Budgetary Pressures and Impacts

Weekly Budget Briefing



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



FUTURE



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.



\$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.

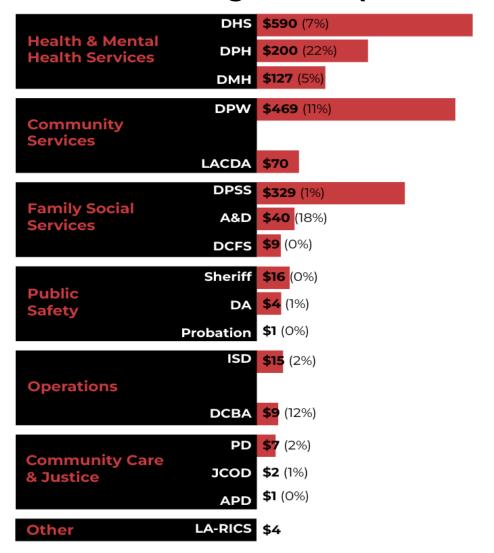
Urgent need to identify additional revenue sources to support robust recovery.



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)*



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

Timing Unknown 2025-26 2026-27 2027-28

October 1, 2025: SNAP-Ed nutrition/obesity prevention defunded— DPH loses \$16M annually.

DMH loses **\$19M** in funding for Medi-Cal supported mental health services.

SNAP/CalFresh work requirements take effect up to age 64, potentially eliminating food benefits for an estimated **113,000** County residents.*

Continuina appropriations bills and potential rescissions by Congress, impacting grant funding beyond the Big Bill.

October 1, 2026: Full Medi-Cal benefits for certain lawful immigrants are reduced to emergency and pregnancy services only, impacting an estimated **47,000** County residents.*

DMH loses an additional **\$78M** in funding for Medi-Cal supported mental health services.

DHS loses \$115M in funding for emergency services and Medi-Cal revenues due to rule changes.

DPSS loses \$141M in funding for administration of food benefits.

2026-27: Decisionmaking process begins around potential DHS facility closure(s).

December 2026:

Expiration of CalAIM waiver providing healthcare to justiceinvolved and lowincome individuals.

December 31, 2026:

Medi-Cal clients required to **recertify** eligibility every 6 months. significantly increasing

County workload and costs.

January 1. 2027: Medi-Cal mandatory work requirements take effect, potentially eliminating benefits for more than **700.000** County residents. roughly 20% of current recipients.*

October 2027:

SNAP/CalFresh costs shift further from federal to State budget. further reducing overall funding.

This is part of an estimated \$800M+ in additional impacts from Medi-Cal and SNAP cost shifting and other cuts to come.

DMH loses an additional **\$24M** in funding for Medi-Cal supported mental health services.

DPSS loses an additional **\$47M** in funding for administration of food benefits.

DHS loses an additional **\$120M** in funding for emergency services and Medi-Cal revenues due to rule changes.

Potential County facility closure(s).

Potential for **4.500** lavoffs.



Impact on County budget



Direct impact on residents

LA County BUDGET CRISIS

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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?