

2024 Strategic Financial Plan





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County Mission

“Making Orange County a safe, healthy, and fulfilling place to live, work, and play, today and for generations to come, by providing outstanding, cost-effective regional public services.”

County Vision Statements

Vision Statement for Business Values

We strive to be a high-quality model governmental agency that delivers services to the community in ways that demonstrate:

Excellence

Provide responsive and timely services

Leadership

Leverage available resources as we partner with regional businesses and other governmental agencies

Stewardship

Seek cost-effective and efficient methods

Innovation

Use leading-edge, innovative technology

Vision Statement for Cultural Values

We commit to creating a positive, service-oriented culture which:

Attracts and retains the best and the brightest

Fosters a spirit of collaboration and partnership internally and externally

Supports creativity, innovation, and responsiveness

Demonstrates a “can-do” attitude in accomplishing timely results

Creates a fun, fulfilling and rewarding working environment

Models the following core values in everything we do:
Respect - Integrity - Caring - Trust - Excellence

Board-Approved Priorities

→ Stabilize the Budget

- ▶ Adopt a balanced budget in accordance with State law
- ▶ Reflect funds available to Departments/Programs and how funds will be spent

→ Prepare for Contingencies

- ▶ Adequate reserves to cover unanticipated and severe events

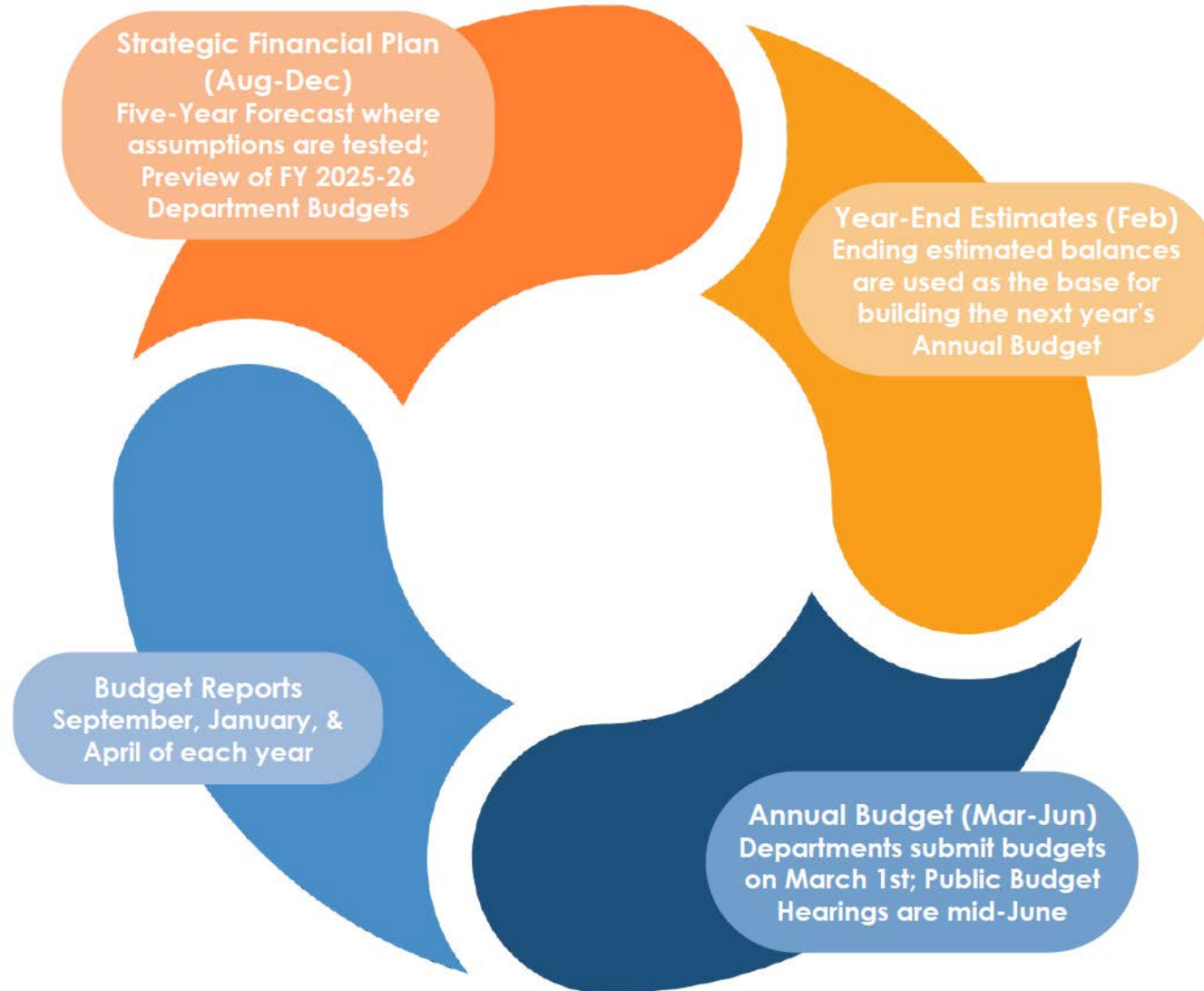
→ Address and Fund Agency Infrastructure

