BUDGET HALLMARKS

- $28.5 billion proposal builds on critical reforms established during last budget cycle
- Funds key Board priorities and ensures continued support for needed services
- Underscores commitment to conservative budget practices and fiscal policies
OVERVIEW: 2016-17 RECOMMENDED BUDGET

BUDGET OUTLOOK

- Recommended budget: **$28.5 billion**
- $282 million increase from FY 2015-16
- 5% estimated increase in property tax assessments
- 4% projected increase in sales tax revenues
- Outlook: *Positive, but cautious*
OVERVIEW: 2016-17 RECOMMENDED BUDGET

Public Protection $8.077 Billion 28.4%
Health $8.582 Billion 30.1%
Public Assistance $7.068 Billion 24.8%
Recreation & Cultural $591 Million 2.1%
Other $1.053 Billion 3.7%
General $3.106 Billion 10.9%

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<thead>
<tr>
<th></th>
<th>FY 2015-16 Final Adopted Budget</th>
<th>FY 2016-17 Recommended Budget</th>
<th>Change From Prior Year</th>
<th>% Change from Prior Year</th>
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<tbody>
<tr>
<td>Total General County</td>
<td>$21.729</td>
<td>$22.170</td>
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<td>Special Funds/Districts</td>
<td>6.466</td>
<td>6.307</td>
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<td>$28.195</td>
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<td>Budgeted Positions</td>
<td>108,093</td>
<td>108,309</td>
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ADVANCES KEY BOARD PRIORITIES

Providing critical support across a wide range of needs and reforms

- Homelessness and housing
- Sheriff’s Department progress
- Diversion and re-entry
- Healthcare integration
- Child protection
- Wage enforcement
- Economic development
- Proposition 47 reduced-penalties law
- In-Home Supportive Services
HOMELESS AND HOUSING INITIATIVES

Creating better lives through collaboration and leadership

- $98.7 million in dedicated funding
- Continues hundreds of millions of dollars being invested by County departments
- $7.2 million for Housing for Health to promote rapid rehousing, case management and employment services
- $700,000 to establish an Office of Homelessness to lead implementation and coordination of initiatives
$6.9 million for continued improvement of conditions within the County jail system

$1.6 million and 6 budgeted positions to investigate and combat human trafficking

$2.9 million and 15 budgeted positions to staff a 24/7 Emergency Operations Bureau
$10.7 million for physical and mental health care programs in lieu of incarceration where appropriate

$9.1 million to open and operate an around-the-clock Sobering Center serving 8,000 annually on Skid Row

$1.4 million for crisis intervention training to improve Sheriff’s Department interactions with the mentally ill and reduce use of force
$2.1 million to establish additional patient-centered medical homes

$900,000 for leadership positions to oversee implementation of Integrated Correction Health Services plan

$141.7 million and 40 budgeted positions for continued implementation of Mental Health Services Act plans
$1.6 million for Office of Child Protection

$4.5 million and 33 positions to combat commercial and sexual exploitation of children

$1.5 million for the Parent-in-Partnership Program supporting family reunification goals

$1 million for safety and placement of youth with severe behavioral issues

$4 million for childcare services ensuring safety and avoiding out-of-home placements
IN-HOME SUPPORTIVE SERVICES
Valuing those who care for others

- $18.7 million for IHSS worker wage increases
- $3.5 million for costs associated with IHSS worker healthcare benefits
- $14.9 million to comply with IHSS local-match requirement
FOCUS: 2016-17 RECOMMENDED BUDGET

OTHER BOARD PRIORITIES
Shaping a brighter future for those on the margins

WAGE ENFORCEMENT PROGRAM
Provides Consumer and Business Affairs with $1 million and sets aside $600,000 for potential workload increases

ECONOMIC DEVELOPMENT
Allocates $6.5 million for economic development programs administered by the Community Development Commission

PROPOSITION 47
Sets aside $3.2 million to support various programs related to California’s reduced-penalties law
Board adopted a multi-year plan to prefund retiree healthcare benefits in June 2015

- $22.7 million prefunding contribution in FY 2015-16
- Estimated $61.2 million prefunding contribution by FY 2016-17

Supplemented County’s Rainy Day Fund by $81 million in 2015, bringing the balance to $338 million
THE FUTURE: IMPROVING FINANCIAL STABILITY

- Fitch Ratings upgraded the County’s rating from AA- to AA in February 2016
- Standard & Poor’s (S&P) long-term credit ratings for the County have been raised twice over the last six years
- Moody’s upgraded the County’s long-term ratings outlook from stable to positive in 2016

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- All three rating agencies assigned their highest short-term rating to the County for 19th consecutive year in FY 2015-16
STATE BUDGET

- The Governor’s proposed budget contains no significant impact to County administered programs. State budget changes will be addressed in subsequent budget phases, if needed

FEDERAL BUDGET

- The federal budget outlook for the County is positive
- Congress is unlikely to enact legislation that would significantly reduce funding, thereby impacting County administered programs
ON THE HORIZON

Looking ahead to issues that span multiple budget years

- Fully funding the Rainy Day Fund
- Combatting homelessness
- Creating affordable housing
- Investing in deferred maintenance and aging infrastructure
- Replacing legacy information technology systems
- Supporting stormwater pollution cleanup
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