II. Non-General Fund Revenue					
Intergovernmental Revenues	15,000,000	16,250,000	2,500,000	2,500,000	2,500,000
Total Revenue	**15,000,000**	**16,250,000**	**2,500,000**	**2,500,000**	**2,500,000**
III. General Fund Requirement	**0**	**0**	**0**	**0**	**0**
IV. Staffing					
No Positions	0	0	0	0	0
Total Positions Funded Per Fiscal Year	**0**	**0**	**0**	**0**	**0**

Housing for Transitional Aged Youth					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	Services & Supplies
0	0	0	0	0	Structures & Improvements
2,500,000	**2,500,000**	**2,500,000**	**2,500,000**	**2,500,000**	**Total Cost**
					II. Non-General Fund Revenue
2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	Intergovernmental Revenues
2,500,000	**2,500,000**	**2,500,000**	**2,500,000**	**2,500,000**	**Total Revenue**
0	**0**	**0**	**0**	**0**	**IV. Balance**
					IV. Staffing
0	0	0	0	0	No Positions
0	**0**	**0**	**0**	**0**	**Total Positions Funded Per Fiscal Year**

Juvenile Corrections Campus

1. **Program Area**
Public Protection, Community Services

2. **Involved Agencies and Departments**
Probation Department
Health Care Agency (HCA)
OC Public Works (OCPW)

3. **New or Continuing Strategic Priority**
This is a continuing Strategic Priority that was previously identified in the 2021 and 2022 Strategic Financial Plans and as an Emerging Initiative in the 2020 Strategic Financial Plan.

The Juvenile Corrections Campus project is structured into two phases. Construction for Phase 1, which encompasses the Youth Transition Center and housing unit for the realigned juvenile population, is scheduled to begin in early 2024. The estimated cost is $90.4 million with the majority of appropriations and funding for Phase 1 included in the FY 2023-24 budget. Phase 2 is currently in the planning stages with funding yet to be identified.

4. **Description of Strategic Priority**
The existing Juvenile Hall (JH) is one of three facilities used to house and provide programming and services to detained youth in Orange County and was first established in 1959 for an original capacity of 145 youth. Many of the original buildings are still in use today. Over the years, additional expansions have taken place on the campus to add housing units (1968, 1998, 2005); establish a dedicated Intake and Release Center (1992); and establish a second youth facility for up to 120 youth known as the Youth Leadership Academy (YLA) (2006). Projects completed prior to 1990 included housing for the youth in a corridor style setting which is not aligned with the current models and best practices employed in the YLA and newer constructed housing units. As such, although the capacity of JH is a 434-bed institution, many areas of the campus may not be utilized due to the configuration or maintenance needed.

In addition to JH and YLA, the Youth Guidance Center (YGC), which is located at a separate facility, provides a 125-bed facility and includes programming focused on substance use and transitional services. Overall, the three youth facilities have a capacity

Juvenile Corrections Campus

of 679 youth. However, the number of youth detained has continued to decline with a noted 40% decline between FY 2014-15 and FY 2019-20 (pre-COVID-19). The current population as of October 2023 is a total of 197 youth for all three facilities.

Given the historical and anticipated youth population, the age and utilization of the existing facilities, and recent changes to the juvenile justice system, the concept for a modernized Juvenile Corrections Campus was developed. The primary objective of this initiative is to make better use of the existing space to provide camp programming, education services, health and mental health services and housing for juvenile offenders and transitional age youth, including those realigned from the State Corrections System. A critical component of this plan includes relocating the YGC housing and its programming to the Juvenile Corrections Campus.

This project is structured into two phases:

Phase 1 of the Juvenile Corrections Campus includes:

- A Youth Transition Center, segregated from the main Juvenile Campus, to focus on reentry services including substance use programs, job training, and education.
- Specialized housing unit for the realigned juvenile population with enhanced programming to address the specific needs of this new youth population.

Phase 2 will prioritize the renovation or replacement of the remaining older structures, which encompass medical and intake areas, as well as the corridor-style housing units. The objective is to create modern, energy-efficient buildings that will not only meet but surpass the requirements set for a juvenile detention facility. This initiative aims to cater to the needs of both the present and future populations. A study of the remaining buildings and areas of the Juvenile Corrections Campus is currently being completed by OC Public Works.

5. Personnel Impacts

No additional staffing is required.

6. Cost Impact

One-time costs associated with the demolition and construction of Phase 1 are estimated at $90.4 million. $74.3 million in appropriations and funding are included in FY 2023-24 in Fund 15D Countywide Capital Projects. Phase 2 is being assessed and will be included when more information is known. Current estimates are between $75 and $100 million.

Juvenile Corrections Campus

7. Funding Sources

Funding for the remaining costs of Phase 1 includes $7.2 million from an allocation set aside for projects included in the OC CARES Fund 12M and one-time $6.2 million from the Board of State and Community Corrections, Corrections Planning and Grant Programs for the renovation, repair, and improvement of county facilities. Phase 2 is still being planned and funding has not yet been identified.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	7%	0%	93%

8. Stakeholders

Youth and Transitional Age Youth involved in the juvenile justice system and their families, Probation Department, HCA, Juvenile Courts, and Advocacy Groups.

9. Mandated or Discretionary Program/Project?

Discretionary: This project is discretionary but is a critical component in the County's 2025 Vision for OC CARES, Justice through Prevention and Intervention.

10. Implementation Period if Funding Were Available

Phase 1 of this project is currently in the design phase with construction anticipated to begin in FY 2023-24. Phase 2 could begin as early as 2026, if resources were available.

Juvenile Corrections Campus					
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
I. Cost					
Other Financing Uses	0	0	50,000,000	25,000,000	25,000,000
Total Cost	**0**	**0**	**50,000,000**	**25,000,000**	**25,000,000**
II. Non-General Fund Revenue					
No Revenue	0	0	0	0	0
Total Revenue	**0**	**0**	**0**	**0**	**0**
III. General Fund Requirement	**0**	**0**	**50,000,000**	**25,000,000**	**25,000,000**
IV. Staffing					
No Positions	0	0	0	0	0
Total Positions Funded Per Fiscal Year	**0**	**0**	**0**	**0**	**0**

Juvenile Corrections Campus					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
0	0	0	0	0	Other Financing Uses
0	**0**	**0**	**0**	**0**	**Total Cost**
					II. Non-General Fund Revenue
0	0	0	0	0	No Revenue
0	**0**	**0**	**0**	**0**	**Total Revenue**
0	**0**	**0**	**0**	**0**	**IV. Balance**
					IV. Staffing
0	0	0	0	0	No Positions
0	**0**	**0**	**0**	**0**	**Total Positions Funded Per Fiscal Year**

Permanent Supportive and Affordable Housing Access

1. **Program Area**
   Community Services

2. **Involved Agencies and Departments**
   County Executive Office
   Health Care Agency
   OC Community Resources
   OC Public Works
   Social Services Agency

3. **New or Continuing Strategic Priority**
   This is a continuing Strategic Priority previously identified in the 2017 to 2022 Strategic Financial Plans.

   In June 2018, the Board received the County's Housing Funding Strategy which identified the plan for producing 2,700 units of permanent supportive housing throughout Orange County. In March 2019, the Board approved the Joint Powers Authority Agreement for the establishment of the Orange County Housing Finance Trust (OCHFT) with the purpose of funding housing specifically designated to assisting the individuals and families experiencing homelessness, and individuals and families of low income within the County of Orange.

   In December 2022, the Board received and filed the Housing Funding Strategy: 2022 Update (HFS Update). The HFS Update is based on the 2022 Point In Time (PIT) count and outlines recommendations for a strategic approach to achieve an updated goal of developing 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.

   Of the 2,700 units of permanent supportive housing identified in the 2018 Housing Funding Strategy, 580 units have been built, 577 units are under construction, and 75 units are in progress of funding. Another 152 units of permanent supportive housing are in progress of funding under the HFS Update. As of September 1, 2023, a combined total of 2,653 supportive and affordable housing units are in the current pipeline, which does

Permanent Supportive and Affordable Housing Access

not include 124 units completed/built when the County's 2018 Housing Funding Strategy was received and filed by the Board.

4. Description of Strategic Priority

Housing represents the fundamental solution to addressing and ending homelessness in Orange County; however, Orange County has one of the least affordable housing markets in the nation. The shortage of affordable housing and the accompanying high rent burdens not only contribute to homelessness but have also put a growing number of Orange County residents at-risk of homelessness. Furthermore, the existing inventory of affordable and permanent supportive housing resources remain insufficient to meet the current need within the County.

With the addition of emergency shelter beds and other shelter and interim housing programs, the County has created a significant safety net to stabilize those experiencing a housing crisis, allow a path for many to transition to self-sufficiency and pursue permanent housing stability. However, due to an insufficient supply of permanent supportive housing and affordable housing, the length of stay in emergency and transitional shelters and interim housing can be prolonged. The overall effectiveness of the shelter programs is contingent upon development of permanent housing options; the goal of the System of Care is to reduce length of stay in emergency and transitional shelter and interim housing programs and ensure high retention rates in permanent housing programs and long-term housing stability.

Permanent supportive housing is subsidized housing that combines affordable housing assistance with voluntary support services to address the needs of those experiencing chronic homelessness. Supportive services are designed to ensure long-term housing stability, build independent living and tenancy skills, and provide an overall better quality of life by connecting individuals with community-based health care, social services, and employment resources. This type of housing with community integrated supportive services has proven effective for individuals who have experienced prolonged periods of homelessness and barriers to housing due to their disabling conditions and/or other challenges.

This Strategic Priority continues to focus on the creation of needed housing for Orange County residents of all income levels.

Permanent Supportive and Affordable Housing Access

5. **Personnel Impacts**
No additional staffing is required.

6. **Cost Impact**
The County's Housing Funding Strategy: 2022 Update identified a funding gap estimated at $953 million, representing $458 million in funding needed for capital expenses to develop the properties, in addition to $495 million in rental and operating subsidies to ensure the permanent supportive housing units are affordable to people with histories of chronic homelessness. It is estimated that the funding gap for the support services needed for the 2,396 unit goal is $350 million.

This Strategic Priority continues to evolve, and multiple unknown variables remain regarding potential opportunities, including the type of housing, location, and number of units. Preliminary funding sources have been identified and will be utilized as eligible projects emerge.

7. **Funding Sources**
Funding is project-specific; however, potential funding sources identified may include the following:
Community Development Block Grant
HOME Investments Partnership Program
HOME American Rescue Plan Act
Housing Successor Agency
Project-Based Housing Choice Vouchers
Project-Based Mainstream Vouchers
Project-Based Veterans Affairs Supportive Housing (VASH) vouchers
HUD Continuum of Care
Orange County Housing Finance Trust
Orange County Housing Trust
Various State Programs and Funding Sources, including Homekey, Multi-Family Housing Program, Veterans Housing and Homelessness Prevention Program, No Place Like Home, Mental Health Services Act (MHSA) and Permanent Local Housing Allocation

Funding Sources			
Federal	**State**	**General Fund**	**Other**
40%	40%	0%	20%

Permanent Supportive and Affordable Housing Access

8. Stakeholders

Individuals and families experiencing homelessness or at-risk of homelessness who would benefit from the necessary support services and resources to become stably housed and achieve self-sufficiency in our community.

9. Mandated or Discretionary Program/Project?

Discretionary: This project is discretionary but is a critical component in the County's OC CARES Initiative for the Housing System of Care.

10. Implementation Period if Funding Were Available

Implementation is contingent upon continued funding and identification of feasible projects eligible for funding. The County has an ongoing request for projects and is working with cities and developers to identify opportunities for potential projects and partnerships. This is an ongoing initiative.

Permanent Supportive and Affordable Housing Access					
	FY 24-25	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**
I. Cost					
To Be Determined	TBD	TBD	TBD	TBD	TBD
Total Cost	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**
II. Non-General Fund Revenue					
To Be Determined	TBD	TBD	TBD	TBD	TBD
Total Revenue	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**
III. General Fund Requirement	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**
IV. Staffing					
To Be Determined	TBD	TBD	TBD	TBD	TBD
Total Positions Funded Per Fiscal Year	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**

Note: Although preliminary sources have been identified, this Strategic Priority continues to evolve, and multiple unknown variables remain regarding potential opportunities, including type of housing, location, and number of units.

Permanent Supportive and Affordable Housing Access					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
TBD	TBD	TBD	TBD	TBD	To Be Determined
TBD	**TBD**	**TBD**	**TBD**	**TBD**	**Total Cost**
					II. Non-General Fund Revenue
TBD	TBD	TBD	TBD	TBD	To Be Determined
TBD	**TBD**	**TBD**	**TBD**	**TBD**	**Total Revenue**
TBD	**TBD**	**TBD**	**TBD**	**TBD**	**IV. Balance**
					IV. Staffing
TBD	TBD	TBD	TBD	TBD	To Be Determined
TBD	**TBD**	**TBD**	**TBD**	**TBD**	**Total Positions Funded Per Fiscal Year**

Pre-Trial Intervention Program

1. **Program Area**
Public Protection, Community Services

2. **Involved Agencies and Departments**
District Attorney
OC Sheriff's Department (OCSD)
Public Defender
Health Care Agency (HCA)
Social Services Agency

3. **New or Continuing Strategic Priority**
This is a continuing Strategic Priority previously identified in the 2021 and 2022 Strategic Financial Plans under the current and former title *Pre-Arraignment Diversion Program*.

4. **Description of Strategic Priority**
In the criminal justice system, all felony and misdemeanor cases are heard in the criminal courtrooms. Typically, the cases of these individuals are first discussed during the pre-trial or arraignment phase, where there may be limited or no diversion programs or opportunities accessible prior to pre-trial proceedings. These discussions often occur several weeks, months or even longer after the charges were initially filed.

In working with the Courts, the point of arraignment has been identified as a critical point to provide diversion opportunities. Prior to the Arraignment Court process, defending attorneys would consult with health care professionals to determine if diversion options were appropriate. The defending attorneys would then consult with the prosecuting attorneys to seek the best options for the individual which would include treatment programs or Specialty Courts, prior to being arraigned on the pending charges. Individuals would immediately be linked to and provided services at their time of need and engagement.

Currently, arraignments are occurring in several locations and include the courthouses and space allocated in the Central Jail facility. Individuals who are arrested are processed by OCSD Custody Operations and placed into jail housing within 24 hours with many inmates transported and housed at the Theo Lacy Jail facility. To implement this program, a new arraignment court would be established that would include additional space to allow for the needed assessments, coordination among counsel, and linkages to services.

