



2022-23

Budget Deliberations

Consideration of Final Changes to the Recommended Budget

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Chief Executive Officer
June 27, 2022

CEO.

This phase of the Los Angeles County budget includes:



\$1.2 billion in proposed changes for a total of

\$39.7 Billion

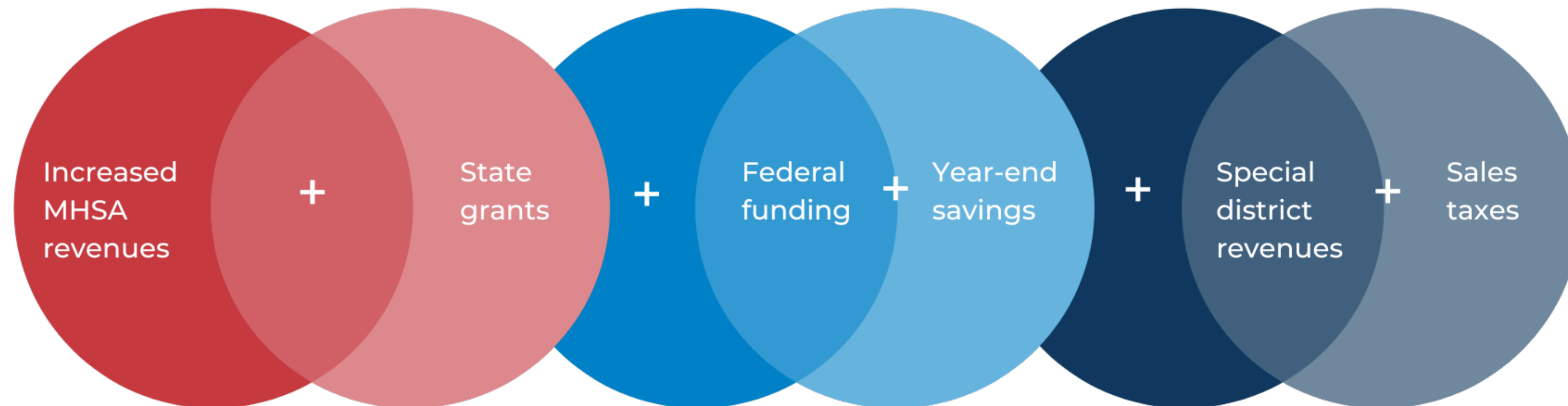


1,063 additional budgeted positions for a total of

112,614

Where Did the Growth Come From?

Multiple factors contributed to the budget increase.



\$447.8 million = increase in the MHSA budget—primarily resulting from improved revenue estimates—to fund a range of mental health services now and in the future

\$370 million = increase in State, federal and other outside funding sources

\$269 million = anticipated year-end savings from the current fiscal year

\$18 million = increase in property tax revenues generated specifically for the Fire Department

\$15 million = increase in local sales taxes and higher-than-anticipated state sales taxes

\$38 million = ministerial changes



- Three new departments launching by July 1
 - ✓ Department of Youth Development
 - ✓ Aging and Disabilities Department
 - ✓ Department of Economic Opportunity (Justice, Care and Opportunities Department to follow later this year)
- Investing \$45.6 million in our VSAP voting technology to ensure voter accessibility and convenience
- Allocating \$489.3 million in Measure H dollars and \$82.3 million in State funding to fight homelessness
- Growing our workforce to provide more public services



