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COUNTY OF LOS ANGELES

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2012-13 LOS ANGELES COUNTY BUDGET PROPOSAL: NO CUTS TO PUBLIC SERVICES

April 16, 2012 – After four consecutive years of budget cuts and fiscal challenges, Los Angeles County unveiled a 2012-13 budget proposal today, totaling \$23.781 billion, which includes no dramatic impacts or cuts in public services. Additionally, as one of the largest employers in Southern California, the County is again avoiding the need for furloughs or layoffs.

“The County has weathered an extraordinary fiscal journey over the last four years,” said Chief Executive Officer William T Fujioka. “We were well-positioned to survive the recession because of the fiscal prudence of our Board of Supervisors, as well as the incredible understanding of our labor partners. Our ability to make it through these last several years is also a testament to the ingenuity and support of our department heads and every single County employee.”

The budget recommendation resolves a current shortfall of \$75.8 million, a manageable deficit that is significantly smaller than recent annual deficits. The shortfall was also solved without the need to draw down from the County’s financial reserves, which remain available to address future uncertainties, meet cash flow needs, and aid in maintaining the County’s high credit ratings.

Additionally, for the first time in four years, this budget proposal does not require cuts or curtailments by County departments. Over \$360 million in cuts, and the elimination of 2,100 vacant, budgeted positions, have been absorbed by departments in the last four years. The average departmental cut has been 17-percent, with some departments enduring cuts of over 30-percent.

Since early 2009, labor groups have actively partnered with the County by agreeing to zero salary or cost-of-living increases, while increases for managers have also been suspended during the same period.

Notably, the demand for certain County services, which had dramatically increased over the last three years, appears to have peaked. General Relief assistance payments have been dropping since the highest point in August 2011. The monthly average General Relief caseload had grown from 58,599 in 2006-07 to a peak of 113,034 last year. The

cost of providing General Relief is entirely provided by the County, and with the drop in caseload, the County is estimating a \$27.4 million reduction in costs next year.

The budget proposal includes the addition of 185 positions, including 157 law enforcement positions in the Sheriff's Department, and eight positions to serve the mental health needs of veterans returning from Iraq and Afghanistan, as well as their families.

The Capital Project portion of the budget includes recommendations to fund \$367 million in public protection facilities and fire stations. Another \$151.8 million is recommended for recreational facilities, including swimming pools, community centers, parks, and beach upgrades.

This budget proposal is just the first step in a months-long process that includes public hearings, deliberations, and the inclusion and consideration of potential impacts from the State and Federal budget proposals.

Complete details of the budget outlook are also available on the County's homepage at <http://www.lacounty.gov>, or by following the County on Twitter [@lacountyceo](https://twitter.com/lacountyceo).

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