Pre-Trial Intervention Program

Currently, available space does not exist and options are being explored, which may include the repurposing and remodeling of existing space.

Through this program, the emphasis would transition from merely navigating individuals through the standard arraignment process to identifying those who would benefit from diversion. The program's objective is not only to offer alternatives to divert individuals away from the criminal justice system but also to promptly place them into suitable treatment programs and other essential services.

5. **Personnel Impacts**

Additional staff and/or contracted services would be utilized to establish this arraignment court and provide consultations with healthcare and other professionals. For strategic planning purposes, 13 additional positions would be needed (five HCA positions and eight Public Defender positions). Additional positions may be needed for the District Attorney or other supporting departments and will be determined during the planning phase.

Classification	No. of Positions
Health Care Agency Positions:	
Behavioral Health Clinician II	3
Mental Health Specialist	1
HCA Service Chief II	1
Subtotal Health Care Agency Positions	**5**

Classification	No. of Positions
Public Defender Positions:	
Attorney III	4
Paralegal	1
Social Worker II	3
Subtotal Public Defender Positions	**8**
Total Positions	**13**

Pre-Trial Intervention Program

6. Cost Impact

One-time estimated costs of $8 million for facility modifications assume that an existing County facility is renovated with additional space provided for meeting with the individuals and coordination with and linkages to service providers. Estimated annual ongoing staffing costs range from $2.0 million to $2.1 million.

7. Funding Sources

The one-time costs for facility modifications would be funded through the allocations set aside for the County's OC CARES initiative. However, the staffing, consulting, and linkages to services may be funded by various state funding sources, such as Realignment or Mental Health Services Act (MHSA). Departments are encouraged to seek funding opportunities as applicable.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	68%	0%	32%

8. Stakeholders

Individuals with behavioral health issues facing criminal charges, specifically those pending arraignment and housed in County jail facilities, OCSD, District Attorney, Public Defender, and HCA.

9. Mandated or Discretionary Program/Project?

Discretionary: This project is discretionary but is a critical component in the County's 2025 Vision for OC CARES, Justice through Prevention and Intervention.

10. Implementation Period if Funding Were Available

This program is currently in the planning phase and can begin implementation within one year once resources are identified.

Pre-Trial Intervention Program					
	FY 24-25	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**
I. Cost					
Other Financing Uses	8,000,000	0	0	0	0
Salaries & Benefits	1,933,566	2,025,762	2,059,790	2,106,096	2,145,434
Total Cost	**9,933,566**	**2,025,762**	**2,059,790**	**2,106,096**	**2,145,434**
II. Non-General Fund Revenue					
Intergovernmental Revenues	6,920,334	1,551,134	1,577,665	1,613,644	1,644,468
Total Revenue	**6,920,334**	**1,551,134**	**1,577,665**	**1,613,644**	**1,644,468**
III. Reserves					
Reserves	3,013,232	474,628	482,125	492,452	500,966
Total Reserves Inc/(Dec)	**3,013,232**	**474,628**	**482,125**	**492,452**	**500,966**
IV. Balance	**0**	**0**	**0**	**0**	**0**
V. Staffing					
Attorney III	4	4	4	4	4
Behavioral Health Clinician II	3	3	3	3	3
HCA Service Chief II	1	1	1	1	1
Mental Health Specialist	1	1	1	1	1
Paralegal	1	1	1	1	1
Social Worker II	3	3	3	3	3
Total Positions Funded Per Fiscal Year	**13**	**13**	**13**	**13**	**13**

Pre-Trial Intervention Program					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
0	0	0	0	0	Other Financing Uses
2,145,782	2,145,782	2,145,782	2,145,782	2,145,782	Salaries & Benefits
2,145,782	**2,145,782**	**2,145,782**	**2,145,782**	**2,145,782**	**Total Cost**
					II. Non-General Fund Revenue
1,644,468	1,644,468	1,644,468	1,644,468	1,644,468	Intergovernmental Revenues
1,644,468	**1,644,468**	**1,644,468**	**1,644,468**	**1,644,468**	**Total Revenue**
					III. Reserves
501,314	501,314	501,314	501,314	501,314	Reserves
501,314	**501,314**	**501,314**	**501,314**	**501,314**	**Total Reserves Inc/(Dec)**
0	**0**	**0**	**0**	**0**	**IV. Balance**
					V. Staffing
4	4	4	4	4	Attorney III
3	3	3	3	3	Behavioral Health Clinician II
1	1	1	1	1	HCA Service Chief II
1	1	1	1	1	Mental Health Specialist
1	1	1	1	1	Paralegal
3	3	3	3	3	Social Worker II
13	**13**	**13**	**13**	**13**	**Total Positions Funded Per Fiscal Year**

Body Worn Camera Workload Impact Mitigation

1. **Program Area**
   Public Protection

2. **Involved Agencies and Departments**
   Public Defender (PD)

3. **New or Continuing Strategic Priority**
   This is a continuing Strategic Priority previously identified in the 2021 and 2022 Strategic Financial Plans (SFP). Previous budget cycles and SFPs presented digital evidence workload impact mitigation as an expand augmentation, and in the FY 2022-23 budget process, 12 positions were added as part of the first phase to address the workload impact. Prior to FY 2022-23, eight positions were added for increased evidentiary and discovery requirements.

   Positions and funding are requested in a phased-in approach over a three-year period, with first phase implemented. Before requesting the second phase of additional positions, PD will reevaluate staffing needs by measuring the impact of the newly approved positions towards mitigating the current workload.

4. **Description of Strategic Priority**
   In FY 2017-18, the PD's Office, in coordination with the OC District Attorney (OCDA) and the Integrated Law and Justice Agency of Orange County partnered with Axon Enterprises to manage the digital evidence – primarily from Body Worn Cameras (BWC) – generated by Orange County's law enforcement agencies. During that same fiscal year, PD received 1,608 hours of video footage from OCDA through Axon's platform known as Evidence.com.

   As the number of law enforcement agencies using BWC technology grows, so too does the amount of footage the Department receives, resulting in significant increases to workload. PD has roughly 170 attorneys assigned to criminal proceedings involving BWC footage. Current projections of BWC footage transmitted through the Axon platform could result in each attorney spending more than 350 additional hours reviewing BWC footage in FY 2024-25 representing a 3,631% increase from FY 2017-18.

   Current estimates to fully mitigate the projected workload impact entail the addition of 15 attorney positions. Typically, more serious cases result in more responding officers and,

Body Worn Camera Workload Impact Mitigation

therefore, generate more BWC footage; and because more serious cases are handled by senior, higher ranking attorneys, several attorney classifications are requested.

Although attorneys are most affected by the workload impact of BWC evidence, PD's paralegals have seen increased workloads as well. Paralegals create, redact and edit BWC footage for presentation at trial and other contested hearings. Additionally, paralegals review and correct the transcripts prepared from BWC footage which are required by the California Rules of Court before footage can be played in court. An additional three paralegal positions are requested for the anticipated increase in workload.

5. **Personnel Impacts**
For strategic planning purposes, 18 additional positions would be needed over a span of two years to continue expanding the program established in FY 2017-18.

Classification	No. of Positions
Attorney III	7
Deputy Attorney IV	4
Paralegal	3
Senior Deputy Attorney	4
Total Positions	**18**

6. **Cost Impact**
Estimated annual ongoing staffing costs range from $1.2 million in FY 2024-25 to $4.3 million in FY 2028-29 and beyond.

7. **Funding Sources**
General Fund support is requested.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	0%	100%	0%

8. **Stakeholders**
Orange County residents, Department-represented clients, Justice Partner Agencies.

Body Worn Camera Workload Impact Mitigation

9. **Mandated or Discretionary Program/Project?**
Discretionary: Deputy Public Defenders are ethically required to review all evidence gathered by the prosecution in a criminal case as part of their representation of clients. Only after reviewing all evidence can they effectively direct investigation, make decisions regarding retaining expert witnesses, advise their clients regarding feasible defenses, identify viable pretrial motions, engage in meaningful settlement discussions and advise their clients regarding legal decisions. Although this is a discretionary project, the additional positions would provide PD with resources needed to continue to comply with this requirement.

10. **Implementation Period if Funding Were Available**
Should ongoing funding become available, activities required to continue expanding this program can be initiated immediately and would occur over a two-year period.

Body Worn Camera Workload Impact Mitigation					
	FY 24-25	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**
I. Cost					
Salaries & Benefits	1,201,564	4,001,498	4,071,544	4,167,296	4,247,946
Services & Supplies	9,012	20,570	20,926	21,409	21,813
Total Cost	**1,210,576**	**4,022,068**	**4,092,470**	**4,188,705**	**4,269,759**
II. Non-General Fund Revenue					
No Revenue	0	0	0	0	0
Total Revenue	**0**	**0**	**0**	**0**	**0**
III. General Fund Requirement	**1,210,576**	**4,022,068**	**4,092,470**	**4,188,705**	**4,269,759**
IV. Staffing					
Attorney III	0	7	7	7	7
Deputy Attorney IV	2	4	4	4	4
Paralegal	1	3	3	3	3
Senior Deputy Attorney	2	4	4	4	4
Total Positions Funded Per Fiscal Year	**5**	**18**	**18**	**18**	**18**

Body Worn Camera Workload Impact Mitigation					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
4,247,946	4,247,946	4,247,946	4,247,946	4,247,946	Salaries & Benefits
21,813	21,813	21,813	21,813	21,813	Services & Supplies
4,269,759	**4,269,759**	**4,269,759**	**4,269,759**	**4,269,759**	**Total Cost**
					II. Non-General Fund Revenue
0	0	0	0	0	No Revenue
0	**0**	**0**	**0**	**0**	**Total Revenue**
4,269,759	**4,269,759**	**4,269,759**	**4,269,759**	**4,269,759**	**III. General Fund Requirement**
					IV. Staffing
7	7	7	7	7	Attorney III
4	4	4	4	4	Deputy Attorney IV
3	3	3	3	3	Paralegal
4	4	4	4	4	Senior Deputy Attorney
18	**18**	**18**	**18**	**18**	**Total Positions Funded Per Fiscal Year**

New Emergency Operations Center

1. **Program Area**
   Public Protection

2. **Involved Agencies and Departments**
   OC Sheriff's Department (OCSD)

3. **New or Continuing Strategic Priority**
   This is a new Strategic Priority initially identified as an Emerging Initiative in the 2019 and 2020 Strategic Financial Plans (SFP) and as a Capital Improvement Project in the 2021 and 2022 SFPs.

4. **Description of Strategic Priority**
   OCSD, on behalf of Emergency Management Division (EMD), requests a new Emergency Operations Center (EOC) and adjacent parking structure, to enhance disaster preparedness and prompt emergency response and ensure efficient coordination by multiple public safety agencies within the County government structure. The new EOC site will be established in a central location adjacent to existing resources and would allow for quick coordination among agencies and direct emergency efforts, which is essential for emergency response and recovery.

   The facility would have a command center, public hotline rooms, alert and warning rooms and amateur radio rooms. There will be a designated area for multiple public information officers from different response agencies and departments that assist the County of Orange and Operational Area (OA) jurisdictions and partners to coordinate public information ensuring that all residents of Orange County have the latest information to remain safe and secure during an emergency. The new EOC space will also ensure room for the OCSD's mutual aid leads and their staff so that all jurisdictions can remain onsite and available to respond when the EOC is activitated.

   This facility and its communications systems are critical to public safety and is the main coordination and management point for the County during a major emergency. The equipment to be obtained must be reliable and operable during a catastrophic emergency, allow access to programs and data, and ensure use of public alerting systems.

New Emergency Operations Center

The audio-visual, intercom, video, card access and radio systems will provide seamless integration with a robust network with advanced wired and wireless capabilities for improved information sharing during day-to-day and emergency operations.

5. Personnel Impacts

No additional staffing is required.

6. Cost Impact

One-time costs for building the new EOC and Parking Structure project is estimated at $25 million. Estimated costs for equipment will be provided based on the design of the building. This is likely a multi-year project and is in the planning stages.

7. Funding Sources

General Fund support is requested.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	0%	100%	0%

8. Stakeholders

Orange County residents, County agencies and personnel, first responders and Federal and State employees.

The EOC provides emergency management and preparedness services to the unincorporated areas of Orange County and supports the efforts of the Orange County OA. There are over 100 jurisdictions in the OA encompassing all County departments and agencies, public and private organizations and the general population within the boundaries of Orange County.

9. Mandated or Discretionary Program/Project?

Discretionary: While this project is discretionary, the Federal Emergency Management Agency (FEMA) does provide guidelines and best practices for local governments on EOCs.

10. Implementation Period if Funding Were Available

Implementation can begin as early as FY 2024-25, if funding and resources are identified.

New Emergency Operations Center and Parking Structure					
	FY 24-25	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**
I. Cost					
Structures & Improvements	25,000,000	0	0	0	0
Total Cost	**25,000,000**	**0**	**0**	**0**	**0**
II. Non-General Fund Revenue					
No Revenue	0	0	0	0	0
Total Revenue	**0**	**0**	**0**	**0**	**0**
III. General Fund Requirement	**25,000,000**	**0**	**0**	**0**	**0**
IV. Staffing					
No Positions	0	0	0	0	0
Total Positions Funded Per Fiscal Year	**0**	**0**	**0**	**0**	**0**

New Emergency Operations Center and Parking Structure					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
0	0	0	0	0	Structures & Improvements
0	**0**	**0**	**0**	**0**	**Total Cost**
					II. Non-General Fund Revenue
0	0	0	0	0	No Revenue
0	**0**	**0**	**0**	**0**	**Total Revenue**
0	**0**	**0**	**0**	**0**	**III. General Fund Requirement**
					IV. Staffing
0	0	0	0	0	No Positions
0	**0**	**0**	**0**	**0**	**Total Positions Funded Per Fiscal Year**

Search and Rescue Helicopter

1. **Program Area**
   Public Protection

2. **Involved Agencies and Departments**
   OC Sheriff's Department (OCSD)

3. **New or Continuing Strategic Priority**
   This is a new Strategic Priority.

