

# Budgetary Pressures and Impacts

Weekly Budget Briefing

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| **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

## KNOWN

## FUTURE

## POTENTIAL IMPACTS



### Federal



Roughly **\$1.1 billion** in Big Bill impacts alone by 2027-28.



Other federal cuts, including additional Medicaid cuts:  
**+\$400-900 million more in ongoing funding lost.**

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.



**2,900+ 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.



36 tables actively negotiating, Unions continue to bring proposed salary increases to the tables.

**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.

The “Big Bill” shifts costs to local governments. Our **legislative advocates are identifying opportunities to shape agency regulations** around the bill’s implementation to preserve or supplement County funding.



Advocates are working on multiple fronts—including with GOP-led jurisdictions and various coalitions—to delay, reduce or eliminate federal cuts beyond the Big Bill.

Key issues include:

- **\$350M** in cuts to Medicaid Disproportionate Share Hospital payments (effective beginning October 1)
- State’s **\$34.16B** request for Federal Disaster Relief Appropriations
- **\$31.8M** in pending appropriations requests

# CEO. A Closer Look: White House Executive Order on Homelessness

The Executive Order on Homelessness prioritizes civil commitment, law enforcement of public spaces, and involuntary mental health treatment and **ends support for Housing First policies.**

## What Does This Executive Order Mean for LA County?



- **Likely Loss of Funding:** For permanent housing and housing voucher programs from HUD (which provided more than \$240M in funding to local continuums of care in FY2024)



- **Program Restrictions:** No longer permitted to use Substance Abuse and Mental Services Administration discretionary funds for harm reduction services that have dramatically decreased overdose deaths in LA County



- **Coercive Treatment May Undermine Participation:** The push for involuntary treatment and mandatory data sharing with law enforcement could undermine the County's street outreach efforts



- **New Funding Opportunities:** Potential for additional federal funding to expand crisis intervention services through Federally Qualified Health Centers or lifting of Medicaid's Institution for Mental Diseases funding exclusion



Thank you.

Questions?