- ▶ Provide suitable funding for infrastructure to ensure high quality services are provided to the community.
- ▶ Assess best use of County funds to develop capital assets while maintaining long-term financial stability

Adopted December 18, 2012 and Reaffirmed March 31, 2015



Budget Planning and Development



SFP & Budget Calendar

AUGUST

- Strategic Financial Plan

SEPTEMBER

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

OCTOBER

- Strategic Financial Plan

NOVEMBER

- Strategic Financial Plan

MARCH

- Recommended Budget: Collaboration and CEO Recommendations

FEBRUARY

- Recommended Budget

JANUARY

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

DECEMBER

- Strategic Financial Plan
- Strategic Financial Plan

APRIL

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

MAY

- Recommended Budget/ Final Budget


JUNE

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

JULY

- Fiscal Year-End Close

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

 Public Input Available During Board of Supervisors Meetings

What is the Strategic Financial Plan (SFP)?

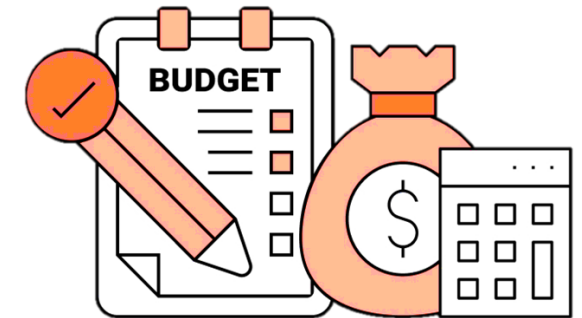
The SFP is a planning tool that provides a five-year forecast

- Marks the beginning of the budget process
- Basis for next fiscal year budget
- Used to test expenditure and revenue assumptions
- Maintain operations within the limited General Purpose Revenue (GPR) growth forecast
- Develop preliminary plans to fund County infrastructure, Information Technology projects, and Strategic Priorities



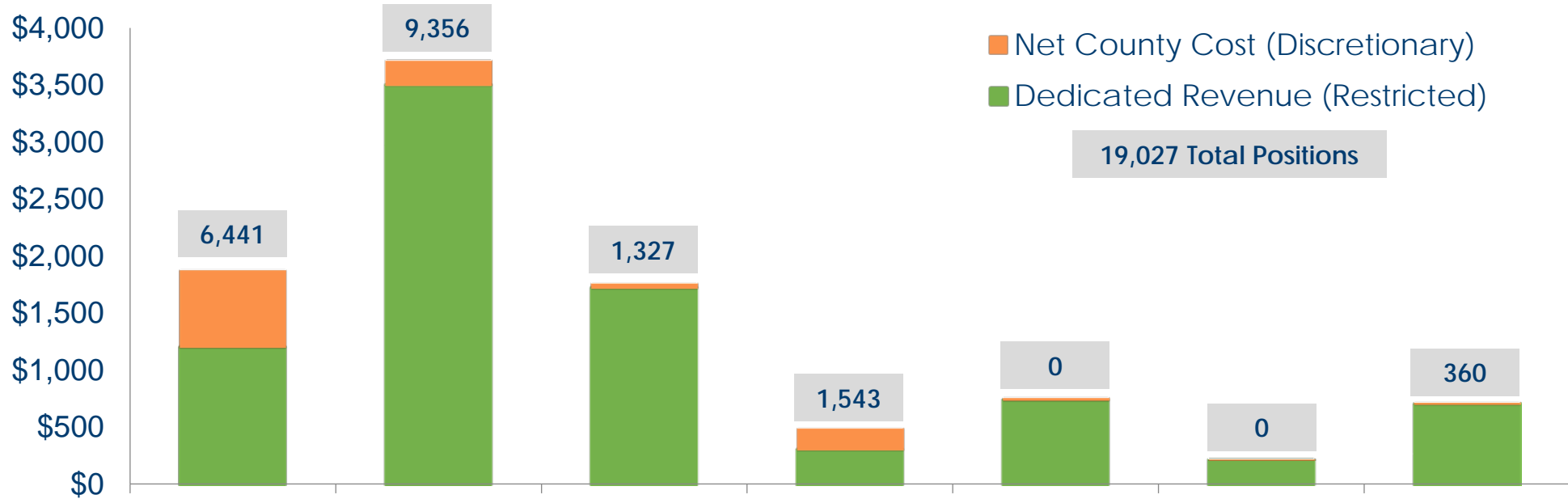
What is the Budget?