4. **Description of Strategic Priority**
   OCSD, on behalf of Air Support Bureau (ASB), is requesting the purchase of one new 2024 Airbus H145 search and rescue helicopter to replace two existing Bell (Huey) helicopters which are approximately 49 years old and have exceeded or are approaching the end of their useful life expectancy. Due to the long-term retention of the aircraft, issues are occurring with aging mechanical parts, limited replacement part availability, and general age progression.

   The ASB averages over 130 search & rescue calls per year and range from stranded, lost, or missing to critically injured, ill or deceased. Many calls require individuals be airlifted directly to the hospital. The ASB performs these rescues from the mountains to the ocean, in areas that are remote, rugged, and difficult to access. Additionally, the new helicopter will allow ASB to conduct aerial firefighting and carry food, medical supplies, or first responder personnel in the event of a natural disaster.

5. **Personnel Impacts**
   No additional staffing is required.

6. **Cost Impact**
   One-time cost for the search and rescue helicopter is estimated at $15 million.

7. **Funding Sources**
   General Fund support is requested.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	0%	100%	0%

Search and Rescue Helicopter

8. Stakeholders
Orange County residents and first responder personnel.

9. Mandated or Discretionary Program/Project?
Discretionary: This project is discretionary but is a critical component to the operations of the OCSD.

10. Implementation Period if Funding Were Available
Implementation can begin as early as FY 2024-25, if funding and resources are identified.

Search and Rescue Helicopter					
	FY 24-25	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**
I. Cost					
Equipment	15,000,000	0	0	0	0
Total Cost	**15,000,000**	**0**	**0**	**0**	**0**
II. Non-General Fund Revenue					
No Revenue	0	0	0	0	0
Total Revenue	**0**	**0**	**0**	**0**	**0**
III. General Fund Requirement	**15,000,000**	**0**	**0**	**0**	**0**
IV. Staffing					
No Positions	0	0	0	0	0
Total Positions Funded Per Fiscal Year	**0**	**0**	**0**	**0**	**0**

Search and Rescue Helicopter					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
0	0	0	0	0	Equipment
0	**0**	**0**	**0**	**0**	**Total Cost**
					II. Non-General Fund Revenue
0	0	0	0	0	No Revenue
0	**0**	**0**	**0**	**0**	**Total Revenue**
0	**0**	**0**	**0**	**0**	**III. General Fund Requirement**
					IV. Staffing
0	0	0	0	0	No Positions
0	**0**	**0**	**0**	**0**	**Total Positions Funded Per Fiscal Year**

Theo Lacy Facility Additional Staffing

1. **Program Area**
   Public Protection

2. **Involved Agencies and Departments**
   OC Sheriff's Department (OCSD)

3. **New or Continuing Strategic Priority**
   This is a continuing Strategic Priority previously identified in the 2021 and 2022 Strategic Financial Plans.

4. **Description of Strategic Priority**
   The County, along with OCSD and Health Care Agency (HCA) Correctional Health Services (CHS), are committed to implementation of the projects identified in the OC CARES 2025 Vision Report. One of the main objectives is to increase and enhance programming, treatment and services for those in-custody to better prepare them for post custody services or reentering the community upon release. Additionally, there is a commitment to ensuring inmates have continued access to medical and mental health care. This has been addressed as part of the OC CARES 2025 Vision and Sabot Consulting Report from August 7, 2020. There are also federal, state, and departmental policies guaranteeing inmates' access to care. These include the American with Disabilities Act, 28 CFR § 35.152, Unruh Civil Rights Act, and Title 15 of the California Code of Regulations (CCR).

   In recent years, CHS added over 170 positions to enhance in-custody behavioral health treatment which was identified in previous Strategic Financial Plans. Additionally, the Theo Lacy Facility (TLF) implemented various new programs to address inmate mental health and provide enhanced reentry programs. The increased CHS staffing and new programs implementation creates a need for additional staffing to provide security and supervision when inmates receive treatment for medical and mental health services and transportation to hospitals for advanced treatment. There is also an increased need to provide general security for the medical office and security and supervision in the new specialty housing units.

   CHS Staff Security (20 Deputy Sheriff Is):
   In FY 2021-22, CHS completed their expansion of an additional 170 positions over a three-year period with no corresponding increases to OCSD staffing at the Deputy level.

Theo Lacy Facility Additional Staffing

The additional 20 positions are requested to provide appropriate staffing levels in conjunction with the increased medical and mental health staffing. Deputies would be assigned to each of the eleven housing locations at TLF, which has a capacity of 3,430 inmates, to provide security where medical and mental health staff respond and provide care to inmates.

Medical Office Security (10 Deputy Sheriff Is)**:**
The additional deputies would enhance the safety and security of the medical office by ensuring adequate coverage of staff and inmates, providing additional safety checks and general security services to the medical providers working inside the medical office and providing escort services for inmates transferring from housing to medical offices for treatment.

Inmate Transportation and Emergency Room Treatment (four Deputy Sheriff Is)**:**
Inmates often require medical treatment that can't be provided by the CHS medical staff. Once it is determined that an inmate needs to be transported to a hospital, deputies are assigned to travel with the inmate in the ambulance. The number of deputies assigned to the inmate is based on the inmate's housing classification. As TLF is a maximum-security jail complex, many inmates require two or more deputies in attendance any time the inmate moves outside of their normal housing assignment. The deputies ensure the safety of the medical staff during transportation and that the inmate does not attempt to escape from custody. The deputies escorting the inmate are reassigned from various other duties at TLF. Over the last four years, the number of inmates requiring transportation and treatment in the Emergency Room has increased.

New Specialized Housing Units and Programming (two Deputy Sheriff Is)**:**
TLF has implemented or is in the process of implementing, several new programs and specialty housing units. These include specialized housing units for the mentally ill, in-custody substance use treatment and enhanced reentry programs. These programs and specialized housing units include the Housing Unit for Military Veterans (HUMV), Transitional Aged Youth (TAY), Phoenix House, Cell Dog, and a Step-Down program. These programs and specialized housing units require escort of inmate movements and supervision of classes.

5. Personnel Impacts

For strategic planning purposes, 36 additional Deputy Sheriff I positions would be needed to enhance safety and security of the medical offices at TLF.

Theo Lacy Facility Additional Staffing

6. **Cost Impact**
Estimated annual ongoing staffing costs range from $7.7 million in FY 2024-25 to $8.5 million in FY 2028-29 and beyond.

7. **Funding Sources**
General Fund support is requested.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	0%	100%	0%

8. **Stakeholders**
OCSD, HCA CHS, Advocacy Groups and Disability Right California (DRC).

9. **Mandated or Discretionary Program/Project?**
Discretionary: This project would help fulfill the County's commitment to the 2025 Vision plan for inmates to successfully reenter society after their period in the correctional system has concluded and to provide inmates' access to the most integrated and least restrictive setting possible. The additional staffing would ensure OCSD and CHS staff continue to operate in a safe and secure environment.

10. **Implementation Period if Funding Were Available**
Implementation can begin as early as FY 2024-25, if funding and resources are identified.

Theo Lacy Facility Additional Staffing					
	FY 24-25	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**
I. Cost					
Salaries & Benefits	7,720,198	7,843,814	8,043,932	8,292,202	8,537,376
Total Cost	**7,720,198**	**7,843,814**	**8,043,932**	**8,292,202**	**8,537,376**
II. Non-General Fund Revenue					
No Revenue	0	0	0	0	0
Total Revenue	**0**	**0**	**0**	**0**	**0**
III. General Fund Requirement	**7,720,198**	**7,843,814**	**8,043,932**	**8,292,202**	**8,537,376**
IV. Staffing					
Deputy Sheriff I	36	36	36	36	36
Total Positions Funded Per Fiscal Year	**36**	**36**	**36**	**36**	**36**

Theo Lacy Facility Additional Staffing					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
8,537,376	8,537,376	8,537,376	8,537,376	8,537,376	Salaries & Benefits
8,537,376	**8,537,376**	**8,537,376**	**8,537,376**	**8,537,376**	**Total Cost**
					II. Non-General Fund Revenue
0	0	0	0	0	No Revenue
0	**0**	**0**	**0**	**0**	**Total Revenue**
8,537,376	**8,537,376**	**8,537,376**	**8,537,376**	**8,537,376**	**III. General Fund Requirement**
					IV. Staffing
36	36	36	36	36	Deputy Sheriff I
36	**36**	**36**	**36**	**36**	**Total Positions Funded Per Fiscal Year**

Correctional Health Services – Medi-Cal Billing Implementation

1. **Program Area**
   Community Services

2. **Involved Agencies and Departments**
   Health Care Agency (HCA)

3. **New or Continuing Strategic Priority**
   This is a new Strategic Priority.

4. **Description of Strategic Priority**
   Effective October 2024, due to Medi-Cal billing changes, HCA Correctional Health Services (CHS) requests additional positions to perform billing, allowable under CalAIM, for services provided 90 days pre-release and to provide case management, tracking and linkage to Medi-Cal providers upon release of detained youth and incarcerated adults.

   This priority aligns with the OC CARES initiative of decreasing the number of mentally ill individuals in the criminal justice system. CalAIM helps ensure Medi-Cal enrollment and warm hand-offs to community providers, as well as expands the number of providers and resources available to this population. These safety nets support the reintegration of these individuals back into their communities, with the hope of preventing a return to incarceration or detention.

5. **Personnel Impacts**
   For strategic planning purposes, an additional 31 positions would be needed.

Classification	No. of Positions
Juvenile Hall Positions:	
Comprehensive Care Nurse II	2
Staff Specialist	1
Staff Specialist (Part-Time)	1
Adult Jails Positions:	
Comprehensive Care Nurse II	6
HCA Service Chief II	4
Staff Specialist	5
Senior Comprehensive Care Nurse	3

Correctional Health Services – Medi-Cal Billing Implementation

Classification	No. of Positions
Pharmacist	4
Pharmacy Technician	4
IT Systems Technician II	1
Total Positions	**31**

Furthermore, the Auditor-Controller, HCA Accounting unit may require one additional position to support the Medical Billing Unit (not included in this Strategic Priority).

6. **Cost Impact**

Estimated one-time operating expenses and annual ongoing staffing costs range from $7 million in FY 2024-25 to $7.4 million in FY 2028-29 and beyond.

7. **Funding Sources**

Costs related to this Strategic Priority would be funded through Medi-Cal billings.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	0%	0%	100%

8. **Stakeholders**

Individuals in County jails and juvenile facilities, Board of Supervisors, HCA CHS, County Executive Office, OC Sheriff's Department (OCSD), Probation Department and Auditor-Controller.

9. **Mandated or Discretionary Program/Project?**

Discretionary: Medi-Cal billing for services eligible under CalAIM is discretionary; however, it has potential to offset general fund obligations to provide mandated services. Billing estimates need to be evaluated to determine if revenue is sufficient to offset all costs related to the implementation of this Strategic Priority.

10. **Implementation Period if Funding Were Available**

Implementation will be in FY 2024-25, if funding and resources are identified.

Correctional Health Services - Medi-Cal Billing implementation					
	FY 24-25	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**
I. Cost					
Other Charges	12,000	12,000	12,000	12,000	12,000
Salaries & Benefits	5,459,888	5,719,970	5,809,958	5,936,498	6,046,142
Services & Supplies	1,571,310	1,268,864	1,283,892	1,305,024	1,323,334
Total Cost	**7,043,198**	**7,000,834**	**7,105,850**	**7,253,522**	**7,381,476**
II. Non-General Fund Revenue					
Charges For Services	7,043,198	7,000,834	7,105,850	7,253,522	7,381,476
Total Revenue	**7,043,198**	**7,000,834**	**7,105,850**	**7,253,522**	**7,381,476**
III. General Fund Requirement	**0**	**0**	**0**	**0**	**0**
IV. Staffing					
Comprehensive Care Nurse II	8	8	8	8	8
HCA Service Chief II	4	4	4	4	4
IT Systems Technician II	1	1	1	1	1
Pharmacist	4	4	4	4	4
Pharmacy Technician	4	4	4	4	4
Senior Comprehensive Care Nurse	3	3	3	3	3
Staff Specialist	7	7	7	7	7
Total Positions Funded Per Fiscal Year	**31**	**31**	**31**	**31**	**31**

Correctional Health Services - Medi-Cal Billing implementation					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
12,000	12,000	12,000	12,000	12,000	Other Charges
6,046,142	6,046,142	6,046,142	6,046,142	6,046,142	Salaries & Benefits
1,323,334	1,323,334	1,323,334	1,323,334	1,323,334	Services & Supplies
7,381,476	**7,381,476**	**7,381,476**	**7,381,476**	**7,381,476**	**Total Cost**
					II. Non-General Fund Revenue
7,381,476	7,381,476	7,381,476	7,381,476	7,381,476	Charges For Services
7,381,476	**7,381,476**	**7,381,476**	**7,381,476**	**7,381,476**	**Total Revenue**
0	**0**	**0**	**0**	**0**	**III. General Fund Requirement**
					IV. Staffing
8	8	8	8	8	Comprehensive Care Nurse II
4	4	4	4	4	HCA Service Chief II
1	1	1	1	1	IT Systems Technician II
4	4	4	4	4	Pharmacist
4	4	4	4	4	Pharmacy Technician
3	3	3	3	3	Senior Comprehensive Care Nurse
7	7	7	7	7	Staff Specialist
31	**31**	**31**	**31**	**31**	**Total Positions Funded Per Fiscal Year**

Environmental Health – Street Vending Program

1. **Program Area**
Community Services

2. **Involved Agencies and Departments**
Health Care Agency (HCA)

3. **New or Continuing Strategic Priority**
This is a new Strategic Priority.

4. **Description of Strategic Priority**
The Environmental Health Division (EH) provides mandated regulatory oversight including permitting, inspection and enforcement activities for businesses and entities throughout the County. EH encompasses a wide variety of programs, each designed to monitor and protect the environment as well as protect public health and safety.

With the passage of Senate Bill (SB) 946 in 2019, by local ordinance or resolution, cities are able to create limits on time, place and manner sidewalk vending activities occur. Since thgen, Orange County began seeing an increase in sidewalk food vendors who were preparing and/or selling food without a health permit. EH began conducting outreach in 2021 to assist street vendors with the process to receive a health permit. In addition, EH in partnership with cities and the Board of Supervisors offices has increased education, outreach and enforcement efforts regulating sidewalk vending activities.

This Strategic Priority would provide additional staffing to implement a dedicated sidewalk vending program to conduct education, outreach, surveillance and enforcement activities and to develop relevant educational materials and presentations to assist and support street food vendors with obtaining health permits, as well as protect consumers by increasing compliance and awareness of food safety laws.

