

# **Budget Deliberations**2023-24 Final Changes Budget



**Fesia Davenport**Chief Executive Officer



# What's Changing in This Budget Phase

# 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

# CEO.

# **Holding the Line on New Programs**

### 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





# **Budget Prioritizes Critical Needs**

# \$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 youchers



### \$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



# **New Positions Align With Board Priorities**

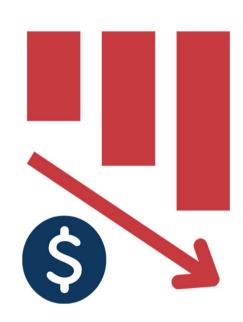
Purpose	New Budgeted Positions	Board Priority
Fund DHS Equity, Diversity, Inclusion, and Anti-Racism Initiative	24	Anti-Racism, Diversity, and Inclusion
Improve jail conditions/mental health treatment	60	Care First, Jails Last
Support alternatives to incarceration, community investment	18	Care First, 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	



# Fiscal Outlook and Budget Pressures

# 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



# **CEO.** Impacts of Today, Pressures of Tomorrow

TIMING	CRITICAL	<ul> <li>\$6.3M: Youth jobs</li> <li>\$8.6M: Voting system technology</li> </ul>	<ul> <li>\$22.4M and growing: GR caseload</li> <li>20% assignment bonuses for jail positions *</li> <li>DCFS structural deficit (\$200M)</li> <li>TBD: Probation facilities</li> </ul> • Cannabis enforcement <ul> <li>\$34.6M: LASD Academy</li> </ul>	<ul> <li>\$1.6 - 3.0 billion: Estimated 3,000+ potential AB 218 claims alleging childhood assault at County facilities and other locations</li> <li>Additional mental health beds</li> <li>Fire and Library deficits</li> <li>\$233.3 mllion: Higher County wages (\$459.6M over 3 contract years)</li> <li>\$49.6 million: DOJ Consent Decree (\$132.7M over last 2 years)</li> <li>LASD litigation (\$84M growing to \$164M over 5 years)</li> <li>\$51.6 million: IHSS Wage Increase</li> <li>\$288.3 million: Full phase-in of CFCI 10% set aside</li> <li>Lower property tax forecasts *</li> <li>Potential Net County Cost deficits *</li> </ul>
	EMERGING	Project-level deficits	<ul> <li>IHSS health plan deficit</li> <li>Affordable housing</li> <li>Energy plant</li> </ul>	<ul> <li>Stormwater conservation (\$432M over 5 yrs)</li> <li>\$52.2 million: Retiree health benefits/insurance (\$223.6M over 5 years)</li> <li>IT upgrades and maintenance</li> <li>Seismic retrofits</li> <li>\$1.9 billion of ARP funding will not be renewed</li> <li>Measure H funding will expire in 2027</li> </ul>
		STABLE (BUDGETED)	нідн	VERY HIGH
				MPACT
		\$1 TO \$19 MILLION	\$20 TO \$49 MILLION	\$50 MILLION AND UP

# CEO.

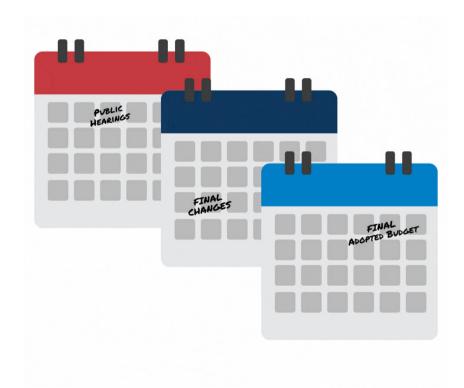
# Supplemental Budget Preview

- 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



# CEO.

# **Next Steps**



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.