



Budget Deliberations

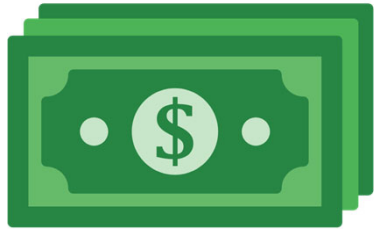
2023-24 Final Changes Budget

CEO.

Fesia Davenport
Chief Executive Officer

June 26, 2023

Increase of \$367 million
= \$43.4 billion total



Additional 552 budgeted
positions = 114,658 total



New funding was extremely limited.

- **\$1.8 billion in unmet needs** requests from County departments
- **\$659 million** of those deferred to future budget phases
- **\$1.1 billion** in unmet needs remaining and likely to go unfunded

No new revenue growth means:

Strict limitations on our ability to fund additional net County cost (NCC) programs.

- Slight decline in sales tax-based revenues
- Almost all budget changes were funded with State and federal revenue

and

A sharper focus on addressing known challenges, limiting our ability to fund new programs or program expansions.

- Addressing departmental structural deficits
- Funding existing Board policies
- Paying contractual obligations and legal settlements



\$16.3 MILLION to further drive our emergency response to homelessness

- This new State allocation will fund enhanced care in interim housing units and pay for landlord incentives to accept tenants using rent subsidy vouchers



\$29.9 MILLION to help move people into non-carceral care

- Focused on those with significant or severely debilitating mental health issues who can be safely moved into community settings



\$52.0 MILLION+ to address the crisis in our County jails

- Supporting cross-departmental work to improve conditions and provide a broader, more targeted range of mental health services

\$117.8 MILLION to swiftly restructure our juvenile Probation system

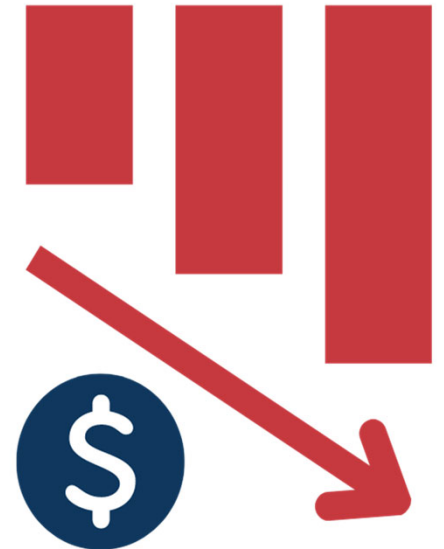
- Allows for round-the-clock work to renovate Los Padrinos Juvenile Hall for pre-disposition youth as we close non-SYTF units at Barry J. Nidorf and Central Juvenile Halls