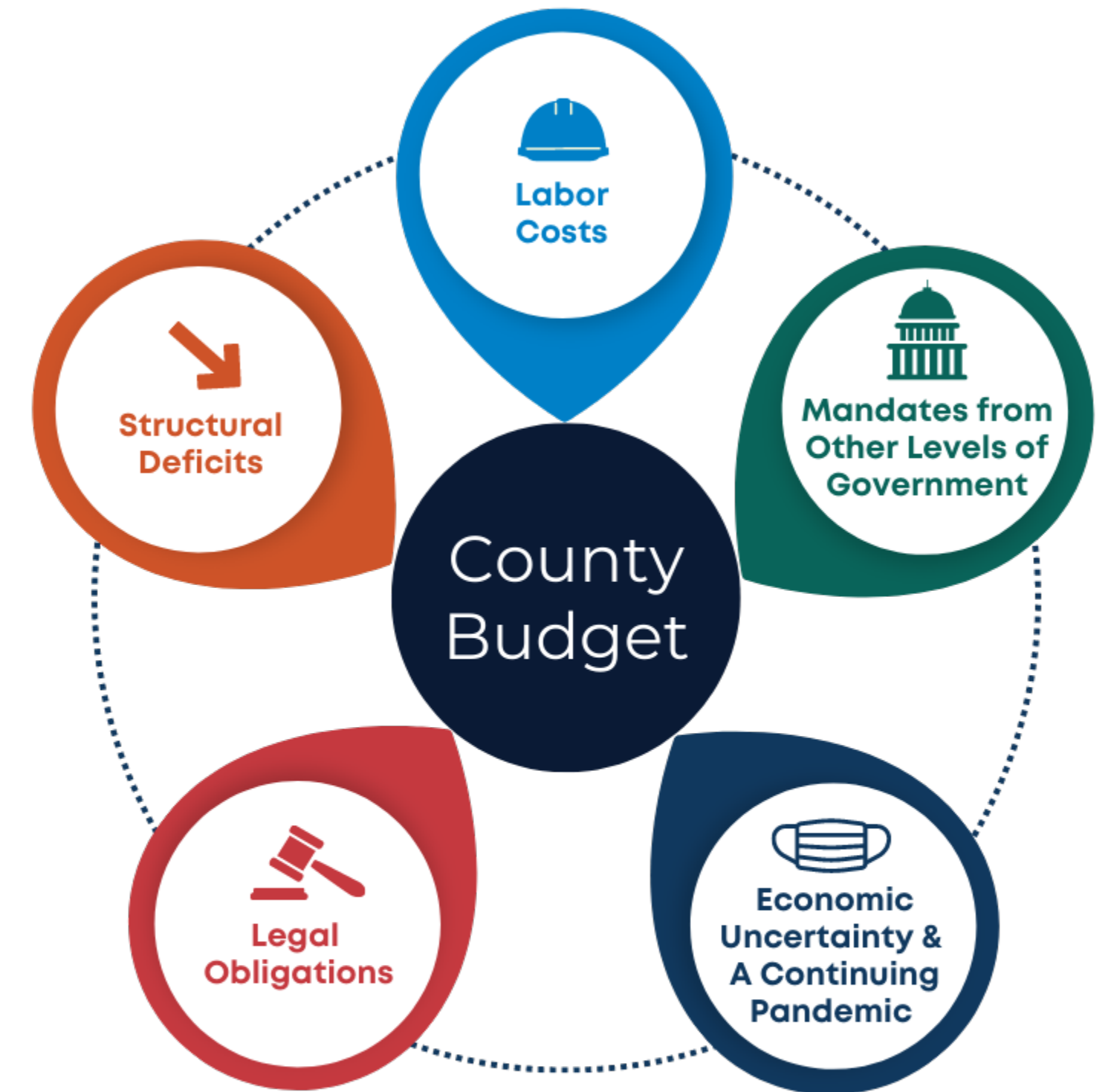
Our outlook remains generally positive.

We anticipate modest growth in some locally generated revenues, as well as sales tax and vehicle license fee revenues from the State.

We are maintaining our earlier estimate of 6% growth in property assessment rolls.

Multiple pressures on the County budget sharply limit funding available for new programs:

- Economic uncertainty: rising interest rates, inflationary pressures
- A continuing pandemic poses public health and economic threats
- Federal and state programs may be mandated without sufficient funding
- Legal obligations carry potentially high costs
- Labor agreements are projected to add \$2 billion to our bottom line over the next 3 years
- Several County departments are carrying a structural deficit





Our budget is both large and limited.



We must constantly **balance priorities** to sustain important work already underway.



Our financial stability relies on the County's **longstanding tradition of fiscal restraint**.



Proposals for new programs should have an **identified funding source** and must be **evaluated** relative to existing programs.



Hard choices are required, with **\$242 million in departmental funding requests** deferred to Supplemental Budget.



What's next?

- Recommendations for \$975 million Phase Two American Rescue Plan funding
- Year Two spending plan for \$100 million Care First and Community Investment funding
- Supplemental Budget presented to the Board October 4



Thank you.