- Counties are required to adopt a balanced budget
- The budget fiscal year begins on July 1 and ends June 30
- Government Code Sections 29002 and 30200 require the State Controller to prescribe uniform procedures
- Budget is presented by function and activity
- Clearly defined expense and revenue categories
- Consistency and comparability



County Appropriations & Positions by Program

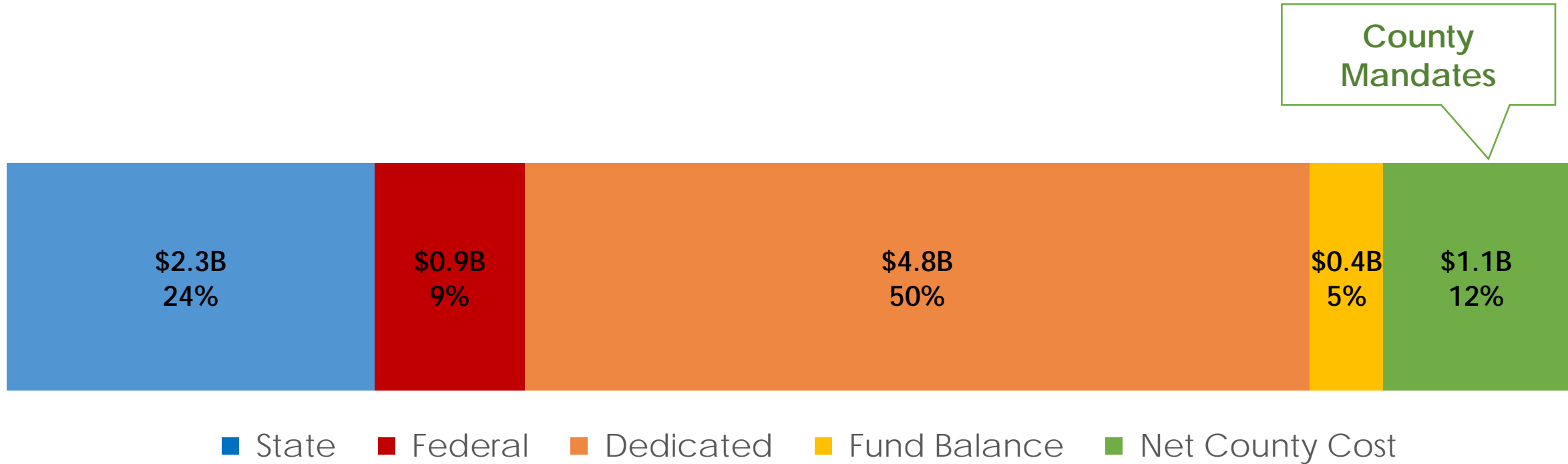
FY 2024-25 Annual Budget Total = \$9.5 Billion



