

# Budgetary Pressures and Impacts

Weekly Budget Briefing

July 29, 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 Medicaid: **+\$800 million**.

## POTENTIAL IMPACTS

Big Bill cuts in health care, nutrition, green resilience. Possible **hospital closure** 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.



38 open tables, 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

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

# 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**

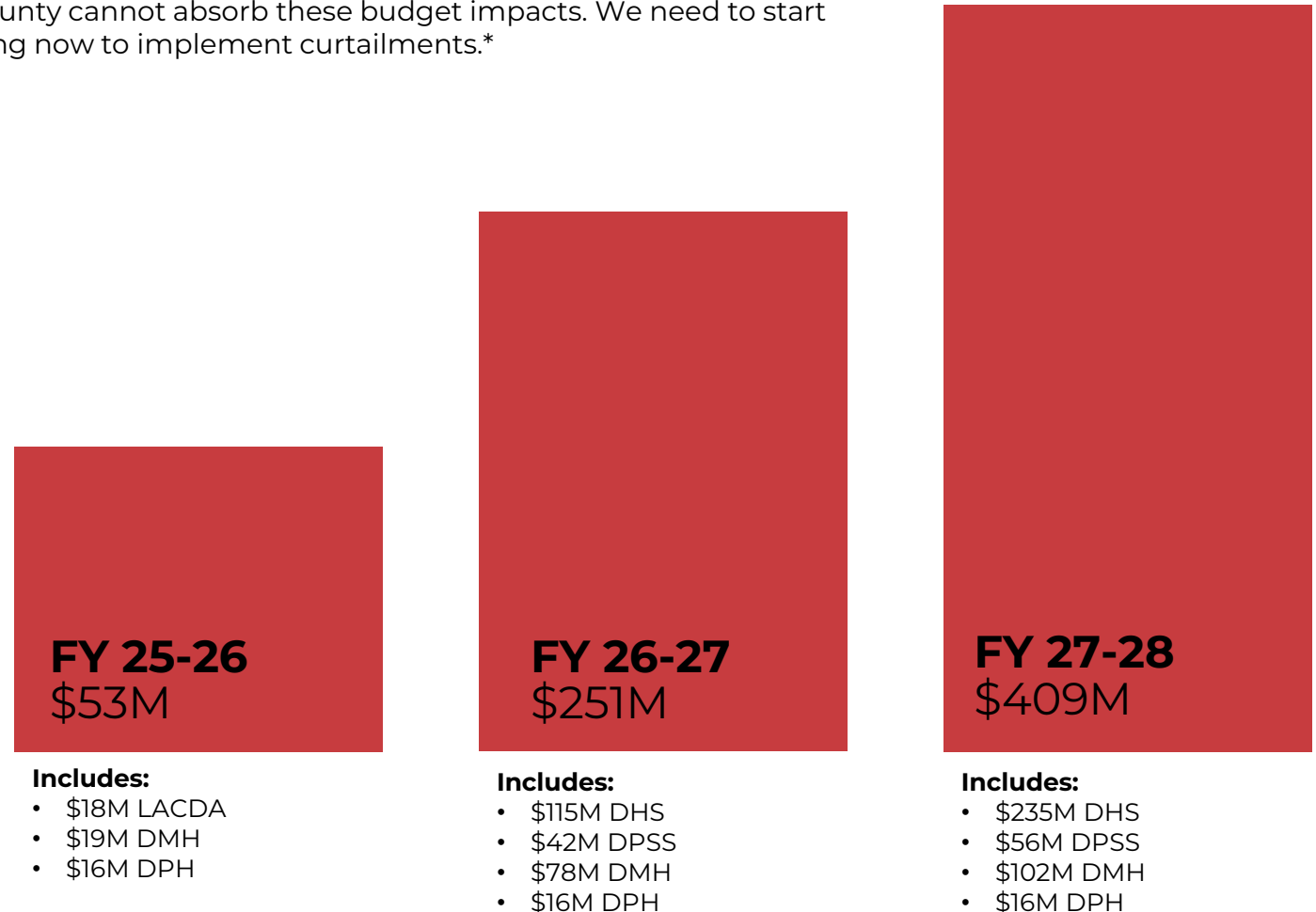


## Losses by Department

Department	Losses
DHS**	\$350M
DPSS	\$98M
DMH	\$199M
LACDA	\$18M
DPH**	\$48M
<b>TOTAL</b>	<b>\$714M</b>

## Expected Losses Attributed to the Big Bill Over Time (FY25/26 to FY27/28)

The County cannot absorb these budget impacts. We need to start planning now to implement curtailments.\*



\*Curtailments include demotions, layoffs, hiring freezes, freezes on spending, and elimination of entire programs.

\*\*DHS estimates are expected to worsen to \$480M in 2028-29 and DPH estimates are continuing to evolve.

Estimates are based on early impressions. Results will be intertwined with other coming changes (e.g., for DHS, the loss or continuation of GPP could impact estimates).



Thank you.

Questions?