5. **Personnel Impacts**
For strategic planning purposes, an additional 13 positions would be needed.

Classification	No. of Positions
Environmental Health Specialist III	10
Environmental Health Technician II	2
Supervising Environmental Health Specialist	1
Total Positions	**13**

Environmental Health – Street Vending Program

6. Cost Impact

Estimated one-time operating expenses and annual ongoing staffing costs range from $2.3 million in FY 2024-25 to $2.4 million in FY 2028-29 and beyond.

7. Funding Sources

Funding for EH programs is attained through fees assessed in accordance with respective program laws and regulations to recover the costs of administering and enforcing the regulatory programs. EH regularly conducts fee studies and includes program costs, business inventories, anticipated program changes and actual staff activity time in the calculation of a regulatory program fee. EH fees are designed to recover the cost of regulating the community's environmental health, rather than being simply a fee for a specific government-provided service. In order to offset these added costs, an updated fee study that includes additional inventory and staffing must be approved by the Board of Supervisors prior to implementation.

Costs related to this Strategic Priority would be funded from EH fees.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	0%	0%	100%

8. Stakeholders

The municipalities of Orange County, affected regulated businesses, non-governmental organizations, and the general public.

9. Mandated or Discretionary Program/Project?

Mandated: EH programs are mandated by the State of California and delegated to local health or comprehensive environmental agencies. EH programs administered under a local health agency are organized under the provisions of Chapter 3, Subchapter 1 (Section 1250 et seq.) of Title 17 of the California Code of Regulations.

10. Implementation Period if Funding Were Available

Full implementation is anticipated in FY 2024-25, dependent on the hiring and training of the additional positions.

Environmental Health - Street Vending Program					
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
I. Cost					
Salaries & Benefits	2,001,719	2,096,509	2,130,233	2,177,203	2,218,209
Services & Supplies	261,037	187,359	127,359	127,359	179,255
Total Cost	**2,262,756**	**2,283,868**	**2,257,592**	**2,304,562**	**2,397,464**
II. Non-General Fund Revenue					
Charges for Services	2,262,756	2,283,868	2,257,592	2,304,562	2,397,464
Total Revenue	**2,262,756**	**2,283,868**	**2,257,592**	**2,304,562**	**2,397,464**
III. General Fund Requirement	**0**	**0**	**0**	**0**	**0**
IV. Staffing					
Environmental Health Specialist III	10	10	10	10	10
Environmental Health Technician II	2	2	2	2	2
Supervising Environmental Health Specialist	1	1	1	1	1
Total Positions Funded Per Fiscal Year	**13**	**13**	**13**	**13**	**13**

Environmental Health - Street Vending Program					
FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34	
					I. Cost
2,218,209	2,218,209	2,218,209	2,218,209	2,218,209	Salaries & Benefits
127,359	127,359	127,359	179,255	127,359	Services & Supplies
2,345,568	**2,345,568**	**2,345,568**	**2,397,464**	**2,345,568**	**Total Cost**
					II. Non-General Fund Revenue
2,345,568	2,345,568	2,345,568	2,397,464	2,345,568	Charges for Services
2,345,568	**2,345,568**	**2,345,568**	**2,397,464**	**2,345,568**	**Total Revenue**
0	**0**	**0**	**0**	**0**	**III. General Fund Requirement**
					IV. Staffing
10	10	10	10	10	Environmental Health Specialist III
2	2	2	2	2	Environmental Health Technician II
1	1	1	1	1	Supervising Environmental Health Specialist
13	**13**	**13**	**13**	**13**	**Total Positions Funded Per Fiscal Year**

Long-Term Care Beds

1. **Program Area**
   Community Services

2. **Involved Agencies and Departments**
   Health Care Agency (HCA)

3. **New or Continuing Strategic Priority**
   This is a new Strategic Priority initially identified as an Emergining Initiative in the 2021 Strategic Financial Plan.

4. **Description of Strategic Priority**
   This Strategic Priority requests to expand the inpatient psychiatric system inventory and availability of in-county Long-Term Care (LTC) beds for the most vulnerable individuals with serious mental illness in Orange County. Individuals who no longer need acute psychiatric hospital level of care often wait for several months until a LTC placement becomes available. Recent increases in Lanterman-Petris-Short Act (LPS) conservatorships deeming individuals gravely disabled and unable to return to the community, as well as increases in court-ordered placement in locked facilities, has increased the already existing need for additional LTC beds.

   The shortage of LTC beds creates a bottleneck in the acute facilities, the local emergency departments and HCA crisis services. In addition, since the majority of LTC facilities are located out-of-county, it results in higher bed rates for HCA and the potential loss of placements. Furthermore, these out-of-county placements prevent individuals and their family members from experiencing the full benefits of re-integration into their community.

   The goal is to add an additional 40 in-county LTC beds in order to significantly increase the flow of mentally ill individuals within the inpatient system of care, which would greatly benefit the individual, their family members and the community.

5. **Personnel Impacts**
   No additional staffing is required.

6. **Cost Impact**
   Estimated annual ongoing contracted costs range from $4.1 million in FY 2024-25 to $5.3 million in FY 2033-34.

Long-Term Care Beds

7. Funding Sources

2011 Mental Health Realignment

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	100 %	0%	0%

8. Stakeholders

County of Orange, community based-organizations, community healthcare providers, hospitals and Hospital Association of Southern California.

9. Mandated or Discretionary Program/Project?

Discretionary: This project is discretionary but is a critical component in the County's mental health services and systems, including prevention, protection, and promotion.

10. Implementation Period if Funding Were Available

Should ongoing funding become available, full implementation would occur over 6 to 9 months period in FY 2024-25.

Long-Term Care Beds					
	FY 24-25	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**
I. Cost					
Services & Supplies	4,061,181	4,183,016	4,308,507	4,437,762	4,570,895
Total Cost	**4,061,181**	**4,183,016**	**4,308,507**	**4,437,762**	**4,570,895**
II. Non-General Fund Revenue					
Intergovernmental Revenues	4,061,181	4,183,016	4,308,507	4,437,762	4,570,895
Total Revenue	**4,061,181**	**4,183,016**	**4,308,507**	**4,437,762**	**4,570,895**
III. General Fund Requirement	**0**	**0**	**0**	**0**	**0**
IV. Staffing					
No Positions	0	0	0	0	0
Total Positions Funded Per Fiscal Year	**0**	**0**	**0**	**0**	**0**

Long-Term Care Beds					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
4,708,022	4,849,262	4,994,740	5,144,583	5,298,920	Services & Supplies
4,708,022	**4,849,262**	**4,994,740**	**5,144,583**	**5,298,920**	**Total Cost**
					II. Non-General Fund Revenue
4,708,022	4,849,262	4,994,740	5,144,583	5,298,920	Intergovernmental Revenues
4,708,022	**4,849,262**	**4,994,740**	**5,144,583**	**5,298,920**	**Total Revenue**
0	**0**	**0**	**0**	**0**	**III. General Fund Requirement**
					IV. Staffing
0	0	0	0	0	No Positions
0	**0**	**0**	**0**	**0**	**Total Positions Funded Per Fiscal Year**

Mobile Crisis Benefit Expansion

1. **Program Area**
   Community Services

2. **Involved Agencies and Departments**
   Health Care Agency (HCA)

3. **New or Continuing Strategic Priority**
   This is a new Strategic Priority.

4. **Description of Strategic Priority**
   As a result of Information Notice (IN) 23-025, the County is required to submit an implementation plan for the Medi-Cal Mobile Crisis Benefit (MCB) to the Department of Health Care Services by October 31, 2023.

   The MCB requires two person teams dispatching on a 24/7 basis with continued access to a mobile crisis services hotline. At least one member of the team will be able to conduct a crisis assessment and trained to administer naloxone. In addition, the teams shall include or have access to a licensed clinician at all times. The MCB teams will be required to meet a standard 60-minute or less response time from the time of the identified need to the arrival at the place of the crisis. The MCB teams will provide services to both youth and adults and will be required to provide or coordinate transportation needs, provide warm handoffs when additional stabilization and/or treatment services are identified, coordinate referrals to appropriate health, social and other support services and perform short-term follow-up to ensure the crisis is resolved and ongoing care is provided.

   This Strategic Priority would provide additional staffing to accommodate increased program needs and comply with the MCB mandate with the goal of reducing law enforcement as the defacto first line of response to behavioral health calls by directing MCB teams to respond to mental health related emergencies. This will better address the immediate mental health implications and safety of the individuals and the community in addition to providing a more trauma informed approach to mental health crisis and will allow for more immediate linkage to behavioral health resources versus the legal justice system. In addition, this priority also aligns with the County's 2025 Vision for OC CARES, Justice through Prevention and Intervention.

Mobile Crisis Benefit Expansion

5. Personnel Impacts

For strategic planning purposes, an additional 47 positions would be needed to provide the required two person teams dispatching on 24 hours a day, seven days a week on a (24/7) basis.

Classification	No. of Positions
HCA Service Chief II	4
Mental Health Specialist	28
Mental Health Worker II	14
Office Specialist	1
Total Positions	**47**

6. Cost Impact

Estimated one-time operating expenses and annual ongoing staffing costs range from $6.4 million in FY 2024-25 to $6.9 million in FY 2028-29 and beyond. Anticipated costs include 29 to 31 vehicles totaling $2 million which is included in the FY 2023-24 budget.

7. Funding Sources

MCB services are eligible for Medi-Cal Federal Financial Participation revenue estimated at 85% of costs once HCA meets the requirements outlined in the Information Notice from DHCS. Other potential funding sources for the remaining 15% of costs may include Realignment funds or Mental Health Services Act (MHSA). There may be possible limitations on MHSA due to the modernization and reformation of funding that may be a ballot measure this year.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	15%	0%	85%

8. Stakeholders

Consumer and Family/Peer Advocacy Groups
Law Enforcement Partners and First Responders
Community Behavioral Health and Medical Providers
Orange County Hospitals and Emergency Departments
Crisis Response and PERT teams
Community Based Organizations
Schools and School Districts

Mobile Crisis Benefit Expansion

9. Mandated or Discretionary Program/Project?
Mandated: The program is mandated as a result of Information Notice (IN) 23-025.

10. Implementation Period if Funding Were Available
Full implementation is anticipated by December 31, 2024.

Mobile Crisis Benefit Expansion					
	FY 24-25	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**
I. Cost					
Other Charges	413,600	413,600	413,600	413,600	413,600
Salaries & Benefits	5,390,070	5,650,288	5,749,000	5,883,512	6,003,026
Services & Supplies	581,424	423,611	430,507	439,904	448,253
Total Cost	**6,385,094**	**6,487,499**	**6,593,107**	**6,737,016**	**6,864,879**
II. Non-General Fund Revenue					
Charges For Services	5,427,330	5,514,374	5,604,141	5,726,464	5,835,147
Other Financing Sources	957,764	973,125	988,966	1,010,552	1,029,732
Total Revenue	**6,385,094**	**6,487,499**	**6,593,107**	**6,737,016**	**6,864,879**
III. General Fund Requirement	**0**	**0**	**0**	**0**	**0**
IV. Staffing					
HCA Service Chief II	4	4	4	4	4
Mental Health Specialist	28	28	28	28	28
Mental Health Worker II	14	14	14	14	14
Office Specialist	1	1	1	1	1
Total Positions Funded Per Fiscal Year	**47**	**47**	**47**	**47**	**47**

Mobile Crisis Benefit Expansion					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
413,600	413,600	413,600	413,600	413,600	Other Charges
6,003,026	6,003,026	6,003,026	6,003,026	6,003,026	Salaries & Benefits
624,245	448,253	448,253	448,253	448,253	Services & Supplies
7,040,871	**6,864,879**	**6,864,879**	**6,864,879**	**6,864,879**	**Total Cost**
					II. Non-General Fund Revenue
5,984,740	5,835,147	5,835,147	5,835,147	5,835,147	Charges For Services
1,056,131	1,029,732	1,029,732	1,029,732	1,029,732	Other Financing Sources
7,040,871	**6,864,879**	**6,864,879**	**6,864,879**	**6,864,879**	**Total Revenue**
0	**0**	**0**	**0**	**0**	**III. General Fund Requirement**
					IV. Staffing
4	4	4	4	4	HCA Service Chief II
28	28	28	28	28	Mental Health Specialist
14	14	14	14	14	Mental Health Worker II
1	1	1	1	1	Office Specialist
47	**47**	**47**	**47**	**47**	**Total Positions Funded Per Fiscal Year**

Strengthening Environmental Health Division

1. **Program Area**
Community Services

2. **Involved Agencies and Departments**
Health Care Agency (HCA)

3. **New or Continuing Strategic Priority**
This is a continuing Strategic Priority previously identified in the 2022 Strategic Financial Plan (SFP) under the title *Expand Environmental Health Division* and as an Emerging Initiative in the 2021 SFP.

4. **Description of Strategic Priority**
The Environmental Health Division (EH) provides mandated regulatory oversight including permitting, inspection and enforcement activities for businesses and entities throughout the County. EH encompasses a wide variety of programs, each designed to monitor and protect the environment as well as protect public health and safety. Examples of these programs include food protection, foodborne illness prevention, public pool inspections, hazardous materials surveillance and mitigation oversight, medical waste management inspections, solid waste management oversight, water quality monitoring of oceans and beaches, childhood lead exposure prevention, underground and aboveground storage tank oversight, body art facility and practitioner oversight, and used oil recycling education.

Local land development, new construction, and new laws and regulations have steadily increased EH inventory and demand for inspections. The County benefits from sufficient inspection frequency and the opportunity to continue to ensure compliance with relevant health and safety codes, to reduce the number of unpermitted businesses, such as street food vendors, as well as to identify enforcement cases. This Strategic Priority would provide additional staffing to accommodate increased program needs, especially within the Food and Pool Safety program, to continue to conduct regular inspections and compliance enforcement to protect the environment as well as protect public health and safety in Orange County.

Strengthening Environmental Health Division

5. Personnel Impacts

For strategic planning purposes, an additional 47 positions would be needed.

Classification	No. of Positions
Civil Engineer	1
Environmental Health Specialist III	26
Environmental Health Technician II	6
Hazardous Materials Specialist III	6
Office Manager	1
Regulatory Compliance Administrator	1
Staff Specialist	1
Supervising Environmental Health Specialist	4
Supervising Hazardous Materials Specialist	1
Total Positions	**47**

6. Cost Impact

Estimated one-time operating expenses and annual ongoing staffing costs range from $3.7 million in FY 2024-25 to $10.4 million in FY 2028-29 and beyond.

