County of Orange

County Executive Office

August 26, 2026

Honorable Sheila F. Hanson
Presiding Judge of the Superior Court of California
700 Civic Center Drive West
Santa Ana, CA 92701

Subject: "Growing Political Appointees and Discretionary Spending within the OC Board of Supervisors" Grand Jury Response

Dear Judge Hanson:

Per your request, and in accordance with Penal Code 933, please find the County of Orange response to the subject report as approved by the Board of Supervisors. The respondent is the Orange County Board of Supervisors.

If you have any questions, please contact Lisa Fernandez of the County Executive Office at 714-834-7219.

Sincerely,

KC Roestenberg
Interim County Executive Officer

Enclosure

cc: 2025-26 Orange County Grand Jury Foreman
Jessica Witt, Chief Operating Officer
Lisa Fernandez, Assistant Chief Deputy Operating Officer
Elizabeth Guillen-Merchant, Assistant Chief Deputy Operating Officer

FINANCIAL IMPACT:
N/A

STAFFING IMPACT:
N/A

REVIEWING AGENCIES/DEPARTMENTS:
N/A

ATTACHMENTS:
Attachment A - Grand Jury Report
Attachment B - DRAFT Response
Attachment C - Draft Transmittal Letter

Responses to Findings and Recommendations
2025-26 Grand Jury Report:

Growing Political Appointees and Discretionary Spending with the OC Board of Supervisors

SUMMARY RESPONSE STATEMENT

On June,10,2026, the Grand Jury released a report titled, "Growing Political Appointees and Discretionary Spending within the OC Board of Supervisors." This report includes findings and recommendations directed to the Orange County Board of Supervisors (Board). The responses to those findings and recommendations are provided below.

FINDINGS AND RESPONSES

F1. Headcount and discretionary spending over the recent budget years for the Board far exceeds inflation and outpaces the demographic changes that would typically justify increased staffing or budgets.

Response: ***Disagrees wholly with the finding***

Board staffing decisions are influenced by a variety of factors, including constituent service needs, policy priorities, oversight responsibilities and regional coordination that work to address the needs of the communities and the approximately 600,000 residents represented within each district. These factors fluctuate independently of inflation or demographic changes within the unincorporated areas and include constituent casework, policy initiatives, regional board assignments, intergovernmental affairs, and legislative analysis and advocacy. Therefore, inflation and demographic changes are not an appropriate basis for determining adequate staffing or budgets for Board offices.

In addition, during the budget process, the County Executive Office conducts an analysis comparing funding and staffing levels across Board offices of surrounding counties. Based on this analysis, the County ensures the budget allocations and position counts for each Board office are appropriate and consistent with regional practices.

F2. The Board's municipal governance responsibilities have dwindled as the unincorporated population of Orange County shrank yet staffing and expenditures have increased.

Response: ***Disagrees wholly with the finding***

The Board serves as the governing body for the entire County and provides budgetary oversight and policy direction for regional programs and services available to all County residents, regardless of whether they reside within the unincorporated area. These responsibilities include oversight of public health, social services, election administration, airport operations, public safety and infrastructure. Staffing levels and expenditures are more appropriately influenced by the complexity of countywide responsibilities rather than changes in the population of the unincorporated areas.

F3. Staffing expansions within Board offices are not tied to demonstrable needs.

Response: ***Disagrees wholly with the finding***

Board office staffing numbers are driven by the needs of the approximately 600,000 residents represented within each district.

F4. The expansion of district-level discretionary spending, including grants to individuals and organizations located within incorporated cities, extends the Board's influence into areas that fall under municipal responsibilities, not the County's direct jurisdictional responsibilities.

Response: ***Disagrees wholly with the finding***

The Board serves as the governing body for the entire County and provides oversight of programs and services available to all County residents regardless of whether they reside within the unincorporated area.

Consistent with Government Code Section 26227, the Board may fund programs and organizations that serve public purposes and address the needs of the County. The physical location of an organization does not necessarily limit the reach of the services it provides and therefore granting discretionary funds to organizations within incorporated cities does not extend the Board's influence into areas that fall solely under municipal responsibilities.

F5. The significant growth in Board office staffing has led to the appearance of an administrative structure that parallels work already performed by the County Executive Office and department heads.

Response: ***Disagrees wholly with the finding***

Board office staffing complements rather than duplicates the work performed by the County Executive Office and County departments. The County Executive Office and department heads are responsible for administering programs, managing operations and implementing adopted Board policies and directives. Board office staff ensure the priorities and concerns of their district are reflected in countywide initiatives, programs and policies. Board office staff and County departments serve distinct but complimentary roles and work in partnership with one another to ensure alignment in countywide decision-making.

F6. The widening distance between Supervisors and the Executive Team undermines the value of the County Executive Team and complicates coordination, slows policy implementation, and contributes to fragmented decision-making.

Response: ***Disagrees wholly with the finding***

The County disagrees that there is a widening distance between the Board of Supervisors and the County Executive Team or that the value of the County Executive Team has been undermined. The Board establishes County policy while the County Executive Team is responsible for implementing Board direction and administering County operations. Coordination between these roles is carried out through established County processes, including Board agenda development, budget preparation, legislative planning and regularly scheduled meetings. The County has not identified evidence that these processes complicate coordination, rather, Board office staff and the County Executive Team serve complementary roles and work in partnership to ensure alignment in countywide decision-making.

