Supplemental Changes Budget Fiscal Year 2026-27

CEO.

Joseph M. Nicchitta
Chief Executive Officer

September 29, 2026

CEO. Supplemental Budget At a Glance

TOTAL BUDGET
$54.2 BILLION

An increase of $3.9 billion, **$45.2 million** of which is available to support new or expanded ongoing programs and services

TOTAL BUDGETED POSITIONS: 115,433

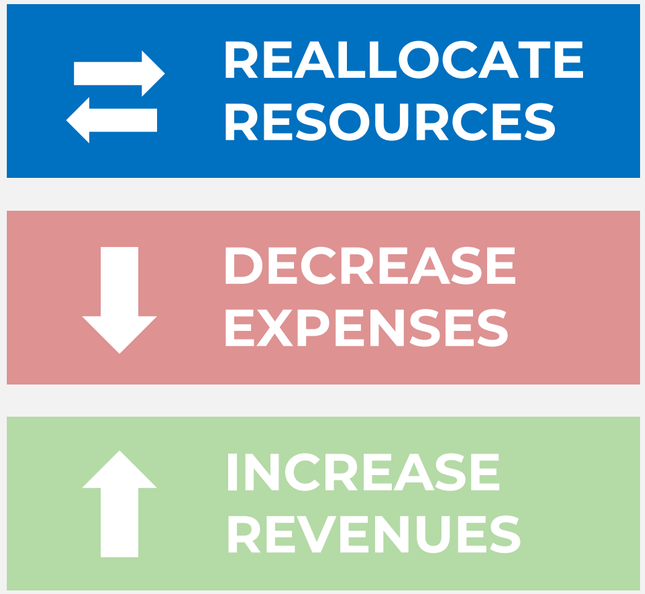
Net decrease of 250 positions from 2026-27 Adopted Budget

CEO. Budget Stabilization

$391.1 MILLION

REALLOCATED TO CRITICAL NEEDS

- Swept from capital projects and funds set aside for other uses
- Does not “grow the pie” – redirects funding to priority needs
- These reallocations help us manage today’s budget issues but reduce flexibility for future budget shocks



CEO. Meeting Our Commitments

$1.2 BILLION AVAILABLE
FOR AB 218 YEAR 2 PAYMENTS

- Part of nearly **$5 billion** in settlements
- Paying with one-time funds will cost less than issuing bonds and reduces the risk of future curtailments

CEO. Board Priorities and Operational Necessities

Housing and Safety Net Services

Wildfire Recovery

Care First, Jails Last

Emergency Operations and Preparedness

Community Resources and Economic Development

Civic Engagement

CEO. Housing and Safety Net Services

KEY INVESTMENTS

$163 Million
Homeless Programs and Services

$22.5 Million
Housing Capital Projects, Rental Subsidies and Landlord Outreach

$11.5 Million
Stay Housed LA program

$10 Million
Emergency Rent Relief Program

$5.3 Million
Elderly Nutrition Program
$2.5M fund balance plus $2.8M carryover

$1.5 Million
Self-Help Legal Access Centers

CEO. Wildfire Recovery

KEY INVESTMENTS

$20 Million
Disaster Recovery Rebuild Authority Start Up Loan

$13.7 Million
Rebuild Permit Review and Deferred Permit Fees

$8.1 Million
Wage Loss Recovery and Workforce Development

$2.5 Million
One-Stop Permitting Centers

CEO. Care First, Jails Last

KEY INVESTMENTS

$106.2 Million
AB 109 Funding to Improve Jail Conditions and Enhance In-Custody Services

$23.1 Million
Reentry and Supportive Services, including Job Training

$19 Million
Prevention, Harm Reduction, Mental Health and Diversion

$15.5 Million
Closure of Men's Central Jail

$14.4 Million
Increased Indigent Defense Costs

$13.7 Million
Public Defender, Alternate Public Defender and District Attorney for Resentencing and Violence Reduction

$4.5 Million
Office of Diversion and Reentry Bed Expansion

CEO. Emergency Operations and Preparedness

KEY INVESTMENTS

$20.2 Million
Emergency Management Facilities

$1.5 Million
Community Emergency Resiliency Fund

$4 Million
Office of Emergency Management Year 2 Funding

$0.3 Million
Medical Examiner Mass Casualty Response Capabilities

Community Resources & Economic Development

KEY INVESTMENTS

$27.8 Million
Bioscience Grant Program

$2.5 Million
Vision Zero Traffic Safety Initiative

$2.5 Million
Organizational Arts Grants

$1.5 Million
Business Interruption Fund

$1.1 Million
PLACE Program

CEO. Civic Engagement

KEY INVESTMENTS

$32.4 Million
Election Security and Transparency

$9.6 Million
Department of Ethics Commission/Office of Ethics Compliance

- $5.9M previously funded and now allocated
- $3.7M in Year 2 funding

CEO. Investing in Our Workforce

$151.5 MILLION
FOR YEAR 2 OF LABOR AGREEMENTS

- **2% cost-of-living increase**
- Salary increases, retirement health plan and benefits changes

THE FINANCIAL COST

- Made possible based on funding set aside in Recommended Budget
- **Departments that rely on State and federal funding will need to identify funds to cover their share**

CEO. Hiring Freeze

Continuing the hiring freeze—with existing exceptions and exemptions—will maintain fiscal discipline and help generate savings

- Departments are operating close to actual budgeted funding
- Savings were insufficient this year to cover one-time operating needs without reallocating resources
- Departments rely on carryover and fund balance savings for basic operational needs in the next fiscal year
- CEO can reevaluate based on department budget status reports beginning in November

CEO.

Next Steps

CEO WILL CONTINUE TO MONITOR AND WORK ON:

Federal Regulations Status and Impact on Health Departments

Finalizing Labor Contracts

Phase 2 Budget Stabilization

Questions?

Thank you.