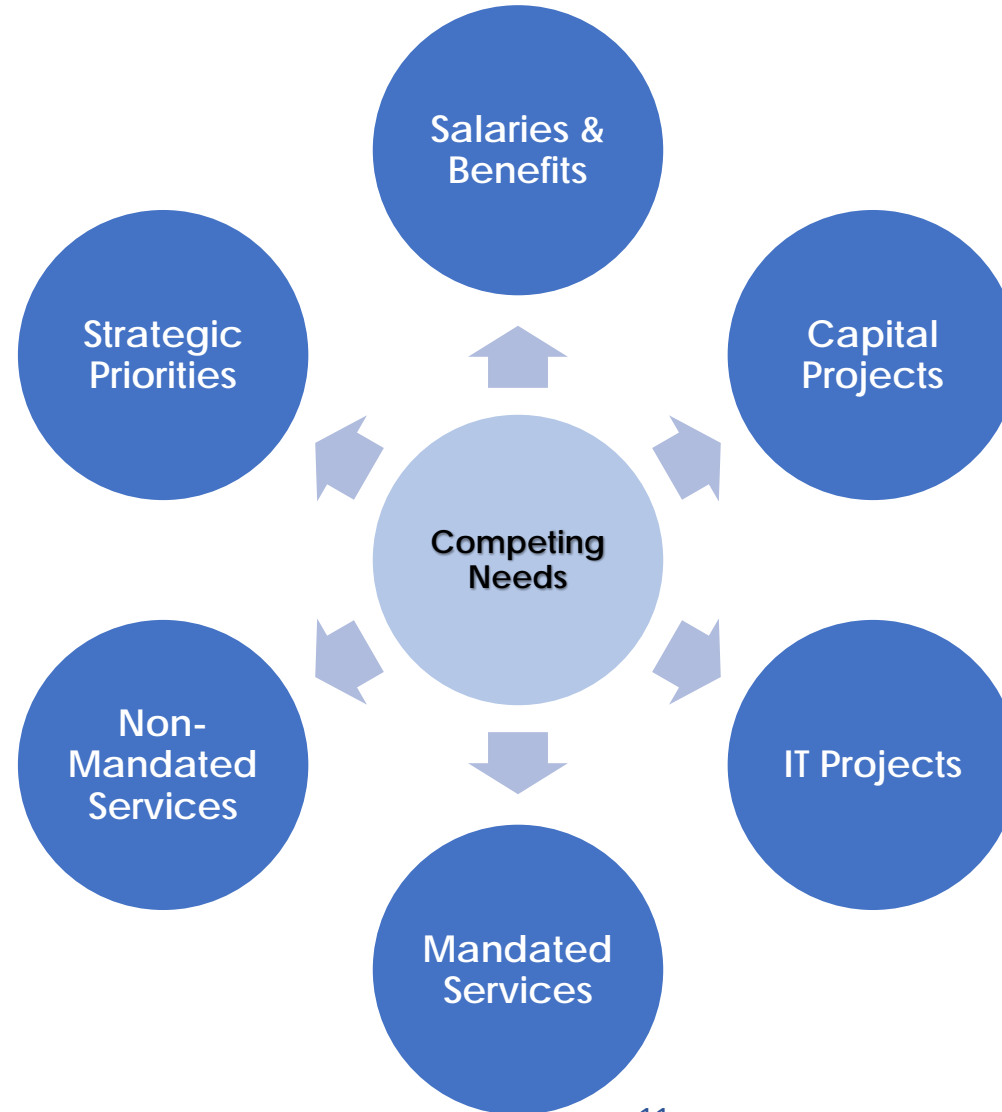
	Public Protection	Community Services	Infrastructure & Env. Res.	General Government	Capital Improvements	Debt Service	Insurance, Res. & Misc.
Dedicated Revenue (Restricted)	\$1,205.4	\$3,499.8	\$1,724.7	\$309.9	\$743.0	\$221.1	\$710.2
Net County Cost (Discretionary)	673.2	214.7	38.8	182.7	16.1	0.1	7.2
Total Appropriations	\$1,878.6	\$3,714.5	\$1,763.5	\$492.6	\$759.1	\$221.2	\$717.4



Funding the County's \$9.5B Budget



Competing Needs for General Funds



Economic Outlook

National Economy

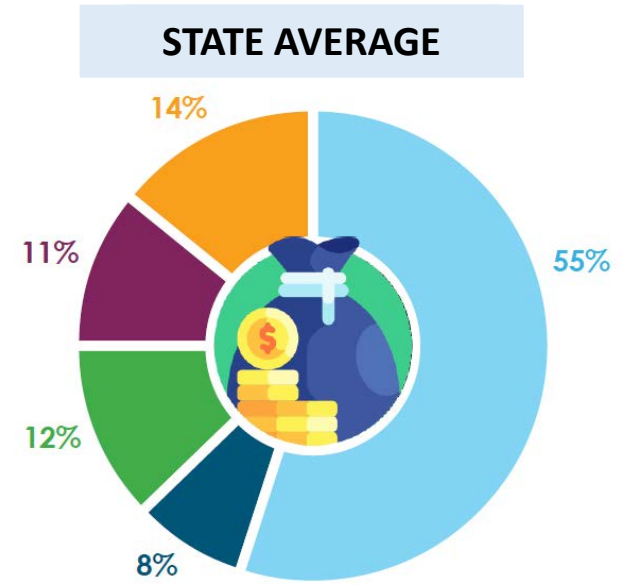
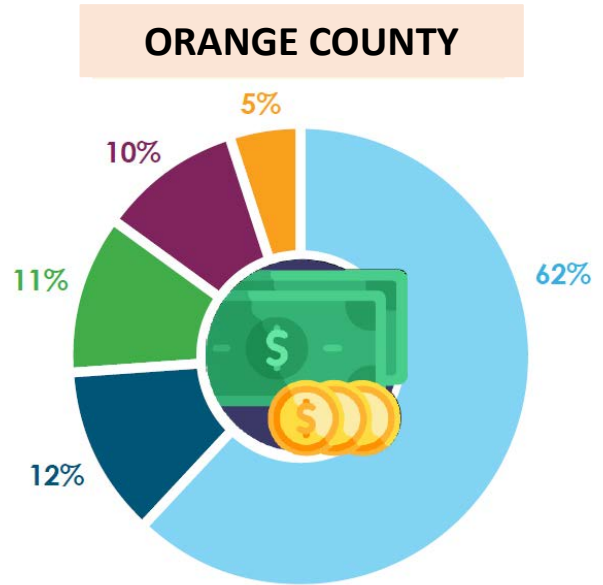
- Below trend growth for U.S. economy in 2024
- Modest economic growth and recovery in 2025 and 2026
- Anticipated reductions in Federal Reserve interest rates
- Expected stabilization of inflation