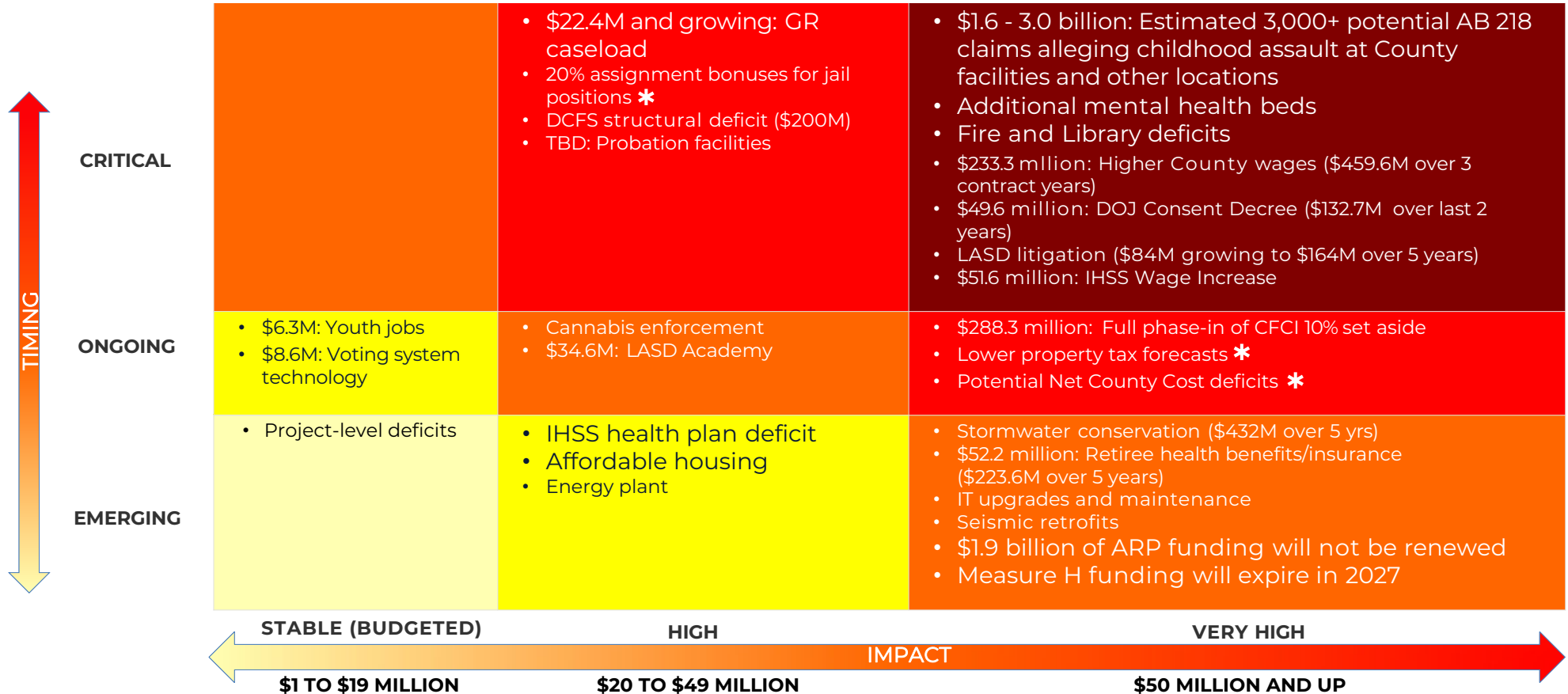


Purpose	New Budgeted Positions	Board Priority
Fund DHS Equity, Diversity, Inclusion, and Anti-Racism Initiative	24	Anti-Racism, Diversity, and Inclusion
Improve jail conditions/mental health treatment	60	Care First, Jails Last
Support alternatives to incarceration, community investment	18	Care First, Jails Last
Better manage indigent legal defense services	18	Care First, Jails Last
Provide additional DCFS staffing in Antelope Valley	30	Child Protection
Early public health nurse intervention for at-risk foster youth	30	Child Protection
Bolster public health infrastructure	96	Health
Expand mental health services	33	Health
Adequately staff County hospitals, other DHS positions	125	Health
Support for emergency response to homelessness and housing services	59	Homeless Initiative
Other Key Needs		
Expand Adult Protective Services	18	Aging & Disabilities Department
Other (data tracking, additional DCFS records staff, admin, etc.)	41	Various
Total	552	

Looking forward, the County faces sobering budget challenges:

- Potential liability from Childhood Sexual Assault (AB 218) claims, which would be magnified by the potential impacts of proposed AB 452
- DOJ consent decree and other jail-related court actions could require new budgetary obligations
- Homelessness Emergency, housing crisis and the expiration of Measure H in 2027
- Departmental Structural Deficits in Fire, Library and DCFS
- Cooling housing market

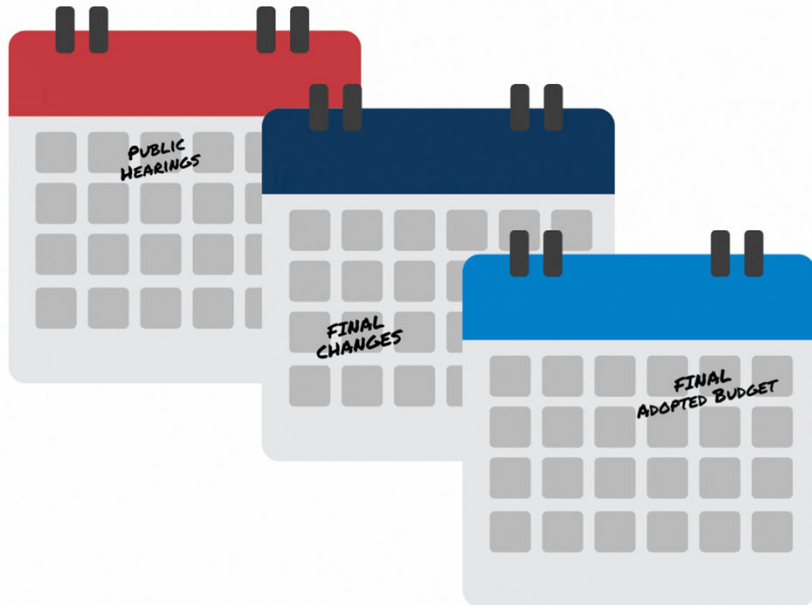




Larger font indicates funding solutions with higher complexity / New and growing concerns are indicated by asterisks *

- Austere Supplemental Budget phase
- No new property tax revenues expected for Supplemental Budget
- Continue preparations for AB 218 settlement obligations
- Other large legal settlements expected to reduce fund balance at book closing
- Monitoring impacts of \$31 billion State deficit on departmental revenues





The Supplemental Budget goes before Board on October 3, concluding the annual budget process.

The Supplemental Budget phase will incorporate additional changes based on updated information, but since no new property tax revenues are expected, resources for new programming are likely to be limited.

When approved, this will become the County's "Final Adopted Budget" and will be submitted to the State controller.

Questions?

Thank you.