7. Funding Sources

Costs related to this Strategic Priority would be funded by 5% Net County Cost and 95% EH fees.

Funding for EH programs is attained through fees assessed in accordance with respective program laws and regulations to recover the costs of administering and enforcing the regulatory programs. EH regularly conducts fee studies and includes program costs, business inventories, anticipated program changes and actual staff activity time in the calculation of a regulatory program fee. EH fees are designed to recover the cost of regulating the community's environmental health, rather than being simply a fee for a specific government-provided service. In order to offset these added costs, an updated fee study that includes additional inventory and staffing must be approved by the Board of Supervisors prior to implementation. In addition, EH is actively pursuing Center of Disease Control grant funding, which could partially offset these costs.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	0%	5%	95%

Strengthening Environmental Health Division

8. Stakeholders

The municipalities of Orange County, affected regulated businesses, non-governmental organizations, consumers, residents and visitors of Orange County, cities, corresponding industry organizations such as restaurant associations in Orange County, and local fire agencies.

9. Mandated or Discretionary Program/Project?

Mandated: EH programs are mandated by the State of California and delegated to local health or comprehensive environmental agencies. EH programs administered under a local health agency are organized under the provisions of Chapter 3, Subchapter 1 (Section 1250 et seq.) of Title 17 of the California Code of Regulations.

10. Implementation Period if Funding Were Available

Full implementation is anticipated by FY 2028-29, dependent on Board of Supervisors approval of an updated fee study.

Strenghtening Environmental Health Division					
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
I. Cost					
Other Charges	203,590	221,293	235,726	249,819	256,607
Salaries & Benefits	2,603,665	5,120,214	7,148,715	7,837,849	8,168,899
Services & Supplies	940,921	1,487,179	1,882,337	2,029,437	2,041,790
Total Cost	**3,748,176**	**6,828,686**	**9,266,778**	**10,117,105**	**10,467,296**
II. Non-General Fund Revenue					
Charges For Services	3,560,767	6,487,252	8,803,439	9,611,250	9,943,931
Total Revenue	**3,560,767**	**6,487,252**	**8,803,439**	**9,611,250**	**9,943,931**
III. General Fund Requirement	**187,409**	**341,434**	**463,339**	**505,855**	**523,365**
IV. Staffing					
Civil Engineer	1	1	1	1	1
Environmental Health Specialist III	8	16	24	26	26
Environmental Health Technician II	2	4	6	6	6
Hazardous Materials Specialist III	2	3	4	5	6
Office Manager	0	1	1	1	1
Regulatory Compliance Administrator	1	1	1	1	1
Staff Specialist	0	1	1	1	1
Supervising Environmental Health Specialist	2	3	4	4	4
Supervising Hazardous Materials Specialist	0	1	1	1	1
Total Positions Funded Per Fiscal Year	**16**	**31**	**43**	**46**	**47**

Strenghtening Environmental Health Division					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
256,607	256,607	256,607	256,607	256,607	Other Charges
8,168,899	8,168,899	8,168,899	8,168,899	8,168,899	Salaries & Benefits
1,985,525	1,969,557	1,965,565	2,005,485	1,985,525	Services & Supplies
10,411,031	**10,395,063**	**10,391,071**	**10,430,991**	**10,411,031**	**Total Cost**
					II. Non-General Fund Revenue
9,890,479	9,875,310	9,871,527	9,909,441	9,890,479	Charges For Services
9,890,479	**9,875,310**	**9,871,527**	**9,909,441**	**9,890,479**	**Total Revenue**
520,552	**519,753**	**519,544**	**521,550**	**520,552**	**III. General Fund Requirement**
					IV. Staffing
1	1	1	1	1	Civil Engineer
26	26	26	26	26	Environmental Health Specialist III
6	6	6	6	6	Environmental Health Technician II
6	6	6	6	6	Hazardous Materials Specialist III
1	1	1	1	1	Office Manager
1	1	1	1	1	Regulatory Compliance Administrator
1	1	1	1	1	Staff Specialist
4	4	4	4	4	Supervising Environmental Health Specialist
1	1	1	1	1	Supervising Hazardous Materials Specialist
47	**47**	**47**	**47**	**47**	**Total Positions Funded Per Fiscal Year**

Expand CalFresh for Assistance Programs

1. **Program Area**
   Community Services

2. **Involved Agencies and Departments**
   Social Services Agency (SSA)

3. **New or Continuing Strategic Priority**
   This is a new Strategic Priority.

4. **Description of Strategic Priority**
   The CalFresh Program, federally referred to as the Supplemental Nutrition Assistance Program, provides eligible low-income households financial assistance to purchase food. Benefit allotment ranges depending on household size, income, and expenses.

   The 2020 Budget Act required California Department of Social Services (CDSS), in partnership with counties, to update the methodology used to determine the annual funding for counties administration of the CalFresh Program, beginning with FY 2021-22. Pursuant to Chapter 537, Statutes of 2022 (Asembly Bill 207), the methodology used was updated with statewide assumptions and variables including application volumes, case types and current eligibility worker costs, resulting in a re-baselining with additional funding for County CalFresh administration to address increased staffing and operational needs.

   This Strategic Priority would provide additional staffing to accommodate increased application volumes and caseloads to continue processing cases accurately and timely, and to administer the CalFresh program within established state guidelines and mandates, so SSA’s external customers receive the maximum CalFresh benefits possible.

   The CalFresh monthly average applications received increased by 9.6% from 173,200 in FY 2021-22 to 189,814 in FY 2022-23. CalFresh caseloads increased by 52% from 117,504 in FY 2019-20 to 178,731 in FY 2022-23. Program expansion and caseload growth are expected to continue due to updated federal and state mandates.

Expand CalFresh for Assistance Programs

5. **Personnel Impacts**
For strategic planning purposes, 272 additional positions would be needed beginning in FY 2024-25: 258 positions for CalFresh operations, supported by 14 positions for human resources, training, and general administration.

Classification	No. of Positions
Data Entry Technician	10
Eligibility Supervisor	25
Eligibility Technician	202
Human Resources Administrator	1
Human Services Manager	2
Human Services Manager, Senior	1
Office Specialist	1
Office Supervisor C	1
Office Technician	10
Social Services Supervisor I	12
Social Services Supervisor II	2
Staff Development Specialist	1
Staff Specialist	4
Total Positions	**272**

6. **Cost Impact**
Estimated annual ongoing staffing costs range from $20.4 million in FY 2024-25 to $22.2 million in FY 2028-29 and beyond.

7. **Funding Sources**
Federal and State CalFresh, Net County Cost

Funding Sources			
Federal	**State**	**General Fund**	**Other**
50%	35%	15%	0%

8. **Stakeholders**
Assistance Program clients, legal advocates, community partners, food banks, community clinics, homeless shelters.

Expand CalFresh for Assistance Programs

9. **Mandated or Discretionary Program/Project?**
   Mandated: CalFresh is an existing federal and state-mandated program administered by each county under the direction of CDSS.

10. **Implementation Period if Funding Were Available**
    Should ongoing funding become available, activities required to expand this program can be initiated immediately and would occur in FY 2024-25.

Expand CalFresh for Assistance Programs					
	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
I. Cost					
Salaries & Benefits	20,391,920	20,923,282	21,296,864	21,778,354	22,176,454
Total Cost	**20,391,920**	**20,923,282**	**21,296,864**	**21,778,354**	**22,176,454**
II. Non-General Fund Revenue					
Intergovernmental Revenues	17,333,132	17,784,790	18,102,334	18,511,601	18,739,986
Total Revenue	**17,333,132**	**17,784,790**	**18,102,334**	**18,511,601**	**18,739,986**
III. General Fund Requirement	**3,058,788**	**3,138,492**	**3,194,530**	**3,266,753**	**3,436,468**
IV. Staffing					
Data Entry Technician	10	10	10	10	10
Eligibility Supervisor	25	25	25	25	25
Eligibility Technician	202	202	202	202	202
Human Resources Administrator	1	1	1	1	1
Human Services Manager	2	2	2	2	2
Human Services Manager, Senior	1	1	1	1	1
Office Specialist	1	1	1	1	1
Office Supervisor C	1	1	1	1	1
Office Technician	10	10	10	10	10
Social Services Supervisor I	12	12	12	12	12
Social Services Supervisor II	2	2	2	2	2
Staff Development Specialist	1	1	1	1	1
Staff Specialist	4	4	4	4	4
Total Positions Funded Per Fiscal Year	**272**	**272**	**272**	**272**	**272**

Expand CalFresh for Assistance Programs					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
22,176,454	22,176,454	22,176,454	22,176,454	22,176,454	Salaries & Benefits
22,176,454	**22,176,454**	**22,176,454**	**22,176,454**	**22,176,454**	**Total Cost**
					II. Non-General Fund Revenue
18,739,986	18,739,986	18,739,986	18,739,986	18,739,986	Intergovernmental Revenues
18,739,986	**18,739,986**	**18,739,986**	**18,739,986**	**18,739,986**	**Total Revenue**
3,436,468	**3,436,468**	**3,436,468**	**3,436,468**	**3,436,468**	**III. General Fund Requirement**
					IV. Staffing
10	10	10	10	10	Data Entry Technician
25	25	25	25	25	Eligibility Supervisor
202	202	202	202	202	Eligibility Technician
1	1	1	1	1	Human Resources Administrator
2	2	2	2	2	Human Services Manager
1	1	1	1	1	Human Services Manager, Senior
1	1	1	1	1	Office Specialist
1	1	1	1	1	Office Supervisor C
10	10	10	10	10	Office Technician
12	12	12	12	12	Social Services Supervisor I
2	2	2	2	2	Social Services Supervisor II
1	1	1	1	1	Staff Development Specialist
4	4	4	4	4	Staff Specialist
272	**272**	**272**	**272**	**272**	**Total Positions Funded Per Fiscal Year**

Master Plan for Aging

1. **Program Area**
   Community Services

2. **Involved Agencies and Departments**
   Social Services Agency (SSA)
   OC Community Resources (OCCR)
   Health Care Agency (HCA)
   County Executive Office (CEO)

3. **New or Continuing Strategic Priority**
   This is a continuing Strategic Priority previously identified in the 2021 and 2022 Strategic Financial Plans.

4. **Description of Strategic Priority**
   California's Master Plan for Aging (MPA) was released in January 2021 and includes a person-centered, data driven, ten-year plan to prepare the State for coming demographic changes and continue California's leadership in aging, disability, and equity. The plan includes five overarching goals in the areas of Housing, Health, Inclusion, Caregiving, and Affordability, along with a Playbook to guide counties on how to approach developing their own plans. The purpose of the MPA is to provide counties with a framework to identify gaps in services and to establish programs to better meet the needs of the aging population. The MPA aligns with the County's overall vision of integrating services to ensure the health and safety of Orange County residents. With the senior population (ages 60+) expected to grow to 28% by 2030 in Orange County, there is a recognition of the need for broader and more integrated services to this demographic. COVID-19 also highlighted the vulnerability of this population and the service gaps within the scope of and continuity in services that the County provides.

   In January 2023, the OC Board of Supervisors (BOS) commissioned a comprehensive, countywide older adults needs assessment. A multi-agency task force consisting of SSA, OCCR Office on Aging, HCA, and CEO, was established to work with the County's consultant on the assessment. The assessment will consider input from older adults, people with disabilities, caregivers, community organizations, and existing programs and service providers servicing those age 55+. The information gathered will help the County understand the holistic needs of the aging population and help identify the areas of

Master Plan for Aging

greatest need, barriers to accessing services, and more precisely gaps in services. Additionally, this effort will guide the development of the County's MPA.

In September 2023, two surveys were launched to seek input from Orange County's older adults. One Community Survey which targeted individuals 55+ and one Caregiver Survey which specifically targeted unpaid caregivers providing care for family members, neighbors or friends. The survey period ends on December 30, 2023, at which time the data will be tabulated with a final report expected to be presented to the BOS in February 2024. Depending on the survey results, it is anticipated that ongoing financial support will be needed to carry out the planning and development of the local MPA.

The intent of the surveys is to provide data on quality-of-life issues such as housing, transportation, safety at home and caregiving to help the County provide better programs and quality services for older adults and their caregivers. However, demand has already been identified based on projected continuous caseload increases and staffing is projected based on current demand and projected services identified through the surveys.

5. **Personnel Impacts**

For strategic planning purposes, an additional 54 positions would be needed (48 SSA positions and six OCCR positions).

Classification	No. of Positions
Social Services Agency Positions:	
Human Services manager	1
Office Technician	2
Social Services Supervisor I	6
Social Services Supervisor II	3
Social Worker II	36
Subtotal Social Services Agency Positions	**48**

Master Plan for Aging

OC Community Services Positions:	
Human Services Administrator	1
Human Services Analyst	2
Human Services Manager	1
Senior Citizens Representative II	1
Staff Assistant	1
Subtotal OC Community Services Positions	**6**
Grand Total Positions	**54**

6. **Cost Impact**
Estimated one-time operating expenses and annual ongoing staffing costs range from $2 million in FY 2024-25 to $7.5 million in FY 2028-29 and beyond.

7. **Funding Sources**
Specific funding sources are not known at this time; however, the Governor has committed to providing funds to broaden MPA services. As more information becomes available, updates will be provided.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
50%	50%	0%	0%

8. **Stakeholders**
Stakeholders from multiple County departments including SSA, HCA, CEO, OCCR, OC District Attorney and County's senior population and community based-organizations.

9. **Mandated or Discretionary Program/Project?**
Discretionary: While the MPA framework is not mandated, components within the plan are and may become legislatively required. Many of the goals will require legislative action that the Governor and Legislature have indicated an interest in changing. The MPA allows broad discretion as to how counties and partners will implement. There are many active advocate groups, community-based partners and stakeholders that have already begun working on concepts within the MPA and have met with the BOS.

10. **Implementation Period if Funding Were Available**
Full implementation spans over five years and is anticipated by FY 2028-29.