State Budget

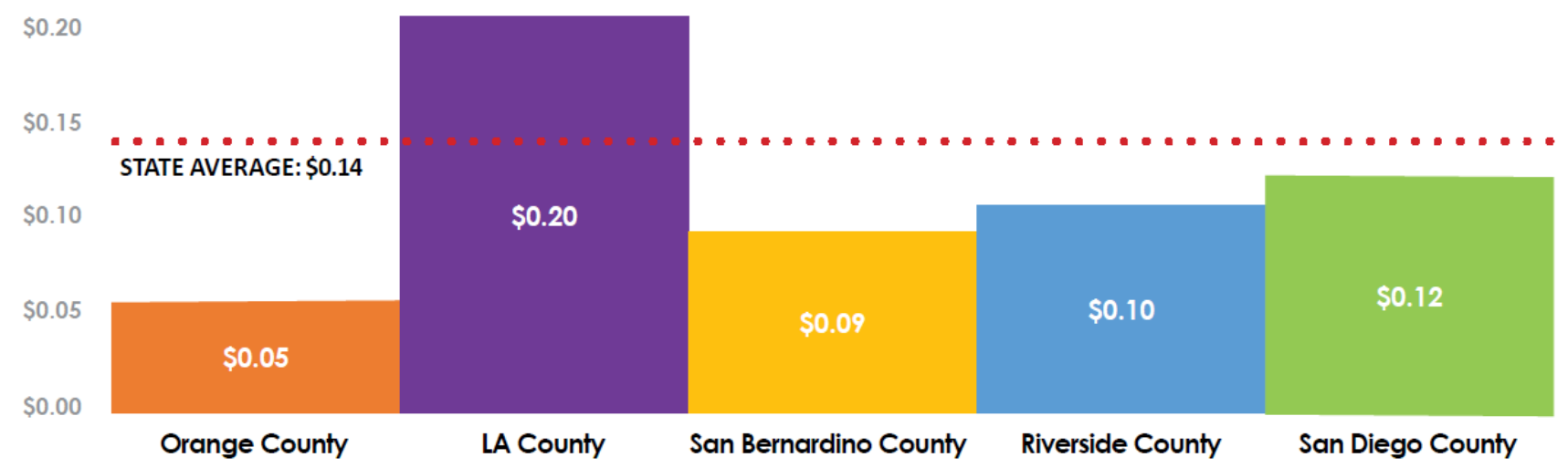
- Projected \$47 billion deficit in FY 2024-25
- Revenue growth average of 4% vs. spending growth average of 5.8%
- No capacity for new commitments



General Purpose Revenue (GPR)



