

Budgetary Pressures and Impacts

Weekly Budget Briefing

Fesia Davenport
Chief Executive Officer
August 5, 2025

| **CEO.**

LA County BUDGET CRISIS IN THE MAKING

Due to the budget cuts approved by the Board, the County's budget is solvent and it will require fiscal discipline to remain that way.

COSTS



Federal

KNOWN



Roughly **\$714 million** in Big Bill alone impacts by 2027-28.

FUTURE



Other federal cuts, including additional Medicaid cuts: **+\$800 million.**

POTENTIAL IMPACTS

Big Bill cuts in health care, nutrition, green resilience.
Possible **facility closure(s)** and potential estimated **5,000 layoffs** in next five years.



AB 218

\$4 billion tentative settlement is just the start.



2,500+ additional cases pending.

3% cuts already imposed; 310 vacant positions eliminated; some programs reduced.



Labor

\$2 billion (\$778 million in NCC) to fund COLAs and bonuses.



37 tables actively negotiating, IHSS negotiations pending: Salary increases remain on the table.

5.5% cuts imposed in Supplemental will cut and close numerous programs to fund COLAs and bonuses; some layoffs anticipated.



Fires

+\$800 million



\$2 billion in costs and lost revenue, including the known \$800 million and fee deferrals.

Urgent need to identify additional revenue sources to support robust recovery.



Probation Receivership

Information Pending

Information Pending

Receiver as proposed would have substantial authority over juvenile halls, including funding decisions.

CEO. A Closer Look: Preliminary Projected Impacts on County Departments

Federal Funding at Risk (in millions)*

Health & Mental Health Services	DHS	\$590 (7%)
	DPH	\$200 (22%)
	DMH	\$127 (5%)
Community Services	DPW	\$469 (11%)
	LACDA	\$70
Family Social Services	DPSS	\$329 (1%)
	A&D	\$40 (18%)
	DCFS	\$9 (0%)
Public Safety	Sheriff	\$16 (0%)
	DA	\$4 (1%)
	Probation	\$1 (0%)
Operations	ISD	\$15 (2%)
	DCBA	\$9 (12%)
Community Care & Justice	PD	\$7 (2%)
	JCOD	\$2 (1%)
	APD	\$1 (0%)
Other	LA-RICS	\$4

