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# NEWS RELEASE

## COUNTY OF LOS ANGELES

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### COUNTY BUDGET: RESTORATION BEGINS

Faced with service cuts the past three years, the County of Los Angeles will begin restoring some of those services – particularly in law enforcement – in 2005-06, Chief Administrative Officer David Janssen said today in releasing his proposed \$18.538 billion budget.

Key to the budget is restoring \$78.7 million to the Sheriff's Department to hire 914.5 employees and reopen jails over the next two years, including creating 4,474 more cell beds to keep inmates from being released early.

"We have survived three very difficult years. We are now able to begin restoring critical services," said Janssen.

The budget document, which goes to the Board of Supervisors on Tuesday to begin the review process, is not all good news, however. The major uncertainty faced by the Health Services Department is noted, with Janssen warning that the department has only one more year before it runs out of its reserve and faces a possible \$435.4 million deficit.

The Mental Health Department finds itself in an unusual situation. It must identify \$25.3 million in reductions, even though it expects to receive \$250 million from voter-approved Proposition 63. The measure precludes use of its new money for existing programs.

Janssen credited several factors for the County's improved fiscal situation, most notably decreased workers' compensation costs and passage of Proposition 1A, which prevents the state from raiding local property taxes.

Soaring workers' compensation costs that peaked at \$324.4 million in the 2003-04 budget and anticipated to hit \$397.9 million in 2004-05 were cited during last year's budget presentation as part of the reason cuts were necessary. However, those costs actually declined this fiscal year to an estimated \$290 million – which Janssen said is due to legislative reform and increased efforts by departments to curtail costs -- and is expected to remain the same in 2005-06. Departments, including the Sheriff, have already been restoring some of their programs as a result.

The Board of Supervisors has already blessed spending \$18.2 million for 1,778 new jail beds, but Janssen's budget includes another \$50.3 million for 2,127 more and makes

preparation for another 569 in 2006-07 -- bringing the total of new beds to 4,474. This would be accomplished by reopening the Century Regional Detention Facility in Lynwood, the Peter J. Pitchess Detention Center East, North and South in Castaic, and the third-sixth floors at Twin Towers Correction Facility, Tower II in downtown Los Angeles; and moving female inmates from Twin Towers to Century.

Janssen is proposing the Sheriff's Department be allowed to hire another 79.5 employees to make inmate safety checks at the jails, eliminating the need to pay current employees overtime to do the monitoring.

Janssen's new spending plan, which is \$565 million more than the 2004-05 budget, allocates an additional \$98.7 million for public safety and justice programs, including funding to the Sheriff, District Attorney, Public Defender, Alternate Public Defender, Office of Public Safety, and Probation departments.

The District Attorney's Office would receive \$5 million to hire 45 prosecutors – an action previously authorized by the Board of Supervisors – and 10 positions for a homeland security task force. The Public Defender would receive 54 new positions at cost of \$5.8 million to handle new court-mandated services and a 4.3 percent workload increase, while the Alternate Public Defender would receive 17 positions at cost of \$2.6 million for a 10 percent caseload increase, partially due to Drug Court.

An increased allocation of \$11.9 million is proposed for the Probation Department to hire 137 employees to enhance programs for delinquent and at-risk youth in an effort to deter criminal behavior and improve care at juvenile halls.

Seventy-five additional positions are recommended for the Fire Department, partially due to its new contract to provide services to the City of La Habra in Orange County.

Janssen is proposing to significantly increase funding for unincorporated area services (\$98.2 million). The Board of Supervisors acts as the "city council" for unincorporated areas, which make up about a 10<sup>th</sup> of the population but about 2/3s of the county's 4,084 square miles. Of the \$962.2 million budgeted for unincorporated areas, proposed enhancements include:

- \$37 million and 270.2 positions to Parks and Recreation for increased recreational and maintenance programs.
- \$2.3 million and 14 positions to the Office of Public Safety to enhance park security.
- \$44.3 million and 132 positions to the Public Library for new libraries and staff to enhance service hours, literacy and homework centers, and other specialized programs.
- \$1.5 million and 10 positions to the District Attorney's Office to enforce County Code violations.
- \$9 million and 103 positions to the Sheriff's Department to restore its Community Oriented Policing Services.

Janssen said the budget continues the County's conservative budgetary approach in response to the ongoing economic instability at the state and national levels. Threatened \$171.9 million in cuts by the governor and \$287.9 million reductions in

health, community development and justice programs proposed by President Bush are not reflected in the County budget as legislators have not yet acted on those recommendations.

Despite its precarious financial situation, Janssen said the Health Services Department should be allowed to hire another 152.9 employees to meet operational needs. He set aside \$40 million in General Fund money (that generated by local taxpayers, primarily from property and sales taxes) for possible use in assisting the department in the future. He noted that the \$40 million represented a significant figure from the General Fund, but paled next to the \$435.4 million in cuts faced by the department if a permanent funding source is not developed.

Also seeing an increase in its budget would be the Children and Family Services Department, which has been allocated \$7.1 million to assist in improving permanency and safety for foster children, and reducing time spent in out-of-home care. A 2.3 percent caseload increase in In-Home Supportive Services, the home-care program for the elderly and ill, resulted in a \$5.4 million increase for the Department of Public Social Services.

Janssen designated \$710.2 million (\$420.7 million of which is revenue offset) for capital improvement projects for high priority health (\$211 million), public safety (\$103.2 million), recreation and culture (\$158.4 million) and facility/infrastructure (\$162.9 million) needs. This includes new libraries in La Crescenta, Lawndale, Acton-Agua Dulce, Sorenson and Topanga Canyon; a new sheriff station and probation field office in Athens; a county data center in Downey; an expansion and renovation of the coroner's autopsy and laboratory space; improvements to fire, flood control and aviation facilities; and \$177.1 million to continue building the LAC+USC Medical Center replacement.

Funds to continue road projects that were deferred because of the need to repair roads damaged by the recent rains, estimated at \$50 million, are not identified in the proposed budget. Janssen's staff is analyzing that situation now and he will make a recommendation to the Board during budget deliberations in June.

Janssen's budget for the eighth year continues to reduce by an additional \$50 million the County's reliance on surplus retirement earnings to pay ongoing costs.

Revenue assumptions include a 6.2 percent growth in the property tax, 2 percent in the local sales tax, 7.8 percent in the realignment sales tax, 11.8 percent in the public safety augmentation sales tax, and 5.3 percent in realignment vehicle license fees.

The employee count would increase by 1,684.1 for a total of 94,555.7.

A public hearing on the proposed budget is scheduled May 11, with the Board of Supervisors starting deliberations June 20. The County's fiscal year begins July 1.

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