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

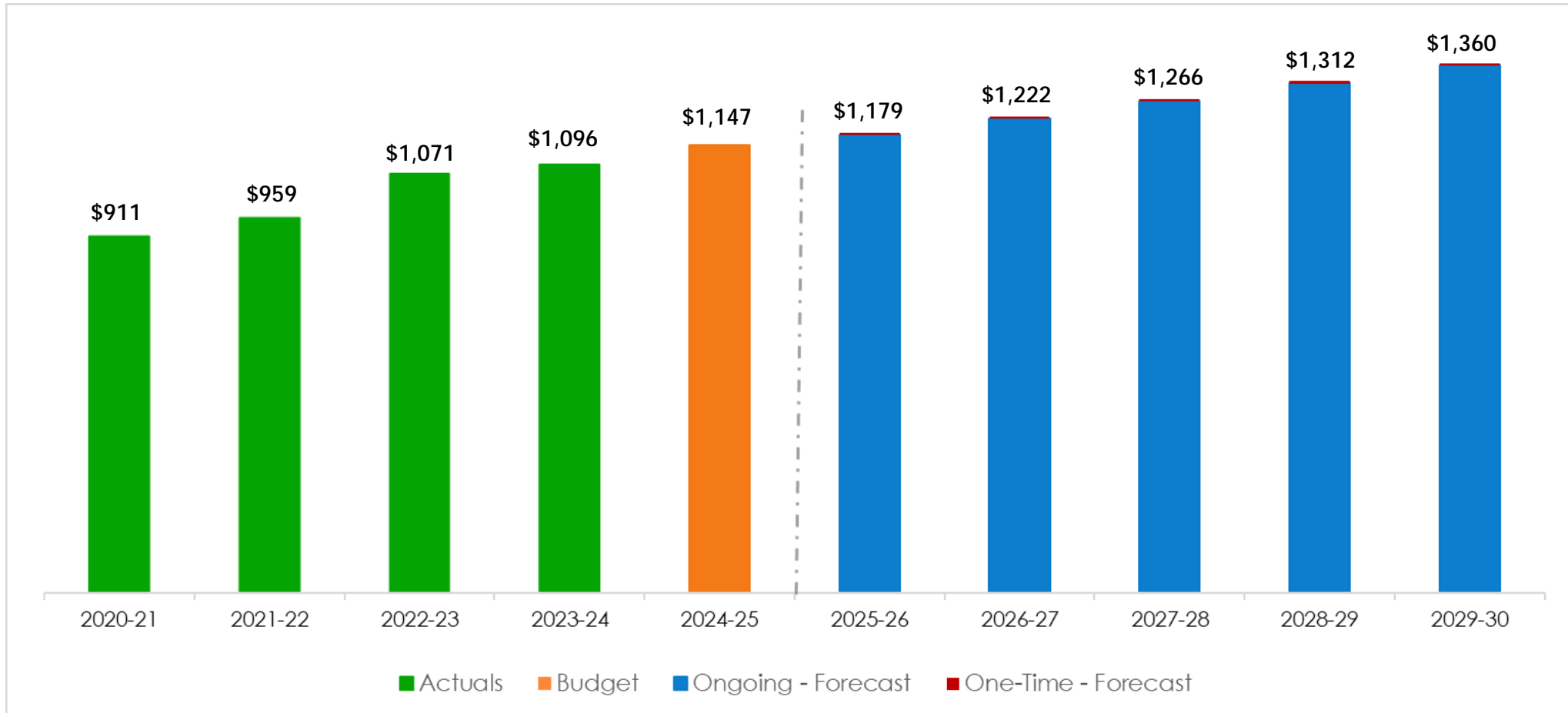


- The County uses GPR to meet its mandated service requirements that are not fulfilled by the state and federal governments.
- Mandated services account for 90%, with the remaining 10% allocated to non-mandated services.



General Purpose Revenues (GPR) (in millions)