Total County Positions at Risk*

5,762 County Positions | 81 Contracted Positions

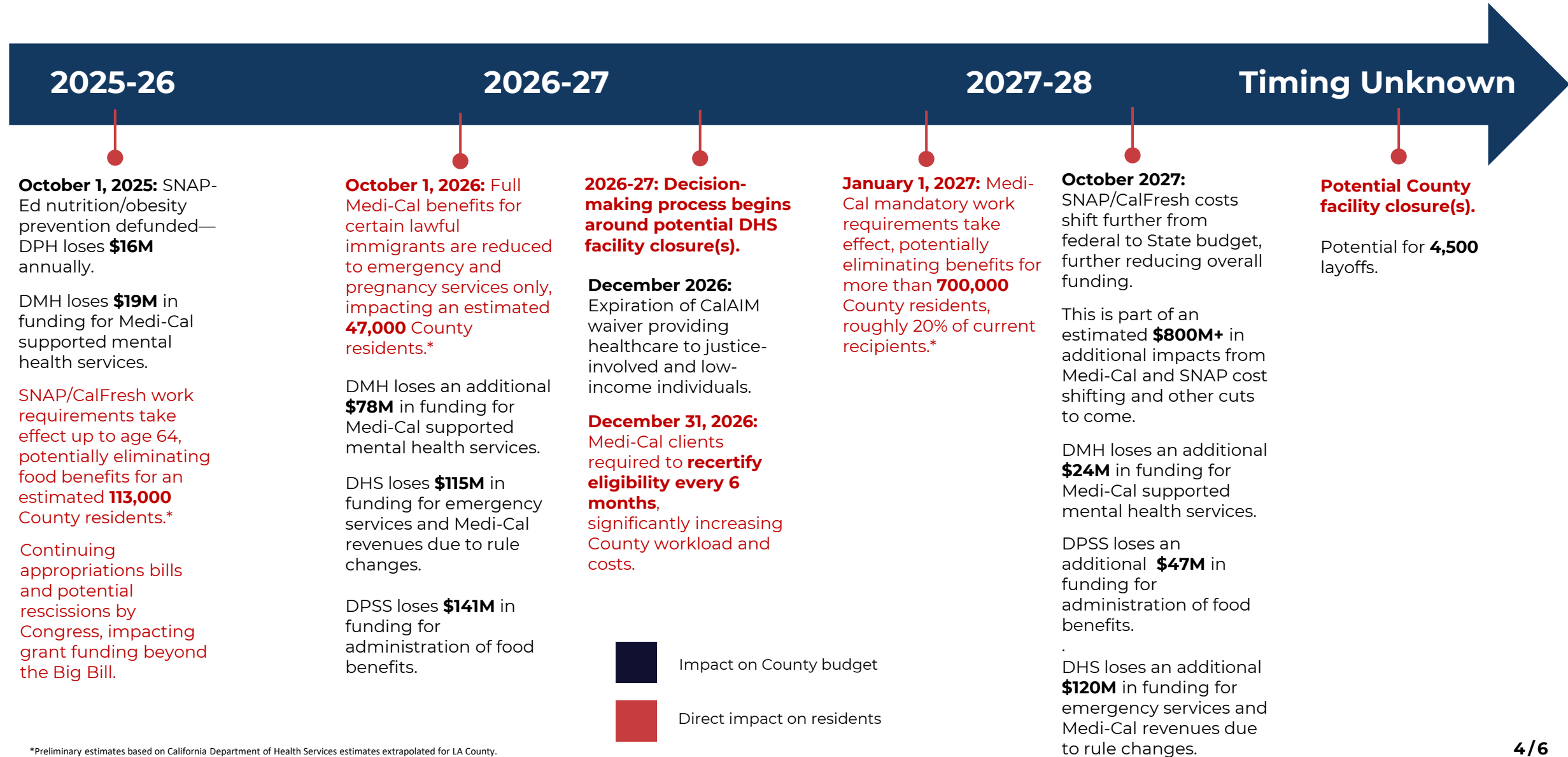
Department	County Positions at Risk	% of Total Dept. Positions
DHS	4,536	16%
DPSS	817	2%
DPH	200	5%
A&D	138	23%
DA	27	1%
DCFS	14	0%
Probation	10	0%
Sheriff	8	0%
DCBA	8	4%
PD	3	0%
APD	1	0%

Contracted Positions at Risk Per Department

- DCBA—40
- PD—27
- DPH—7
- LACDA—5
- Sheriff—2

* Figures reflect week-by-week fluctuations as departments continue to refine rough, preliminary estimates.

CEO. Estimated Timeline for Potential Impacts



LA County **BUDGET CRISIS**

Due to the budget cuts approved by the Board, the County's budget is solvent and it will require fiscal discipline to remain that way.

3% CUTS

To help pay for
AB 218 settlements

Parks & Recreation

- Shorter park hours, reduced swim season, and cutbacks in the Parks After Dark program

Justice, Care & Opportunities

- Ends College and Careers programs at two community colleges, reducing support for justice-involved individuals

5.5% CUTS

To fund cost of negotiated
labor agreements

Parks & Recreation

- Shortens swim season to 10 weeks
- Cancels Parks After Dark summer program
- Closes regional parks and lakes every Monday and Tuesday

Probation

- Closes Santa Monica and Valencia offices, increasing travel burden

Beaches & Harbors

- Less frequent beach cleaning and shorter restroom hours due to staff cuts

Animal Care & Control

- Slower animal adoptions due to loss of care center staff
- Slower response to resident complaints due to fewer enforcement positions

Economic Opportunity

- Cuts about 100 youth jobs for vulnerable populations (e.g., foster, homeless, LGBTQ)

Public Health

- Cuts staffing for disease control and prevention

FEDERAL CUTS

Including the Big Bill

Strategies to Reduce
Costs and Maintain
Balanced Budget:

- Hiring Freeze
- Furloughs
- Layoffs
- Merging Departments
- Facility Closures





Thank you.

Questions?