Master Plan for Aging					
	FY 24-25	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**
I. Cost					
Social Services Agency Cost					
Salaries & Benefits	844,700	2,790,318	3,873,970	4,808,508	5,999,202
Services & Supplies	116,224	262,784	207,232	223,040	278,640
Subtotal - Social Services Agency Cost	**960,924**	**3,053,102**	**4,081,202**	**5,031,548**	**6,277,842**
OC Community Resources Cost					
Salaries & Benefits	907,110	949,652	966,144	987,178	1,005,542
Services & Supplies	179,280	170,937	173,906	177,692	180,998
Subtotal OC Community Resources Cost	**1,086,390**	**1,120,589**	**1,140,050**	**1,164,870**	**1,186,540**
Grand Total Cost	**2,047,314**	**4,173,691**	**5,221,252**	**6,196,418**	**7,464,382**
II. Non-General Fund Revenue					
Social Services Agency Intergovernmental Revenues	960,924	3,053,102	4,081,202	5,031,548	6,277,842
OC Community Resources Intergovernmental Revenues	1,086,390	1,120,589	1,140,050	1,164,870	1,186,540
Grand Total Revenue	**2,047,314**	**4,173,691**	**5,221,252**	**6,196,418**	**7,464,382**
III. General Fund Requirement	**0**	**0**	**0**	**0**	**0**
IV. Staffing					
Social Services Agency Positions					
Human Services Manager	0	0	1	1	1
Office Technician	1	1	1	1	2
Social Services Supervisor I	1	3	4	5	6
Social Services Supervisor II	0	2	2	2	3
Social Worker II	6	18	24	30	36
Subtotal Social Services Agency Positions	**8**	**24**	**32**	**39**	**48**
OC Community Resources Positions					
Human Services Administrator	1	1	1	1	1
Human Services Analyst	2	2	2	2	2
Human Services Manager	1	1	1	1	1
Senior Citizens Representative II	1	1	1	1	1
Staff Assistant	1	1	1	1	1
Subtotal OC Community Resources Positions	**6**	**6**	**6**	**6**	**6**
Grand Total Positions Funded Per Fiscal Year	**14**	**30**	**38**	**45**	**54**

FY 29-30	FY 30-31	FY 31-32	FY 32-33	FY 33-34	Master Plan for Aging
					I. Cost
					Social Services Agency Cost
5,999,202	5,999,202	5,999,202	5,999,202	5,999,202	Salaries & Benefits
278,640	278,640	278,640	278,640	278,640	Services & Supplies
6,277,842	**6,277,842**	**6,277,842**	**6,277,842**	**6,277,842**	**Subtotal - Social Services Agency Cost**
					OC Community Resources Cost
1,005,542	1,005,542	1,005,542	1,005,542	1,005,542	Salaries & Benefits
180,998	180,998	180,998	180,998	180,998	Services & Supplies
1,186,540	**1,186,540**	**1,186,540**	**1,186,540**	**1,186,540**	**Subtotal OC Community Resources Cost**
7,464,382	**7,464,382**	**7,464,382**	**7,464,382**	**7,464,382**	**Grand Total Cost**
					II. Non-General Fund Revenue
6,277,842	6,277,842	6,277,842	6,277,842	6,277,842	Social Services Agency Intergovernmental Revenues
1,186,540	1,186,540	1,186,540	1,186,540	1,186,540	OC Community Resources Intergovernmental Revenues
7,464,382	**7,464,382**	**7,464,382**	**7,464,382**	**7,464,382**	**Grand Total Revenue**
0	**0**	**0**	**0**	**0**	**III. General Fund Requirement**
					IV. Staffing
					Social Services Agency Positions
1	1	1	1	1	Human Services Manager
2	2	2	2	2	Office Technician
6	6	6	6	6	Social Services Supervisor I
3	3	3	3	3	Social Services Supervisor II
36	36	36	36	36	Social Worker II
48	**48**	**48**	**48**	**48**	**Subtotal Social Services Agency Positions**
					OC Community Resources Positions
1	1	1	1	1	Human Services Administrator
2	2	2	2	2	Human Services Analyst
1	1	1	1	1	Human Services Manager
1	1	1	1	1	Senior Citizens Representative II
1	1	1	1	1	Staff Assistant
6	**6**	**6**	**6**	**6**	**Subtotal OC Community Resources Positions**
54	**54**	**54**	**54**	**54**	**Grand Total Positions Funded Per Fiscal Year**

Environmental Conservation and Sustainability Plan

1. **Program Area**
Infrastructure & Environmental Resources

2. **Involved Agencies and Departments**
OC Waste & Recycling

3. **New or Continuing Strategic Priority**
This is a new Strategic Priority.

4. **Description of Strategic Priority**
On August 30, 2023, the County of Orange hosted the Climate Resiliency and Investigative Hearing during which experts provided testimony and recommendations on addressing climate change in Orange County and shaping the formation of Orange County’s first Climate Action Plan, which is currently in development through a federal Climate Pollution Reduction Grant.

   OC Waste & Recycling (OCWR) is assigned to work in close partnership with the County Executive Office in overseeing and managing the County's efforts on the Climate Action Plan for environmental conservation and sustainability.

   The department requests five positions beginning in FY 2024-25 to staff a new division under the lead of OCWR Environmental Sustainability Deputy Director. This team will be responsible for the development and implementation of the County’s action and strategic plans to prepare the County for the future with proactive measures, and to manage projects. Additional cost may result from additional resources needed for contractors and consultants once the plan is developed.

5. **Personnel Impacts**
For strategic planning purposes, four Business Analyst positions and one Staff Specialist position would be needed beginning in FY 2024-25.

6. **Cost Impact**
Estimated ongoing costs include $1.0 million for County staff time and $2.0 million for contract services and other operating costs.

Environmental Conservation and Sustainability Plan

7. **Funding Sources**

The cost of this program is not included in OCWR's disposal rate. Federal Climate Pollution Reduction Grant and other funding will be pursued and if needed, General Fund subsidy to meet full cost recovery may be requested.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	0%	0%	100%

8. **Stakeholders**

Orange County employees, residents and businesses.

9. **Mandated or Discretionary Program/Project?**

Discretionary: This is discretionary but is a Board supported program for the County to take the lead in coordinating sustainable initiatives.

10. **Implementation Period if Funding Were Available**

The program is anticipated to begin in FY 2024-25 and can be expanded should sufficient funding become available.

Environmental Conservation and Sustainability Plan					
	FY 24-25	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**
I. Cost					
Salaries & Benefits	836,774	875,860	890,796	909,776	926,180
Services & Supplies	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Cost	**2,836,774**	**2,875,860**	**2,890,796**	**2,909,776**	**2,926,180**
II. Non-General Fund Revenue					
Intergovernmental Revenues	2,836,810	2,875,908	2,890,832	2,909,824	2,926,216
Total Revenue	**2,836,810**	**2,875,908**	**2,890,832**	**2,909,824**	**2,926,216**
III. Reserves					
No Reserves	0	0	0	0	0
Total Reserves Inc/(Dec)	**0**	**0**	**0**	**0**	**0**
IV. Balance	**0**	**0**	**0**	**0**	**0**
V. Staffing					
Business Services Analyst	4	4	4	4	4
Staff Specialist	1	1	1	1	1
Total Positions Funded Per Fiscal Year	**5**	**5**	**5**	**5**	**5**

Note: Federal Climate Pollution Reduction Grant and other funding will be pursued and if needed, General Fund subsidy to meet full cost recovery may be requested.

Environmental Conservation and Sustainability Plan					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
926,180	926,180	926,180	926,180	926,180	Salaries & Benefits
2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	Services & Supplies
2,926,180	**2,926,180**	**2,926,180**	**2,926,180**	**2,926,180**	**Total Cost**
					II. Non-General Fund Revenue
2,926,216	2,926,216	2,926,216	2,926,216	2,926,216	Intergovernmental Revenues
2,926,216	**2,926,216**	**2,926,216**	**2,926,216**	**2,926,216**	**Total Revenue**
					III. Reserves
0	0	0	0	0	No Reserves
0	**0**	**0**	**0**	**0**	**Total Reserves Inc/(Dec)**
0	**0**	**0**	**0**	**0**	**IV. Balance**
					V. Staffing
4	4	4	4	4	Business Services Analyst
1	1	1	1	1	Staff Specialist
5	**5**	**5**	**5**	**5**	**Total Positions Funded Per Fiscal Year**

CAPS+ Financial/Procurement & Human Resources (HR)/Payroll Software and Hardware Upgrade

1. Program Area
General Government Services

2. Involved Agencies and Departments
Auditor-Controller
County Executive Office (CEO)

3. New or Continuing Strategic Priority
This is a continuing Strategic Priority previously identified in the 2013 to 2022 Strategic Financial Plan (SFP). Time frames and projections are updated to reflect the most current available information. This Strategic Priority includes a new comprehensive Enterprise Resource Planning (ERP) software system.

4. Description of Strategic Priority
The County's financial, procurement, human resources, and payroll information system, collectively known as the County-wide Accounting and Personnel System+ (CAPS+), is a vital component of the County's IT infrastructure. CAPS+ is a sophisticated system requiring a regular maintenance program to keep it abreast of system improvements and IT environment changes.

The CAPS+ Financial/Procurement ERP system maintains the County's financial records and generates financial statements, collects costs for federal and state billings, procures goods and services, and issues vendor payments. The CAPS+ HR/Payroll system is used in managing and administering personnel records, tracking all personnel information and managing and disbursing payroll to over 18,000 employees on a bi-weekly basis.

The CAPS+ system is licensed to the County by CGI Technologies and Solutions, Inc. (CGI). CGI releases periodic updates to the software, offering new functionality with each release. In order to receive patches to the CAPS+ system, the County must stay within two major releases of the current software version offered. Staying current with the changing technology enables the County to take advantage of improvements made in the software, ensure the latest security measures are in place, and allow all associated systems and departments the ability to be compatible with the latest Internet browser version.

CAPS+ Financial/Procurement & Human Resources (HR)/Payroll Software and Hardware Upgrade

The County upgraded the CAPS+ Financial/Procurement system to version 3.10 in October 2016 and the CAPS+ HR/Payroll System to version 3.11 in May 2017. CGI intends to combine the two systems into one with the next release. As such, funding is requested to update or replace the CAPS+ system beginning in FY 2024-25.

Currently, the County uses three servers (IBM AIX P8) for CAPS production, user acceptance testing and a disaster recovery platform. The equipment is eight years old and according to the manufacturer, the life cycle of the servers is between five and seven years. As such, the servers will need replacement in FY 2024-25.

The ERP Analysis conducted by Intueor resulted in a recommendation for the County to select the option of going to market with a single Request-for- Proposal (RFP). As a result, the Auditor Controller’s office is undertaking an RFP effort to find the Software-as-a-Service (SaaS) best suited for the County of Orange. This RFP advances the Auditor-Controller's initiatives aimed at transitioning the County into a modern era, integrating principles such as transparency, modernization, efficiency, automation, compliance with mandates and enhancements in processes.

The objective is to identify an ERP system that leverages cutting-edge features while relying on mature and well-established technology.

5. Personnel Impacts

For strategic planning purposes, 16 positions from throughout the County would need to be reallocated. This may result in personnel actions such as backfills, promotions, temporary promotions, and extra help in certain departments in FY 2024-25 through the end of the project. This estimate is based upon the past major implementations in 2009 and 2011. These positions would come from a variety of business operations including General Accounting, Claims, Procurement, HR and Payroll. County departments will also participate in end-user training on the new ERP system. At the conclusion of the project, position actions will be assessed based on business needs for proper placement into normal operations and/or expiration of extra help and temporary promotions, as appropriate.

CAPS+ Financial/Procurement & Human Resources (HR)/Payroll Software and Hardware Upgrade

Classification	No. of Positions
Fiscal Administrator	7
Fiscal Manager	4
Fiscal Manager, Senior	1
Human Resources Administrator	1
Procurement Contract Administrator	2
Procurement Contract Manager	1
Total Positions	**16**

6. **Cost Impact**

Currently, this project is pending an in-depth analysis and the RFP process is tentatively set to begin in January 2024, with one-time costs estimated at $38.3 million for the upgrade or replacement of the CAPS+ System with an additional $13.8 million in staff time over the implementation period. The ongoing cost for licenses is estimated at $4.0 million annually, commencing at the inception of implementation.

7. **Funding Sources**

Funding for this project would be 100% General Fund. However, approximately 50% of the cost is recoverable from non-General Fund sources through the County-wide Cost Allocation Plan.

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	0%	100%	0%

8. **Stakeholders**

The primary stakeholders of the CAPS+ processes include County personnel; vendors conducting business with the County; special districts; school districts receiving property tax allocations; OC Courts; and other governmental entities receiving payments from the County.

9. **Mandated or Discretionary Program/Project?**

Discretionary: This project is discretionary; however, replacement or upgrade of the current CAPS+ system software could mitigate the risks of operating on an unsupported version. Also, if the CAPS+ hardware is refreshed on a regular schedule, critical CAPS+ processes could avoid interruption of service.

CAPS+ Financial/Procurement & Human Resources (HR)/Payroll Software and Hardware Upgrade

10. Implementation Period if Funding Were Available

The estimated implementation period is approximately four to five years. Phase I will include vendor identification and selection and contract development and negotiation and is anticipated to be completed within 10 to 12 months. Phase II will include the implementation of a new SaaS solution and is anticipated to be completed within 36 to 48 months.