1% Property
Tax Revenue =
\$11.0 million

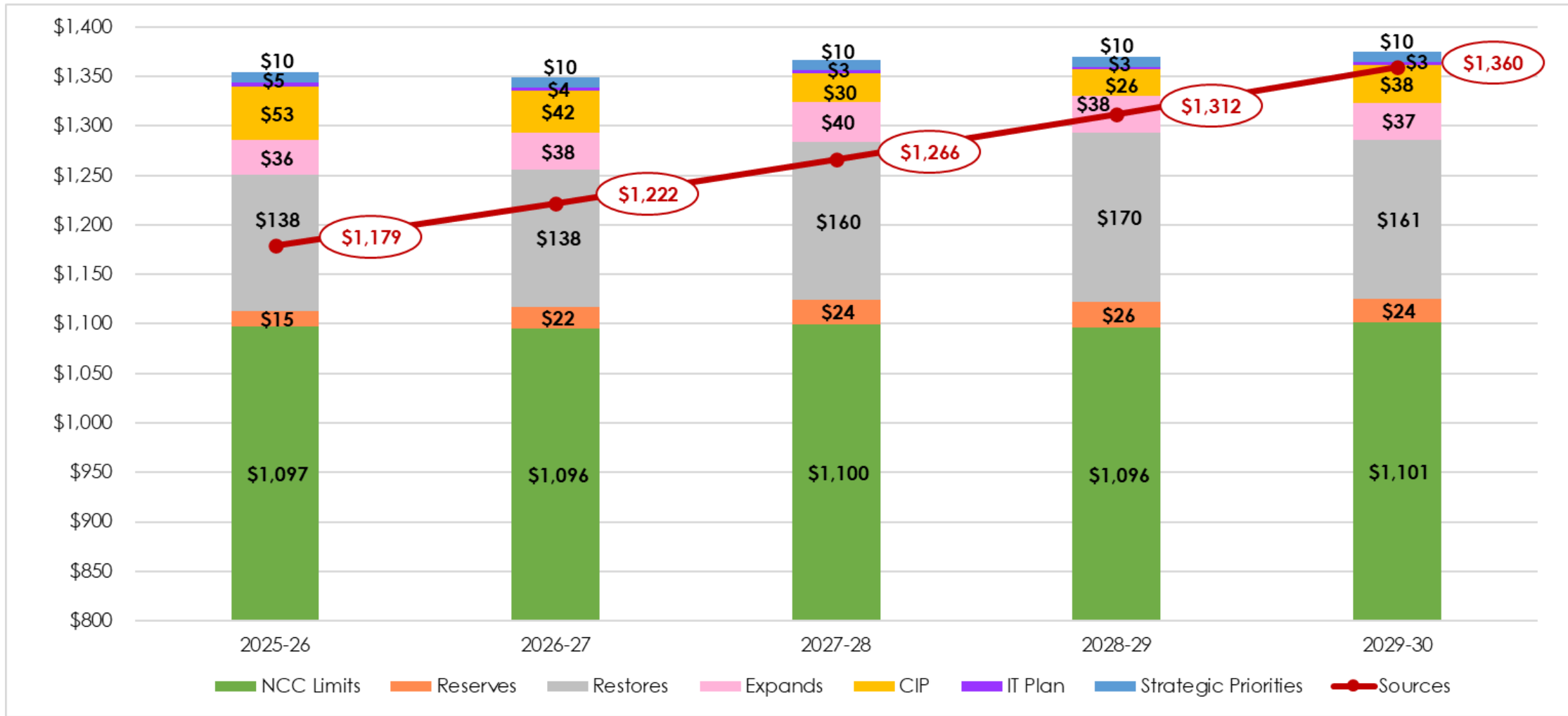


GPR primarily consists of the following sources:

- Property Taxes
- Property Tax Administration Fees
- Sales & Other Taxes
- Interest Income
- Miscellaneous Revenue
- Franchise and Rents



Forecasted Sources & Uses (in millions)



General Fund Debt Service (in millions)

General Fund Debt	2025-26	2026-27	2027-28	2028-29	2029-30	Maturity	Optimal Redemption at PAR
Central Utility Facility (CUF) Lease Revenue Bonds [1]	\$4.5	\$4.5	\$4.5	\$4.5	\$4.5	4/2036	\$34.7 4/2026
Civic Center Infrastructure Improvement (Phase 1)	10.0	10.0	10.0	10.0	10.0	6/2047	\$129.6 6/2027
Civic Center Infrastructure Improvement (Phase 2)	12.9	12.9	12.9	12.9	12.9	6/2048	\$161.0 6/2028
Bell Building Lease Bonds	5.5	5.5	5.5	5.5	5.5	6/2052	\$68.6 6/2032
Total General Fund Debt Service	\$32.9	\$32.9	\$32.9	\$32.9	\$32.9		

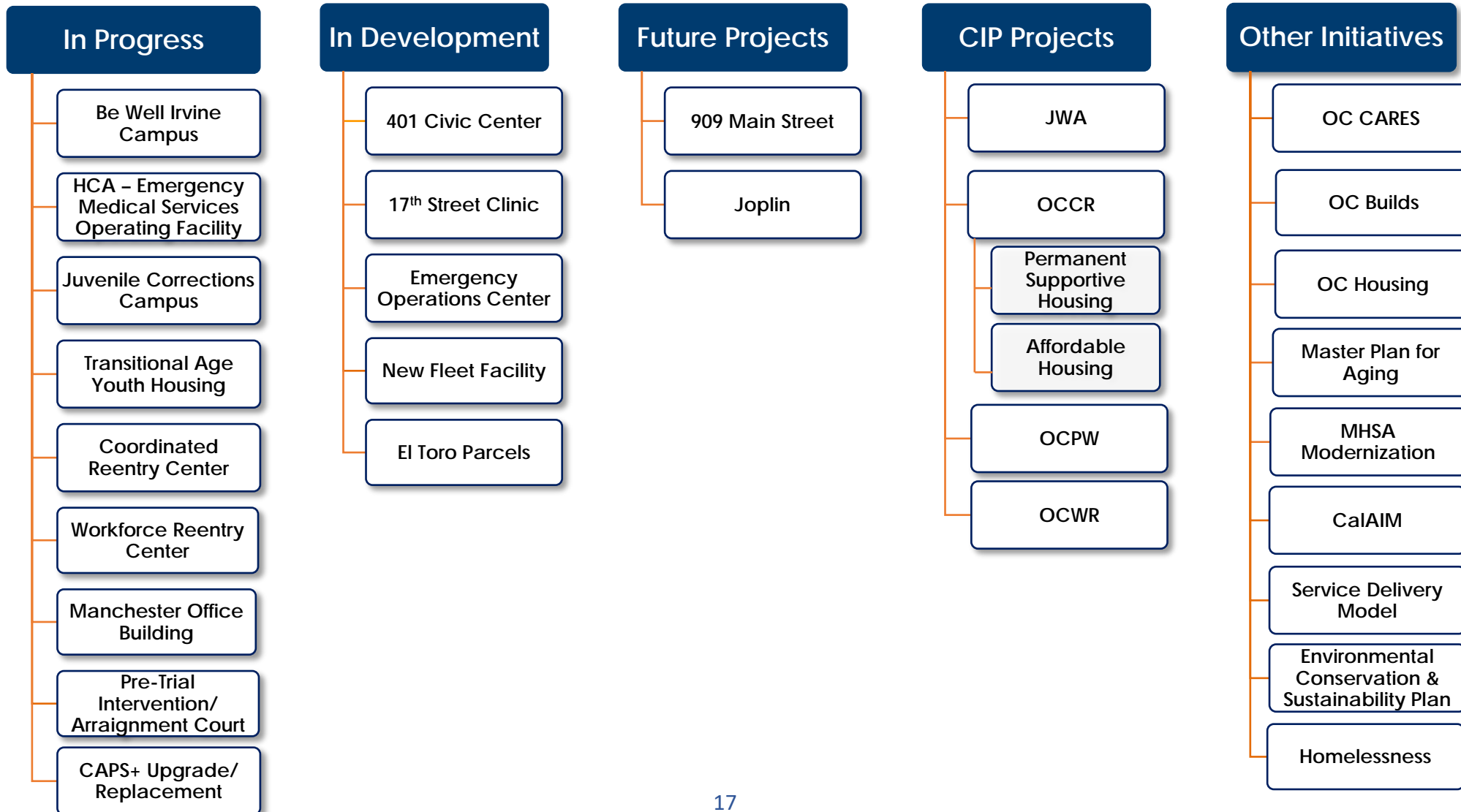
Notes:

