



2024-25 RECOMMENDED BUDGET

\$45.4 Billion

116,159 Budgeted Positions

- ❖ The **2024-25 Recommended Budget** totals **\$45.4 billion** and includes **116,159 budgeted positions**.
- ❖ It reflects a decrease of nearly \$1.4 billion from the 2023-24 Final Adopted Budget, as this is the first phase of the annual budget, which does not reflect fiscal year-end surpluses likely to be allocated on a one-time basis in October. At this point in our budget process, the amount of the closing balance is uncertain, as are the mid-year demands on those funds.
- ❖ New ongoing funding totaling \$390.2 million is recommended in this budget phase based on a forecasted increase in revenues. Although significant, this represents a lower revenue growth rate than in recent years.
- ❖ These additional funds are needed to fund substantial increases in wages and benefits for the County's workforce as it provides vital services to our residents. Other existing commitments or mandated responsibilities include growing public assistance caseload costs and the Board's 10% set aside for Care First and Community Investment (CFCI) programming, as well as legal judgments and settlements. This leaves limited funds for new programs and initiatives, which have been prioritized as directed by the Board.
- ❖ However, we are adding to our workforce, not reducing it, thanks to fair and responsible agreements with our labor partners. This is especially true in the area of mental health care, which is a critical component of multiple Board priorities, from fighting homelessness to reducing our jail population and ensuring that there are ultimately sufficient resources for our communities. To that end, this budget includes an increase of 835 budgeted positions, funded almost entirely with State and federal dollars.
- ❖ This Recommended Budget provides funding for vital programs such as:
 - **\$728.2 million** for the **County's multi-layered approach to combatting homelessness facilitated by the Homeless Emergency Declaration**, including strengthening partnerships with and supporting local jurisdictions and unincorporated areas; hiring additional frontline staff such as outreach workers, housing navigators, mental health clinicians and substance use counselors; and investing in innovative strategies to increase our housing stock such as hotel and motel acquisitions) and Project Homekey.
 - **\$60.4 million and 263 positions for various mental health services**, including: 169 positions for an Interim Housing Outreach Program providing mental health care and support to unhoused people to facilitate housing stability, identity permanent housing, and prevent a return to homelessness; and 58 positions to expand directly-operated clinics and full service partnership services to expand capacity in the mental health care network.

- **\$12.3 million**, for a total ongoing investment of \$300.6 million, for **Care First and Community Investment (CFCI) projects and programs** that support direct community investments and alternatives to incarceration.
 - **\$4.9 million and 24 positions** to support the initial launch of the Justice, Care and Opportunities Department’s **independent pretrial services**, delivering on the Board’s *Care First, Jails Last* vision for integrated, equitable and culturally competent pretrial and diversion services.
 - **\$3.9 million** for Integrated Correctional Health Services (ICHS) to contract mental health group services to support structured out-of-cell time for individuals in High Observation Housing in the County’s jails under the terms of the **US Department of Justice (DOJ) consent decree**.
- ❖ This budget phase, we implemented the Fiscal Resilience protocol that assigns tiered rankings to Board motions for which Net County Cost (NCC) is a primary or secondary funding source -- to ensure that funding is aligned with programs that are ready to implement in the near term rather than holding money aside for work unlikely to be accomplished within the budget year.
 - ❖ The following are NCC funding recommendations totaling \$13.6 million that were recommended for approval under the new Fiscal Resilience protocol:
 - ✓ **\$5.9 million** plus \$75.1 million in State funding for a total of \$81.1 million **to replace EBT benefits** for victims of EBT card theft resulting from statewide skimming/scamming instances;
 - ✓ **\$1.8 million and 5 positions** for the Department of Public Health **to establish a new Sexual Assault Council**, which will support survivors in their recovery and develop policy recommendations to help prevent sexual violence;
 - ✓ **\$1.5 million** for the Department of Economic Opportunity (DEO) **to continue and expand PLACE**, a program that prepares and places people with high barriers to employment into entry-level, permanent County jobs with a career pathway, with a goal of 150 placements into County employment;
 - ✓ **\$1.3 million** for DEO’s Development and Bonding Assistance Program, which provides technical assistance, capacity building, and contract financing and bonding assistance to eligible contractors;
 - ✓ **\$1.2 million** to **expand the Organizational Grants Program**, a program that provides critical support and stability to arts and culture nonprofit organizations, including those that have been historically or are currently underfunded and under-resourced;
 - ✓ **\$0.9 million** for contract services for **doula hub** operations that will provide technical support to the doula provider workforce and expand access throughout the County;
 - ✓ **\$0.6 million and 2 positions** within the CEO’s ARDI unit to **implement the Racial Equity Strategic Plan countywide**; and
 - ✓ **\$0.5 million and 3 positions** for DCBA’s Office of Labor Equity to **expand worker protections and support the enforcement of labor laws and minimum wage**, as well as the development of local ordinances.