RECOMMENDATIONS AND RESPONSES

R1. Starting with the budget for Fiscal Year 2027-2028 (and ongoing), zero-based budgeting should be used by the Board to require justification for all Board of Supervisors departmental positions and expenditures.

Response: ***The recommendation will not be implemented because it is not warranted or is not reasonable.***

Board office budgets currently undergo a comprehensive annual analysis and budget development process consistent with County budget policies and applicable laws. This includes a thorough review of Board office positions and expenditures by the County Executive Office, along with a comparison of funding levels and staffing across surrounding counties to ensure alignment with regional practices and operational needs. Based on this analysis, the County ensures the budget allocations and position counts for each Board office are appropriate.

As identified in its published budget adopted after public hearings for FY2026-27, the Board offices received a 5 percent reduction in Net County Cost, similar to County departments, and this reduction is anticipated to carry forward into FY 2027-28.

Adoption of zero-based budgeting would result in a significant change to the County's budgeting methodology without demonstrated benefits relative to its impacts.

R2. Starting with the budget for Fiscal Year 2027-2028 (and ongoing), an audit of municipal service workload in the unincorporated areas should be conducted to determine the appropriate level of Board staffing necessary to support the 4% of County residents still directly governed by the Board.

Response: ***The recommendation will not be implemented because it is not warranted or is not reasonable.***

The Board serves as the governing body for the entire County and provides budgetary oversight and policy direction for regional programs and services available to all County residents, regardless of whether they reside within the unincorporated area. These responsibilities include, but are not limited to, oversight of public health systems, social services, election administration, airport operations, public safety and infrastructure. Staffing levels and expenditures are more appropriately influenced by the complexity of countywide responsibilities, which an audit of municipal service workload in the unincorporated areas would not capture.

R3. Starting with the budget for Fiscal Year 2027-2028 (and ongoing), the Board's discretionary funds should be eliminated with the funds redirected to County public-facing services such as public safety, infrastructure, and health and human service programs.

Response: ***The recommendation will not be implemented because it is not warranted or is not reasonable.***

Existing law already establishes requirements for the appropriate use of these funds. Board discretionary funds are administered in accordance with applicable state law, including California Government Code Sections 26227 and 26227.5, which authorize counties to fund programs and organizations that serve public purposes and address the needs of the County.

R4. Starting October 31, 2026 (and ongoing), if discretionary funds are retained by the Board, the Board should limit discretionary grants to County-related purposes within its direct service and governance responsibilities and adopt uniform eligibility and reporting standards to ensure transparency and eliminate the appearance of political favoritism.

Response: ***The recommendation will not be implemented because it is not warranted or is not reasonable.***

Existing law already establishes requirements for the appropriate use of these funds. Board discretionary funds are administered in accordance with applicable state law, including California Government Code Section 26227, which authorizes counties to fund programs and organizations that serve public purposes and address the needs of the County. Board discretionary funds are authorized after approval at public Board meetings and the Board provides additional transparency by posting the uses of discretionary funds on a publicly available site: https://cfo.oc.gov/resources/transparency-reports

R5. Starting October 31, 2026 (and ongoing), staffing levels within Board offices should be reviewed for redundancy relative to the County Executive Office and department-level subject-matter expertise. Positions that duplicate existing County functions should be eliminated.

Response: ***The recommendation will not be implemented because it is not warranted or is not reasonable.***

Board office staffing complements rather than duplicates the work performed by the County Executive Office and County departments. The County Executive Office and departments heads are responsible for administering programs, managing operations and implementing adopted Board policies and directives. Board office staff ensure the priorities and concerns of their district are reflected in countywide initiatives, programs and policies. Board office staff and County departments serve distinct but complimentary roles and work in partnership with one another to ensure alignment in countywide decision-making. Therefore, there are no duplicate positions that would be subject to elimination.

As part of the annual budget process, the County Executive Office conducts a review of Board office positions to ensure position counts for each office are appropriate.

R6. Starting October 31, 2026, the Board should realign their engagement with the County Executive Team and department heads on policy matters to enhance collaboration.

Response: ***The recommendation has been implemented.***

The Board of Supervisors, Board office staff, County Executive Team and department heads currently engage in ongoing coordination and collaboration through established County processes, including Board agenda development, budget preparation, policy implementation, legislative planning and regularly scheduled meetings. The County continually evaluates and refines these processes to ensure effective collaboration between Board offices and County departments.

R7. Starting with the budget for Fiscal Year 2027-2028, the Board should adopt a formal policy that governs their future departmental headcount and the elimination of discretionary spending that meets the above Recommendations.

Response: ***The recommendation will not be implemented because it is not warranted or is not reasonable.***

The County already operates through established budget policies that govern the development, review and approval of Board office staffing and expenditures. These policies require departments, including Board offices, to prepare structurally balanced budget requests that align with the County's mission, values, key initiatives and goals to conserve financial resources, minimize costs and limit General Fund requests to items that are critical to the health, safety and sustainability of the County. In addition, discretionary funding is already governed by applicable state law. A separate formal policy is not necessary given existing statutes and budgetary processes.