[1] Funds needed to pay the CUF Lease Revenue Bonds by the Optimal Redemption at PAR date of April 2026 have been set aside.

[2] After the CUF debt is paid off, the \$4.5 million annual debt service plus an additional \$5.5 million will be set aside annually for future debt defeasance.



Countywide Projects and Initiatives



Next Steps



→ 2024 Strategic Financial Plan:

- Receive and File: December 17, 2024

→ FY 2025-26 Budget

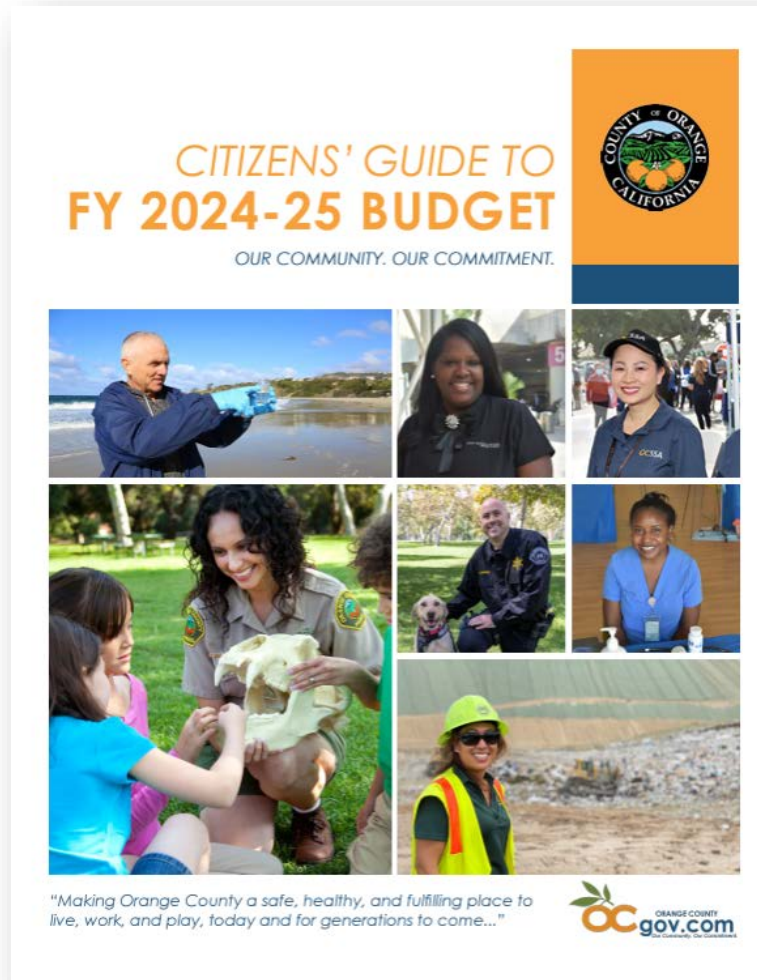
- Department Budget Submittal: March 3, 2025
- Public Budget Workshop: May 29, 2025
- Public Budget Hearings: June 10-11, 2025
- Final Budget Adoption: June 24, 2025



Resources

- CEO Finance & Budget Website: <https://cfo.ocgov.com/budget>
- OC CARES: <https://ocgov.com/oc-cares>
- Office of Care Coordination: <https://ceo.ocgov.com/office-care-coordination>
- OC Housing Authority: <https://www.ochousing.org/>
- Public Feedback: <https://cfo.ocgov.com/public-feedback>

Citizens' Guide



[FY 2024-25 Budget](#)



[2024 Strategic Financial Plan](#)



Questions?

Thank You