CAPS+ Financial/Procurement & Human Resources (HR)/Payroll Software and Hardware Upgrade					
	FY 24-25	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**
I. Cost					
Intangible Assets-Amortizable	10,382,500	10,382,500	10,382,500	7,191,250	0
Intrafund Transfers	(2,064,042)	(2,064,042)	(2,064,042)	(2,064,042)	(2,064,042)
Salaries & Benefits	3,281,762	3,433,304	3,488,636	3,559,016	0
Services & Supplies	350,000	350,000	350,000	350,000	4,000,000
Total Cost	**11,950,220**	**12,101,762**	**12,157,094**	**9,036,224**	**1,935,958**
II. Non-General Fund Revenue					
Charges For Services	455,958	455,958	455,958	455,958	455,958
Total Revenue	**455,958**	**455,958**	**455,958**	**455,958**	**455,958**
III. General Fund Requirement	**11,494,262**	**11,645,804**	**11,701,136**	**8,580,266**	**1,480,000**
IV. Staffing					
Fiscal Administrator	7	7	7	7	0
Fiscal Manager	4	4	4	4	0
Fiscal Manager, Senior	1	1	1	1	0
Human Resources Administrator	1	1	1	1	0
Procurement Contract Administrator	2	2	2	2	0
Procurement Contract Manager	1	1	1	1	0
Total Positions Funded Per Fiscal Year	**16**	**16**	**16**	**16**	**0**

CAPS+ Financial/Procurement & Human Resources (HR)/Payroll Software and Hardware Upgrade					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
0	0	0	0	0	Intangible Assets-Amortizable
(2,064,042)	(2,064,042)	(2,064,042)	(2,064,042)	(2,064,042)	Intrafund Transfers
0	0	0	0	0	Salaries & Benefits
4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	Services & Supplies
1,935,958	**1,935,958**	**1,935,958**	**1,935,958**	**1,935,958**	**Total Cost**
					II. Non-General Fund Revenue
455,958	455,958	455,958	455,958	455,958	Charges For Services
455,958	**455,958**	**455,958**	**455,958**	**455,958**	**Total Revenue**
1,480,000	**1,480,000**	**1,480,000**	**1,480,000**	**1,480,000**	**III. General Fund Requirement**
					IV. Staffing
0	0	0	0	0	Fiscal Administrator
0	0	0	0	0	Fiscal Manager
0	0	0	0	0	Fiscal Manager, Senior
0	0	0	0	0	Human Resources Administrator
0	0	0	0	0	Procurement Contract Administrator
0	0	0	0	0	Procurement Contract Manager
0	**0**	**0**	**0**	**0**	**Total Positions Funded Per Fiscal Year**

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1. **Program Area**
General Government Services

2. **Involved Agencies and Departments**
County Executive Office (CEO)
Health Care Agency (HCA)
OC Flood Control District (OCFCD)
OC Public Works (OCPW)
OC Waste & Recycling (OCWR)
Probation Department
OC Sheriff's Department (OCSD)

3. **New or Continuing Strategic Priority**
This Strategic Priority is a recurring annual update to the prior year's Strategic Financial Plan.

4. **Description of Strategic Priority**

I. **In Progress Real Estate Projects:**

a. Laguna Niguel Parcel (Former South County Justice Center):
This project involves the redevelopment of an approximately 23-acre County-owned parcel located in the City of Laguna Niguel. The County-owned property includes a now-vacant County Vehicle Maintenance Yard, the former South County Justice Center, undeveloped land, and an Orange County Public Library branch. The County released a Request for Proposals (RFP) on February 21, 2018 and began negotiations with the primary respondent, Laguna Niguel Town Center Partners (LNTCP), on November 1, 2018.

On June 4, 2019, the Board approved an option and lease agreement for the site with LNTCP. The approved 79-year term lease agreement, which will be executed if LNTCP fulfills the conditions in the option, provides for the development a new mixed-use project consisting of approximately 158,600 square feet of commercial space (retail shops, restaurants, office space), a new community library (approximately 16,250 square feet), 275 residential apartment units, parking structure, and extensive walkable open spaces, paseos, and plazas.

County Facilities Master Plan

The approved option agreement has a one-year initial option term for an Option Price of $75,000, plus two one-year extensions for the sum of $37,500 each. The County and LNTCP entered into a tolling amendment to the Option in order to toll deadlines under the Option from the start of the County's State of Emergency on March 3, 2020, through February 28, 2023, the end of the emergency. The initial option term ended on June 2, 2023, and LNTCP has exercised the first of its two, one-year option term extensions. The first extended option period will end on June 2, 2024.

LNTCP has received entitlements for the project including an Environmental Impact Report (EIR), a General Project Amendment, Zone Change, and Vesting Tentative Tract (VTTM 19024) from the City Council on June 21, 2022. LNTCP continues to perform due diligence on the project. Discussions with LNTCP are ongoing and potential changes may be included in a restated option and lease agreement, which will be presented to the Board for consideration, as appropriate.

It is anticipated that the total lease rent payments to the County over the term of the lease will be approximately $190 million. This Strategic Priority includes $0.6 million in development-related costs offset by $3.4 million in revenue from the development of the site and interim license fees for FY 2024-25 through FY 2033-34, resulting in an anticipated $2.8 million available to the County General Fund for FY 2024-25 through FY 2033-34.

b. El Toro Parcels (100 Acres and West Alton):
The County owns, or will own, two parcels at the former MCAS El Toro, one approximately 108 acres along Marine Way (100AP) and one approximately 32 acres along West Alton Parkway (WAP). The 100AP is located between the Orange County Great Park and the Orange County Transportation Authority Metrolink railroad tracks and will be bound by the planned realignment of Marine Way to the north, the existing Ridge Road and Interstate 5 Freeway to the west, the Southern California Regional Rail Authority/Metrolink rail line to the south, and two warehouse buildings to the east, which are not part of the parcel.

Since 2011, the County has pursued viable development options, which to date have not proven successful. The County continues to engage with the City of Irvine and other stakeholders regarding long-term planning for the properties. In addition to various interim uses on the 100AP and WAP, the eastern 40 acres of the 100AP is currently being planned and developed for County public uses including the Be Well

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Campus Expansion and a new HCA public health and emergency response facility, both of which have recently broken ground. The Be Well Expansion project is an OC CARES Initiative. The Strategic Priority for the Be Well Campus Expansion is included in the OC CARES section of this Strategic Financial Plan.

The HCA public health and emergency response facility is an $80 million project which will include a public health lab, administrative offices and an Emergency Management Center. In addition, a portion of Marine Way that borders the 100AP on the north, from Skyhawk east, is being improved by FivePoint, the master developer of the Great Park. The County anticipates that it will incur costs associated with internal utility connections within the 100AP to Marine Way in the amount of $1.4 million. This project is anticipated to begin in FY 2023-24.

On June 23, 2020, the Board approved an interim 5-year ground lease with OC Storage, LLC, for a 20-acre site to provide vehicle storage at the 100AP. The Commencement Date for rent and the 5-year term began on April 1, 2022. The lease revenue is currently $158,333 per month and will continue at this rate for the duration of the term. On August 23, 2022, the Board approved an amended and restated ground lease with R & S Soil Products, Inc. for the operation of green recycling, nursery, and equipment parking, within approximately 31 acres at WAP. The term of this ground lease is six months with an option to extend month-to-month and currently generates $51,500 per month in revenue, which will increase to $53,045 per month in September 2024.

This Strategic Priority for 100AP and WAP, cumulatively, includes $5.9 million in expenses offset by $12.0 million in revenue, comprised of $5.6 million of El Toro Improvement Fund (15T) implementation revenue, $0.4 million of License Fee revenue, and $6.0 million of Ground Lease revenue, resulting in an anticipated $6.1 million in net revenue available to the County General Fund during FY 2024-25 through FY 2033-34.

c. Civic Center Strategic Facilities Plan (Phase 3 and Phase 4):
On April 25, 2017, the Board approved the Civic Center Strategic Facilities Plan (CCSFP), consisting of four development phases. Phases 1 and 2, County Administration South (CAS) and County Administration North (CAN) have been completed. Due to the passage of time, obsolete information and shifting County needs, remaining Phases 3 and 4 of the CCFSP require refinement and updating. The

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amended CCFSP will guide the development of selected County properties and programs located in and around the Civic Center, reflect current County needs and priorities, and serve to inform a future RFP for the development of any underutilized properties via a Public-Private Partnership or by other means. In June 2023, after a competitive bid process, the Board approved a $505,000 five-year contract with Griffin Structures, Inc. to update the CCSFP to strategically implement the remaining phases in a manner that reflects the County's current needs, priorities and goals for the Civic Center and associated buildings and facilities. It is anticipated that this effort will be completed in 2024.

d. Fruit Street Assessment, County Operations Center Plan:
The Fruit Street complex is an approximate twelve-acre collection of County-owned properties (Fruit Street Property) located near the intersection of Santa Ana Blvd and the Interstate 5 Freeway (I-5) and bounded on the east by the Santa Ana Regional Transportation Center (SARTC). OCPW occupies the Fruit Street Property, including Fleet Management Services. The complex of buildings on this site consists of approximately 111,024 square feet (sf) of space some of which was originally built in 1929.

The total gross square footage, including storage space is 165,000 sf. Building uses include Construction and Architecture & Engineering (32,092 sf), Transportation Vehicle Repair (36,728 sf) and Facilities Operations (42,228 sf). Because of the facility age and condition, efforts have been made over the years to relocate the existing users to other sites in the County and/or build out the empty space at the south side of the Construction and Architecture & Engineering site for some of the current Fruit Street users. The Construction and Architecture & Engineering site and south empty lot are not impacted by the transit-oriented development.

The Fruit Street Property has tremendous potential value as a transit-oriented development given its adjacency to the SARTC, but the County would need to relocate existing occupants to alternate facilities. Various sites are currently being studied, including consolidation of maintenance operations at the 100 Acre Parcel in Irvine and relocation of the Materials Lab to an existing warehouse-type facility. The City of Santa Ana would like the County's future development to integrate into the SARTC.

The Fruit Street Property is located in Santa Ana's Transit Village District Center, which includes substantial development for residential units. This Strategic Priority

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includes an anticipated $0.25 million in staffing and consultant expenses related to planning for future development. Revenue projections are currently unknown, resulting in an anticipated $0.25 million Net County Cost for FY 2024-25 through FY 2033-34.

e. Ninety-Five Acre Industrial Development Opportunity in Chino (Prado Dam Mountains):

The OCFCD owns approximately 95 acres of vacant real property at the southeast corner of Mountain and Bickmore in the City of Chino. The property was originally acquired by OCFCD as required by the Army Corps of Engineers for furtherance of the Santa Ana River Mainstem Project. The property represents an opportunity to create a dependable, long-term revenue stream by establishing a ground lease and developing a state-of-the-art logistics center. The Board approved an Option Agreement with Majestic Realty on October 25, 2016, which included a form ground lease for the property. On September 11, 2018, the Board approved an amendment to the Option Agreement providing an additional three years for Majestic to process entitlements for this project. The Option Agreement term was additionally extended by four subsequent amendments approved by the Board, most recently by the Fifth Amendment which extended the Option term to February 28, 2024.

Majestic is processing a development application with the City of Chino and the required entitlements were approved by Chino's City Council on June 15, 2021. On June 29, 2022, the County received a United States Army Corps of Engineers – South Pacific Los Angeles (USACE) Permission for the Section 408 Activity; however, the permission disallows the building of any structure within the existing 1941 flowage easement areas, affecting the ability to build one of the two proposed buildings. Majestic is currently working with the USACE to resolve the few remaining issues and is expecting to reach a solution by year end 2023.

This Strategic Priority includes $0.5 million in staffing expenses offset by $31.1 million in revenue, resulting in an anticipated $30.6 million in net revenue. Net revenue generated from this project would be shared between OCFCD and the County at a rate of 35% and 65%, respectively, resulting in an anticipated $19.9 million in net revenue available to the County General Fund and $10.7 million in net revenue available to OCFCD during FY 2024-25 through FY 2033-34. OCFCD and CEO Real Estate will enter into a Cooperative Agreement when the project is closer to completion.

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f. The Crossroads at Washington, Santa Ana, CA:

On February 25, 2020, the Board approved an Option Agreement with Washington Santa Ana Housing, L.P., a subsidiary of The Related Companies of California, LLC (Related), along with a 65-year ground lease term. The Crossroads at Washington will be an 86-unit affordable housing development at 1126 and 1146 E. Washington Avenue in the City of Santa Ana to be built over a 16-month term. In addition, as approved in the Option Agreement, Related will design, construct, operate and manage The Crossroads at Washington property. Also approved was a Joint Powers Agreement between the County and the City of Santa Ana's Housing Authority to facilitate tenants-in-common ownership for the joint development of the County-owned and Housing Authority-owned property. Finally, the Board approved a Memorandum of Agreement between the County and the City of Santa Ana to provide an agreement for the transfer of Regional Housing Needs Assessment allocation shares between the County and the city.

Along with these agreements, the Board approved a loan commitment to a limited partnership between Related and A Community of Friends (co-developer and lead service provider) in an amount not to exceed $2,280,701. On July 25, 2022, Related signed the ground lease and construction was initialized. Construction is anticipated to be complete by April 2024 and the lease will commence. Under the ground lease, Related will pay capitalized ground rent payments for the County site, estimated at $2,341,864, with 3% simple interest, from residual receipts after the repayment of the OC Community Resources loan. Existing appropriations will be used for the issuance of the Certificate of Occupancy. The loan will be 100% funded with HOME Investment Partnership Act in the OC Housing Fund and/or Housing Asset Fund. The 43 project-based Housing Choice Vouchers available to recipients is 100% funded by Department of Housing and Urban Development (HUD) and included in the OC Housing Authority Fund's base budget. This Strategic Priority includes an anticipated $0.4 million in staffing and consultant expenses and $0 in revenue, resulting in an anticipated $0.4 million NCC for FY 2024-25 through FY 2033-34.

g. HCA 17th Street Clinic, Santa Ana, CA:

On September 20, 2021, CEO Real Estate solicited a Request for Proposals (RFP) from qualified and experienced development teams interested in entering into a public-private partnership with the County, to plan, design, entitle, finance, construct, operate, manage and maintain a mixed-use development, including a new County Health Care Facility and other potential uses determined by the successful proposer,

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on 9.3 acres of County owned land located at 1725 West 17th Street, Santa Ana (Property).

CEO Real Estate released the RFP seeking qualified and experienced development teams interested in entering into a public-private partnership (P3) with the County with two potential development components, a public facility development of a new health care clinic and private development of revenue generating uses on the Property. In response to the RFP, CEO Real Estate received three proposals which were evaluated by a three-member panel. On August 9, 2022, the Board directed staff to work with the chosen firm to sharpen their proposal. As directed, County staff worked diligently with the firm to revise their site plan and financial offer to the County, but In January 2023 were notified that the firm was withdrawing from the RFP process. As a result, the Board directed staff to coordinate with the Second District Supervisor on a new RFP.

CEO Real Estate is currently working with OC Public Works and HCA staff to determine HCA's clinical programming needs for development on the Property. Gensler Architects is providing consulting services to the County to assist with this programming process. CEO Real Estate is also coordinating the development of the RFP with the Second District. The intention is to issue the revised RFP before the end of the year, and to present the draft RFP to the Board prior to its release. There is no funding or revenue included in this Strategic Priority for the 1^{7t}h Street Clinic project.

h. 909 Main Street Building:
The building located at 909 Main Street, Santa Ana, is approximately 110,612 square feet and is currently occupied by Probation, and staffing related to community courts, including OCSD and OC District Attorney personnel. The building is a former Buffum's department store building listed on the City of Santa An''s Register of Historical Properties for its architectural design. Many of the systems in the building are reaching the end of their useful life and the historical designation complicates upgrades to and renovation of the building. The Board-approved CCSFP identifies the building for sale due to its age and historic designation; however, this is being re-evaluated through the current facilities strategic plan process. Probation is in the process of vacating the building. There is no funding or revenue included in this Strategic Priority for the 909 Main Street facility projects.

