



**Chief
Executive
Office.**

Driving Toward Change

2022-23 Supplemental Budget Recommendations

CEO.

Fesia Davenport
Chief Executive Officer

October 4, 2022

The Supplemental Budget

The Supplemental Budget is the final phase in our annual budget process.

In this phase we:

- Incorporate final revenue projections
- Fund emergent programs and known needs





\$44.6 Billion



113,592 Budgeted
Positions

Increased federal, state, and local revenues present a unique opportunity to:

- Underscore our commitment to key Board priorities and an equity-focused, Better than Before recovery
- Resolve structural budget deficits to better position County departments for the future.

Higher-than-expected growth in property and sales taxes provides an opportunity to resolve longstanding structural deficits in key programs:

- \$20.6 million for the Office of Diversion and Reentry;
- \$7.0 million for the Parks After Dark program;
- \$3.4 million for the Office of Violence Prevention.
- \$3.1 million for Domestic Violence Shelter-Based Programs;
- and
- \$2.8 million for the LA vs. Hate program.

The LA County Library deficit has also been substantially reduced with \$12.5 million in funding.



CEO. Building Up *Care First, Jails Last*



New funding underscores the Board's commitment to change:

- \$47.8 million to launch the Justice, Care, and Opportunities Department
- \$100 million, on top of the \$100 million allocated last fiscal year, to carry out the Care First Community Investment Year 2 spending plan
- \$173 million and 63 new budgeted positions to support other Care First, Jails Last programs
- Funds \$75 million of a new \$125 million multi-year commitment to support the DOJ consent decree and relieve overcrowding at the Inmate Reception Center

While fund balances are routinely carried over, the Supplemental Budget changes are more significant than usual due to several factors:



- Pandemic-driven labor and material shortages slowed construction of capital projects
- The volume of federal funding and the need to follow stringent program design guidelines in deploying that money
- Lead time required to design and roll out new CFCI programs
- In addition to fund balances, we have higher-than-expected sales and property tax revenues

All fund balance has been committed to unmet needs countywide and \$1.9 billion in unmet needs remain.

We are making use of this additional funding to bolster our response to homelessness, poverty, public safety and to fortify our healthcare system

- \$216 million to ambitiously address homelessness and affordable housing
- \$132 million to support CalWORKS families living in deep poverty
- 125 positions to advance the State's reimagined Medi-Cal program and 34 positions for DMH's Psychiatric Mobile Response Teams
- \$19.4 million for two new Sheriff's Department academy classes plus increased parks and community college patrols



Recommendations include \$229.5 million in capital improvement projects to better serve County residents, including ...



Seismic upgrades



Stormwater capture projects



Modifying Probation facilities to create a more therapeutic environment

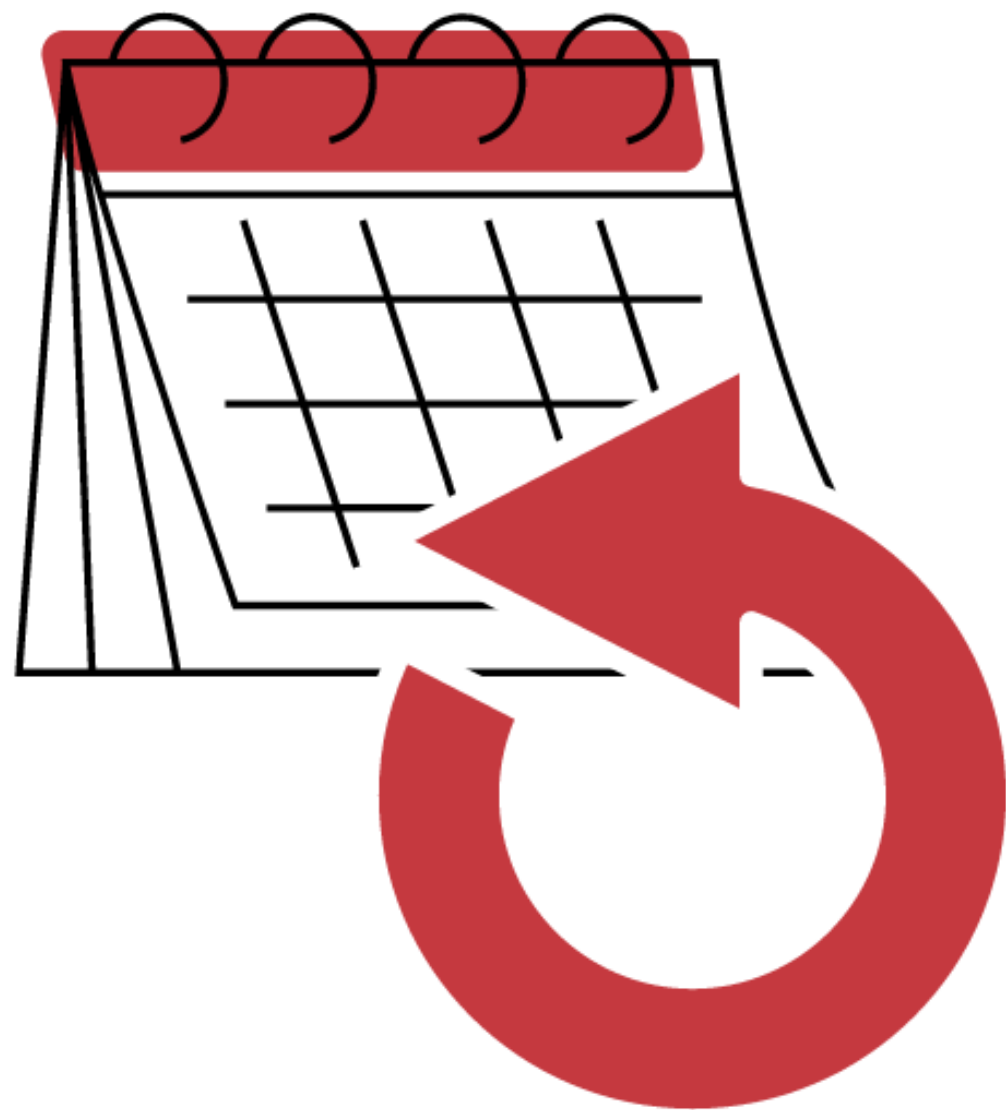


Upgrading and expanding the Medical Examiner-Coroner's infrastructure



Many pressing concerns loom on the horizon:

- An economic slide could affect the State and local resources we rely on to fund services to our residents.
- We face higher operating costs as the result of increased wages and benefits for our valued County workforce.
- Deficits within the Department of Children and Family Services and the Fire Department require long-term solutions for ongoing funding.
- Potential legal settlements and judgments could negatively impact the County's finances.



Most of \$975 million in Phase Two American Rescue Plan allocations recently approved by the Board are not captured in this Supplemental Budget and will be addressed through upcoming budget adjustments.

Questions?

Thank you.

