



PRESS RELEASE

COUNTY OF LOS ANGELES

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COUNTY BUDGET: THIRD YEAR OF SERVICE CUTS

Los Angeles County must make \$269 million in cuts in its 2004-05 budget even if the draconic reductions proposed by Gov. Schwarzenegger are not enacted, Chief Administrative Officer David Janssen said today.

In releasing the \$17.148 billion proposed budget, Janssen said the cuts are due to rising costs of Workers' Compensation and other employee-related expenses, and the elimination of various state and federal grant programs. This is the third year that the County has had to cut services to balance its budget.

Of the \$269 million, \$167 million represents absorption costs in existing programs and \$102 million in reduced funding.

The Sheriff's Department, already hard-hit the past two years, faces another \$34.8 million reduction to absorb ongoing program costs, and the loss of \$2 million and 28 positions due to reduced state grant funds. The department – which has closed jails and releases inmates early because of its funding problems – has not yet identified what reductions it will make to absorb the new loss.

The County is projecting increases of 17.3 percent in Workers' Compensation costs, 22.8 percent in retiree health insurance costs, and 87 percent in unemployment insurance. The total projected costs for those programs are \$397.9 million, \$232.3 million and \$7.6 million respectively.

The financial picture is made worse by the state's continued deferral of its obligation to reimburse for mandates that it imposes, and by the continued \$11 million penalty the County must pay because the state has not implemented an automated child support system required by the federal government.

Other departments hardest hit besides the Sheriff are Children and Family Services, Child Support, Probation, Library and Mental Health.

Janssen's proposal does not reflect the governor's threatened cuts. When the Legislature approves the state budget, the County will know the magnitude of the shortfall and will make necessary adjustments at that time. Janssen said he expects a significant hit, but is hopeful it will not be as extreme as the governor's recommended \$470.4 million – which would devastate County services.

The proposed budget is \$20.8 million higher than 2003-04 and includes 378.7 fewer employees. Of the 92,308.8 employees, approximately 59 percent work in law and justice and health/mental health. About 30 percent of the budget goes to children and family programs.

The departments with the largest number of employee losses are: Children and Family Services, 455, most of which are vacant administrative/support positions; and Child Support Services, 152, which may result in a minimum of 40 layoffs, eliminating Saturday service and delaying processing of child support applications and referral of cases for criminal prosecution.

Other impacts include:

- Elimination of 23 deputy district attorney positions and \$2.5 million, which is expected to affect special prosecution units, though the district attorney has not identified the specific curtailments.
- Loss of \$1 million and 24.3 positions in the Parks and Recreation Department, eliminating hourly recreation staff on Sundays at parks, closure of Roosevelt and Jesse Owens Park pools between Nov. 1 and Jan. 31, 2005 (when attendance is at its lowest), and closure or transfer of the Catalina Island Interpretive Center.
- Reduction of \$47.8 million in mental health programs, \$44.6 million of which the specifics are still being developed, but are expected to focus primarily on services to the uninsured.
- Decrease of \$8.8 million to the Public Library; the librarian is preparing alternative scenarios for the Board's consideration in June. When faced with a similar reduction last year, the department proposed closure of 15 libraries and a bookmobile and an overall reduction in service hours of approximately 20 percent for the remaining libraries.
- Deletion of \$3.1 million and 54 deputy probation officers and seven support positions in school-based supervision, adult investigation and supervision, and intensive continuing care.
- Loss of \$12.1 million in state and federal funding, a 7.4 percent reduction, for alcohol and drug abuse programs.

The Department of Health Services will be adding 339.3 positions at a cost of \$14.1 million to enhance patient-care related activities, expand services related to trauma and emergency services and bioterrorism, improve information technology needs and improve internal operations like contract monitoring. Janssen said the internal

enhancements will allow the department to operate more efficiently and identify ways to better control costs and bring down the department's projected deficit.

The Fire Department will add 69 employees and \$8.5 million to provide services to Signal Hill and La Habra, increase emergency services in the Santa Clarita Valley, and establish a new hazardous materials squad in the Antelope Valley.

Approximately \$520 million is included in the budget for capital projects/refurbishments, most significantly \$241.1 million to continue work on the LAC+USC Medical Center replacement project. There is also funding for a countywide data center, new sheriff stations in Athens, Palmdale and San Dimas, further development of the East Los Angeles Civic Center, and expansion of the coroner's autopsy and laboratory facilities.

A project now under way to add 480 beds at Central and Los Padrinos Juvenile Halls is expected to be completed and ready for occupancy during 2004-05.

The proposed budget will be presented to the Board of Supervisors on Tuesday, April 20. Public hearings will begin May 12, and the Board will begin deliberations on June 21. The new fiscal year begins July 1.

Detailed budget information is available on the County's website at <http://lacounty.info/budget.htm>

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