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i. Gothard Landfill in Huntington Beach, CA:

The County maintains ownership of an 11.5-acre parcel on the southwest corner of the former Gothard Street Landfill where the County operated a transfer station on the property until its closure in 1982. OC Waste & Recycling (OCWR) monitors and manages the property which has remained undeveloped and vacant since its closure.

On March 15, 2018, the County released an RFP seeking a qualified developer to enter into a long-term ground lease for the Property. As a result of the solicitation, Surf City Auto Group, Inc. was selected for the long-term ground lease, development and operation of an outdoor vehicle storage facility on the Property. On June 6, 2019, the Board approved an Option and Ground Lease Agreement with Surf City Auto to conduct the due diligence tasks necessary for the long-term lease, development, and operation of an outdoor vehicle storage facility on the Property.

On June 5, 2023, after meeting the terms and conditions of their Option Agreement, Surf City Auto executed their Ground Lease with the County. The Ground Lease has a primary lease term of 10 years and the option for three additional consecutive terms of 10 years each. Pursuant to the Ground Lease, Surf City Auto will pay the County Annual Rent of $252,000, which shall increase by 2.5 percent annually. At the commencement of the primary term, rent may be abated up to $4,166 per month, or up to a maximum of $50,000 per year, for County pre-approved tenant improvements that are considered eligible rent abatement costs. Eligible rent abatement costs include chain-link fencing, lighting, gravel and stormwater improvements. Total abatement will not exceed $500,000 or approved actual tenant improvement costs, whichever is less, and will apply to the primary term of the Ground Lease only. OCWR's cost to mitigate the removal of eight acres of coastal sage scrub (CSS) was $750,000. The mitigation costs are considered a capital improvement undertaken to enhance the property's overall value; therefore, initial rent revenue will go to reimburse OCWR for their capital investment.

This Strategic Priority includes $0.3 million in staffing expenses offset by $2.4 million in revenue, resulting in an anticipated $2.1 million in net revenue. Net revenue generated from this project will go 100% to OCWR until its $750,000 CSS mitigation costs are reimbursed, then net revenue will be shared between OCWR and the County at a rate of 35% and 65%, respectively, resulting in an anticipated $0.9 million in net revenue available to the County General Fund and $1.2 million in net revenue available to OCWR Fund 299 during FY 2024-25 through FY 2033-34.

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j. Coyote Canyon Development Opportunity in Newport Beach, CA:
Coyote Canyon is located in the City of Newport Beach and is a closed landfill encompassing 361 acres. Initially, the Board of Supervisors selected a golf course developer/operator, to develop the property but the developer withdrew from negotiations in June 2018 citing inexperience in developing on and around a closed landfill. The Board of Supervisors then directed CEO Real Estate to enter into negotiations with Tait since the Board had previously selected Tait as the secondary respondent.

On October 8, 2019, the Board approved an option agreement with Tait Development, LLC, to conduct due diligence and pursue entitlements required for a 75-year ground lease to construct, operate and manage a planned golf course and other potential improvements. The option agreement provides for a four-year term for an option price of $100,000 and up to five (5) additional years available (with an initial extension of two (2) years and a fee of $35,000, followed by three (3) subsequent one-year extensions for fees of $45,000, $55,000 and $60,000, respectively). Tait is currently still in the original four-year option term which ends in October 2024 due to one-year of tolling as a result of the COVID-19 pandemic.

Tait has begun working with OCWR, while also actively working with the City of Newport Beach on future entitlements. Newport Beach has requested that Tait consider affordable housing units on the site, and has included 1,530 units (ranging from extremely low to above moderate income) in the city's updated Housing Element. The County of Orange has also included Coyote Canyon in its draft Housing Element. The amount of units would be determined through negotiations with the City of Newport Beach. The city is also currently updating their General Plan and has included the Tait project in it as well. The General Plan is expected to go before the Newport Beach City Council in November 2023.

This Strategic Priority includes $0.2 million in staffing expenses offset by $1.7 million in revenue, resulting in an anticipated $1.5 million in net revenue. Net revenue generated from this project would be shared between OCWR and the County at a rate of 35% and 65%, respectively, resulting in an approximately $1 million in net revenue available to the County General Fund and approximately $0.5 million in net revenue available to OCWR during FY 2024-25 through FY 2033-34.

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k. Workforce Reentry Center in Orange, CA:

In 2018, OC Animal Care vacated the approximately 3.75-acre property located at 561 The City Dr. S, Orange and relocated to its new animal shelter facility in Tustin. The property has since been identified as the project site for a proposed Workforce Reentry Center. The Workforce Reentry Center is a Strategic Priority adopted by the Board and a critical component of the County's 2025 Vision for OC Cares, Justice through Prevention and Intervention. The goal of the Workforce Reentry Center is to establish a business-based program which will utilize selected individuals involved in the criminal justice system to be trained to develop, produce and provide the goods and/or services to be delivered as part of the business operation. It is contemplated that existing property improvements would be demolished to make way for the Workforce Reentry Center and the development would establish forward-facing retail and/or a service-based business(es) that provides hands-on job training and employment to those in the workforce reentry program. The development of on-site or off-site housing for program participants, with on-site housing being the preferred option, has also been identified as a need for the success of the program.

CEO Real Estate issued a Request for Qualifications (RFQ) for the Workforce Reentry Center on March 14, 2023, to solicit Statements of Qualifications (SOQs) from qualified entities interested and capable of entering into a public-private partnership with the County through an option and ground lease of the property to assist in funding, designing, entitling, constructing, operating, and maintaining a workforce reentry real estate development and program on the Property. The RFQ closed on July 27, 2023, and the evaluation of SOQs has been completed with proposals evaluated by an 8 member panel consisting of internal and external stakeholders, including the City of Orange. Additional details on the program and use of this facility can be found in the Strategic Priority for the Coordinated Reentry System found under OC CARES.

This Strategic Priority includes an anticipated $0.7 million in staffing and consultant expenses. Revenue projections, if any, are currently unknown, resulting in an anticipated $0.7 million NCC for FY 2024-25 through FY 2033-34.

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II. Completed Real Estate Projects:

a. Long-Term Lease of OC Flood Control District (OCFCD) Property at 1100 Bristol Street, Costa Mesa:
Due to the ground lease between the OCFCD and Ganahl Lumber Company, this Strategic Priority includes $6.8 million in revenue offset by $0.02 million in staffing expenses and $2.4 million in revenue sharing with OC Flood, resulting in an anticipated $4.4 million in net revenue available to the County General Fund during FY 2024-25 through FY 2033-34.

b. Green River Golf Course
As a result of the 20-year lease with Orange County Golf, LLC, this Strategic Priority includes $0.1 million in staffing expenses offset by $0.7 million in revenue and $0.2 million in revenue sharing with OC Flood, resulting in an anticipated $0.4 million available to the County General Fund during FY 2024-25 through FY 2033-34.

c. Atwood – Placentia Veterans Village:
The Orange County Flood Control District (OCFCD) owns 2.34 acres in Placentia at Orangethorpe and Lakeview Avenues. CEO Real Estate's competitive RFP in November 2015 led to a Board-approved Option Agreement with Placentia Veterans Village, L.P. (Mercy Housing) for veteran housing. Mercy Housing's lease began on December 19, 2018, and the Placentia Veterans Village was completed in July 2020, offering 49 furnished homes for disabled and homeless U.S. Veterans with on-site services like job training, placement, VA benefits assistance, and healthcare programs. Mercy Housing is required to pay a base rent of $3,225,000 with a 3% interest rate until paid in full. They will make yearly payments to the OCFCD, consisting of 88% of the residual receipts generated by the development and/or pay from proceeds resulting from a refinancing of debt or tax credits. The project isn't expected to generate residual receipts for some time, and the base rent will likely come from refinancing or syndication proceeds, though the timing is uncertain.

This Strategic Priority includes $5 thousand in staffing expenses with no offsetting revenue, resulting in less than $2.0 thousand cost to OC Flood during FY 2024-25 through FY 2033-34.

d. Civic Center Strategic Facilities Plan:

- Phase 1 – County Administration South (CAS)

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Demolition of the old Building 16, and development of a 250,000 square foot replacement building with a freestanding conference and events center successfully completed with a ribbon cutting ceremony on August 28, 2019. CAS is home to a Customer Service Center providing a centralized location for the public to access County services. County departments now occupying the building include OCPW, OC Waste & Recycling, Treasurer-Tax Collector, Clerk-Recorder, and OC Community Resources Administration. General Fund Revenue offset and Non-General Fund departments occupying CAS fund approximately 76% of the $10 million debt service cost in the form of lease payments. The remaining 24% is funded from a combination of waste importation revenue from OC Waste & Recycling and Net County Cost (NCC).

- Phase 2 – County Administration North (CAN)
  Construction of the CAN facility began in Spring 2020 and in August 2022 occupants moved into the facility. On September 13, 2022, the Board approved an amendment to the Development Agreement and $16.1 million Guarantee Maximum Price with Griffin Structures, Inc., for the demolition of former HOA, Building 10, and construction of a surface parking lot. The demolition and the surface parking lot project will be completed in FY 2023-24.

5. **Personnel Impacts**
These projects will be managed by existing staff and consultants hired for specific projects.

6. **Cost Impact**
The following $8.9 million in costs are for staff and consultant time and materials and do not include offsetting revenues.

Fiscal Year	Costs (in millions)
2024-25	$1.9
2025-26	1.9
2026-27	1.4
2027-28	1.3
2028-29	1.3
2029-30	0.2
2030-31	0.2
2031-32	0.2

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Fiscal Year	Costs (in millions)
2032-33	0.2
2033-34	0.3
Total	**$8.9**

7. Funding Sources

The following $58.2 million gross revenue included in the Strategic Priority stems from various real estate initiatives. Some Facilities Master Plan projects propose requests for General Funds, but each project will be discussed separately with the CEO and the Board for possible alternate funding.

Fiscal Year	Costs (in millions)
2024-25	$9.4
2025-26	5.5
2026-27	5.1
2027-28	4.4
2028-29	4.7
2029-30	4.9
2030-31	5.5
2031-32	5.8
2032-33	6.2
2033-34	6.7
Total	**$58.2**

Funding Sources			
Federal	**State**	**General Fund**	**Other**
0%	0%	0%	100%

8. Stakeholders

Residents and leadership of the City of Laguna Niguel, the City of Irvine, the City of Santa Ana, the City of Chino in San Bernardino County (Prado), the City of Huntington Beach, the City of Newport Beach, the City of Orange, the City of Costa Mesa, the City of Corona in Riverside County (Green River), and the City of Placentia residents served by HCA, OCPW, OCWR, CEO, Probation and other County agencies and departments.

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9. **Mandated or Discretionary Program/Project?**
Discretionary: All projects are discretionary and would be implemented as directed by the Board.

10. **Implementation Period if Funding Were Available**
This is a continuing Strategic Priority since 2006 based on prior Board directives and is updated annually to reflect input from Board members and CEO Executives.

This Strategic Priority is projected to provide $49.3 million in net revenue, of which $34.3 million will be distributed to the County General Fund to address one-time capital investments and other obligations in the ten-year plan and may provide net revenue contributions to the General Fund as follows:

Fiscal Year	Costs (in millions)
2024-25	$7.5
2025-26	3.6
2026-27	3.7
2027-28	3.1
2028-29	3.4
2029-30	4.7
2030-31	5.3
2031-32	5.6
2032-33	6.0
2033-34	6.4
Total	**$49.3**

These amounts are the net General Fund contributions after deducting $15 million for FY 2024-25 through FY 2033-34 revenue sharing with OC Flood ($13.3 million) and OC Waste & Recycling ($1.7 million).

In addition to these projects, the County has aging infrastructure, such as its central jail and Probation facilities that may require substantial infrastructure investments in the future. The County will use its Computerized Maintenance Management System (CMMS), in the identification of pending capital and deferred maintenance projects and infrastructure needs for all County facilities.

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	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
I. Cost					
Services & Supplies	1,905,413	1,839,698	1,348,503	1,305,405	1,310,119
Total Cost	**1,905,413**	**1,839,698**	**1,348,503**	**1,305,405**	**1,310,119**
II. Non-General Fund Revenue					
Other Financing Sources	9,421,152	5,498,833	5,140,530	4,373,309	4,664,230
Total Revenue	**9,421,152**	**5,498,833**	**5,140,530**	**4,373,309**	**4,664,230**
III. Reserves					
Reserves	7,515,739	3,659,135	3,792,027	3,067,904	3,354,111
Total Reserves Inc/(Dec)	**7,515,739**	**3,659,135**	**3,792,027**	**3,067,904**	**3,354,111**
IV. Balance	**0**	**0**	**0**	**0**	**0**
V. Staffing					
No Positions	0	0	0	0	0
Total Positions Funded Per Fiscal Year	**0**	**0**	**0**	**0**	**0**

County Facilities Master Plan					
FY 29-30	**FY 30-31**	**FY 31-32**	**FY 32-33**	**FY 33-34**	
					I. Cost
245,239	235,962	240,681	245,495	250,405	Services & Supplies
245,239	**245,239**	**240,681**	**245,495**	**250,405**	**Total Cost**
					II. Non-General Fund Revenue
4,950,949	5,502,838	5,839,820	6,170,500	6,651,464	Other Financing Sources
4,950,949	**5,502,838**	**5,839,820**	**6,170,500**	**6,651,464**	**Total Revenue**
					III. Reserves
4,705,710	5,266,876	5,599,139	5,925,005	6,401,059	Reserves
4,705,710	**5,266,876**	**5,599,139**	**5,925,005**	**6,401,059**	**Total Reserves Inc/(Dec)**
0	**0**	**0**	**0**	**0**	**IV. Balance**
					V. Staffing
0	0	0	0	0	No Positions
0	**0**	**0**	**0**	**0**	**Total Positions Funded Per Fiscal Year**

COUNTY OF ORANGE

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