- ❖ Other significant funding recommendations included in this budget are:
 - ✓ **\$71.2 million** in State and federal funding to support the **Stage One Child Care Program**, which provides full-time childcare services for CalWORKS participants;
 - ✓ **\$2.4 million** in intrafund transfer from DCFS to DCBA to **expand the Guaranteed Income program** to include a minimum of 200 additional transition age youth for two years, each of whom will each receive \$1,000 in monthly income support. Taken together with the County's other guaranteed income programs, including Breathe, this would bring the number of people receiving these no-strings stipends to approximately 2,100;
 - ✓ **\$17.4 million** set aside to ensure that the County draws down all available CalFresh State and federal dollars to support individuals and families in need of food benefits;
 - ✓ **\$6.1 million** to **reduce cybersecurity risks**;
 - ✓ **\$2.0 billion** for the continued development, design, and construction of **369 capital projects in support of the Board-directed priorities**;
 - ✓ **\$234.1 million** in continued funding for **environmental stewardship** program for water conservation projects; and
 - ✓ **\$167.7 million** in continued funding to **enhance and expand access to County recreational sites**.

VULNERABILITIES ON THE HORIZON

- ❖ The County faces sobering budget challenges and pressures that may require significant investments in future budget phases, including:
 - End of American Rescue Plan Act funding totaling \$1.9 billion
 - With no other source of funding to replace this loss, impactful existing programs and services will not be sustainable on an ongoing basis once the federal funding is exhausted;
 - Retrofit of County buildings deemed seismically challenged
 - Funding may also be needed as a result of the report back for the February 28, 2023 Board motion for Equitable Earthquake Resilience in the County and the Board's adoption of a proposed building code ordinance for high-rise non-ductile concrete buildings; and
 - Work towards compliance with DOJ consent decree and jails settlement agreements
 - Additional resources will be required to retain and hire adequate staff to meet the terms of the US DOJ consent decree.
- ❖ The most serious fiscal challenge remains the liability and settlement costs related to claims alleging childhood sexual assault at various County and non-County facilities spurred by AB 218, the Child Victims Act, which puts the County's financial exposure at more than \$3 billion (this is a rough forecasted estimate of maximum exposure and not a statement regarding whether all cases will be settled or the value of any settlements).



2024-25 RECOMMENDED BUDGET SUMMARY

(\$ in Millions)

Total Budget by Fund	2021-22 Budget	2022-23 Budget	2023-24 Final Adopted	2024-25 Recommended	Change From Final Adopted	% Change
Total General County	\$ 29,882	\$ 33,333	\$ 35,934	\$ 35,284	\$ (650)	-1.8%
Special Funds/Special Districts	9,442	11,309	10,809	10,093	(716)	-7.1%
Total Budget	\$ 39,324	\$ 44,642	\$ 46,743	\$ 45,377	\$ (1,366)	-3.0%

Budgeted Positions	111,038	113,592	115,324	116,159	835	0.7%
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Position Change by Department	Net Change
Mental Health	452
Public Social Services	122
Public Health	52
Children and Family Services	48
Health Services	40
Sheriff	25
Justice, Care and Opportunities	24
Assessor	22
Chief Executive Office	22
Medical Examiner	13
County Counsel	12
Military and Veterans Affairs	10
Consumer and Business Affairs	9
Board of Supervisors	7
Aging and Disabilities	5
Economic Opportunity	5
Treasurer and Tax Collector	5
Auditor-Controller	4
Public Works	4
Animal Care and Control	3
Fire	1
Public Defender	1
Registrar-Recorder/County Clerk	1
Youth Development	1
Parks and Recreation	(1)
Internal Services	(2)
Agricultural Commissioner/Weights and Measures	(3)
Museum of Art	(3)
District Attorney	(5)
Alternate Public Defender	(12)
Probation	(27)
TOTAL	835

Major Budget Changes by Fund	Net Change
General Fund/Hospital Enterprise	
Additional Fund Balance	\$ (822)
Dept'l Additional Fund Balance	(222)
Carryover	(281)
NCC Changes	832
Ministerial Changes	37
Revenue Offset	(196)
Subtotal General County	(650)
Special Funds/Special Districts	
Special Revenue Funds	(264)
Capital Project Special Funds	(54)
Special Districts	(511)
Other Enterprise Funds	(4)
Internal Services Fund	3
Agency Fund	115
Subtotal Special Funds/Districts	(716)
Total County Change	\$ (1,366)

