



BUDGET MESSAGE

- ❖ The **2023-24 Recommended Budget** totals **\$43.0 billion** and includes **114,106 budgeted positions**.
- ❖ This Recommended Budget focuses on funding some of the County's most urgent priorities by:
 - *Mobilizing an emergency response to the humanitarian crisis of homelessness*
 - **\$692.0 million** to fund the **County's New Framework to combat homeless**, including extensive investments in mental health outreach, supportive services, and a wide range of housing programs to increase the supply of affordable housing and move people off the streets and into safe living conditions.
 - *Delivering on the County's commitment to allocate a full 10% of its locally generated unrestricted revenues to direct community investments and alternatives to incarceration*
 - **\$88.3 million**, for a total ongoing investment of \$288.3 million, for Year 3 of **Care First and Community Investment (CFCI) projects and programs** to address racial disparities in the justice system.
 - *Advancing the Care First, Jails Last vision and improving mental health services and unacceptable conditions in the County's jails*
 - **\$49.6 million** for Integrated Correctional Health Services (IHS) and the Sheriff's Department to work toward meeting the terms of the **US Department of Justice (DOJ) consent decree** and *Rutherford* settlement with the support of the County's new DOJ Compliance Officer.
 - *Supporting Sheriff's Department reforms, from addressing deputy gangs to providing more transparency*
 - **\$6.6 million and 24 non-sworn positions** for the Sheriff to **establish the Office of Constitutional Policing** to, among other things, oversee and monitor consent decrees and investigate deputy gang issues.
- ❖ Other significant funding recommendations included this budget phase are the following:
 - ✓ **\$65.7 million** in State CalWORKS funding to support the **Stage One Child Care Program**, which provides full-time childcare services to CalWORKS participants;
 - ✓ **\$60.2 million** in **Mental Health Services Act** funding and 168 positions to expand mental health services, including 32 positions for the new Antelope Valley Children and Family Health Clinic focused on both children and families;
 - ✓ **\$51.6 million** to pay for a \$1/hour wage supplement for **In-Home Supportive Services** providers who aid older and/or disabled residents;
 - ✓ **\$20.0 million** to the Department of Children and Family Services to make up for the **loss of federal funding** due to the expiration of the Title IV-E waiver;
 - ✓ **\$8.3 million** to expand **Upfront Family Finding** services, which are designed to place children with relatives and family friends to improve outcomes;
 - ✓ **\$241.6 million** in continued funding for **environmental stewardship** program for water conservation projects; and
 - ✓ **\$176.3 million** in continued funding to **enhance and expand access to County recreational sites**.

ECONOMIC OUTLOOK

- ❖ This Recommended Budget reflects modest growth in some of locally generated revenues as well as increased sales tax revenues from the State and interest earnings, as follows:
 - \$385.7 million in property tax revenue resulting from an approximate 5% increase to the 2023 tax assessment roll;
 - \$26.1 million in Proposition 172 Public Safety sales tax revenues;
 - \$6.7 million in local sales tax receipts;
 - \$8.7 million in 1991 Realignment sales tax for social services; and
 - \$101.5 in interest earnings revenue.
- ❖ Our office is closely monitoring the latest economic data and remains vigilant to address any signs of an economic slowdown or increased risk of a recession.

VULNERABILITIES ON THE HORIZON

- ❖ As we move forward, the County faces sobering budget challenges and pressures, including:
 1. End of American Rescue Plan Act funding totaling \$1.9 billion
 - With no other source of funding to replace this loss, important programs will not be sustainable;
 2. Overhaul of the Probation Department
 - Potential need for additional investments in staff, programs, and facilities;
 3. Retrofit of County buildings deemed seismically challenged
 - Funding needs will be determined upon completion of the ongoing assessment and prioritization of high-risk buildings and informed by a pending report back in response to a February 28, 2023 motion; and
 4. Work towards compliance with DOJ consent decree and jails settlement agreement
 - Additional resources will be required to retain and hire adequate staff to meet the terms of the US DOJ consent decree.
- ❖ But perhaps the greatest fiscal challenge in recent history is the liability and settlement costs related to impending claims spurred by AB 218, also known as the Child Victims Act, which:
 - Extends the statute of limitations for reporting childhood sexual assault claims and opens a 3-year window for victims of any age to file civil lawsuit claims through December 31, 2022;
 - Exposes the County to liability ranging from **\$1.6 billion to more than \$3.0 billion** from more than 3,000 claims alleging childhood sexual assault at various County and non-County facilities; and
 - Causes a profound effect on the County budget for decades to come.
- ❖ While not yet enacted, two recently introduced bills, AB 452 and AB 1547, would further increase the County's potential liability.
 - AB 452 would remove all time limitations for childhood sexual assault survivors to file lawsuits.
 - AB 1547 would allow claims arising out of assaults by an employee of either a juvenile probation camp or detention facility owned and operated by a county, or a youth facility owned and operated by the Division of Juvenile Justice to file their lawsuits in 2024.



SUMMARY OF 2023-24 RECOMMENDED BUDGET

(\$ in Millions)

Total Budget by Fund	2020-21 Budget	2021-22 Budget	2022-23 Budget	2023-24 Recommended	Change From Final Adopted	% Change
Total General County	\$ 29,272	\$ 29,882	\$ 33,333	\$ 33,099	\$ (234)	-0.7%
Special Funds/Special Districts	8,962	9,442	11,309	9,897	(1,412)	-12.5%
Total Budget	\$ 38,234	\$ 39,324	\$ 44,642	\$ 42,996	\$ (1,646)	-3.7%
Budgeted Positions	110,195	111,038	113,592	114,106	514	0.5%

Major Budget Changes by Fund	Net Change
General Fund/Hospital Enterprise	
Additional Fund Balance	\$ (683)
Dept'l Additional Fund Balance	(334)
Carryover	(17)
NCC Changes	850
Ministerial Changes	(5)
Revenue Offset	(45)
Subtotal General County	(234)
Special Funds/Special Districts	
Special Revenue Funds	(655)
Capital Project Special Funds	(61)
Special Districts	(655)
Other Enterprise Funds	(28)
Internal Services Fund	7
Agency Fund	(20)
Subtotal Special Funds/Districts	(1,412)
Total County Change	\$ (1,646)

Position Change by Department	Net Change
Mental Health	195
Health Services	86
Children and Family Services	70
Fire	60
Justice, Care and Opportunity	45
Sheriff	39
Aging and Disabilities	20
Public Health	19
County Counsel	18
Internal Services	12
Economic Opportunity	5
Beaches and Harbors	4
Chief Executive Office	4
Human Resources	3
Board of Supervisors	2
Military and Veterans Affairs	2
Auditor-Controller	1
District Attorney	1
Museum of Natural History	(1)
Assessor	(3)
LA County Library	(3)
Treasurer and Tax Collector	(4)
Museum of Art	(7)
Alternate Public Defender	(17)
Public Defender	(37)
	514

