



# 2026-27 Recommended Budget

## Weathering the Storm

July 1, 2026 - June 30, 2027



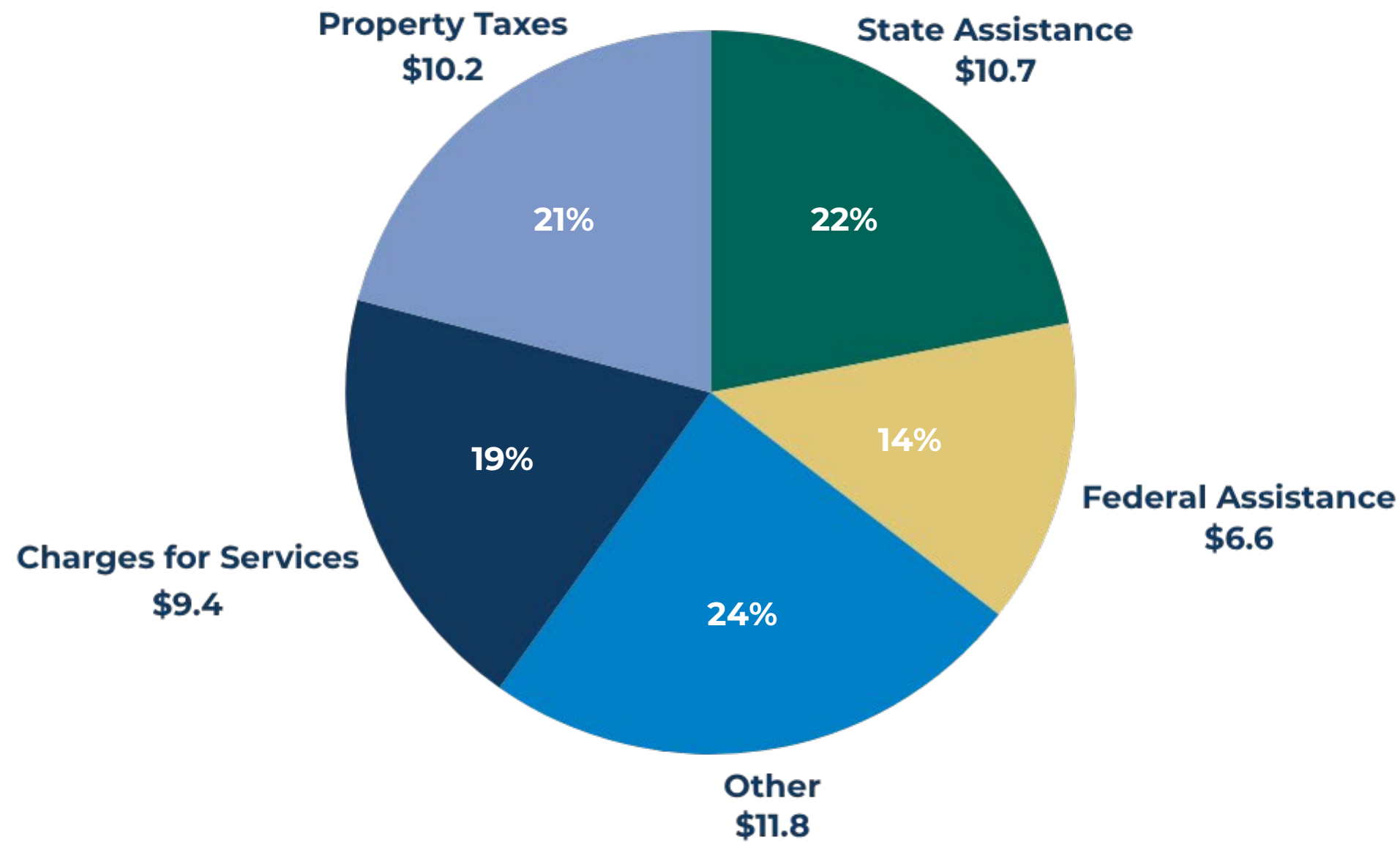
**Joseph M. Nicchitta**  
Acting Chief Executive Officer

April 14, 2026

# CEO. Budget Basics

## Total Funding Sources - \$48.8 Billion

(in billions)



**TOTAL BUDGET**  
**\$48.8 BILLION**

\$3.7B decrease from \$52.5B 2025-26 Final Adopted Budget due primarily to deduction of one-time funding

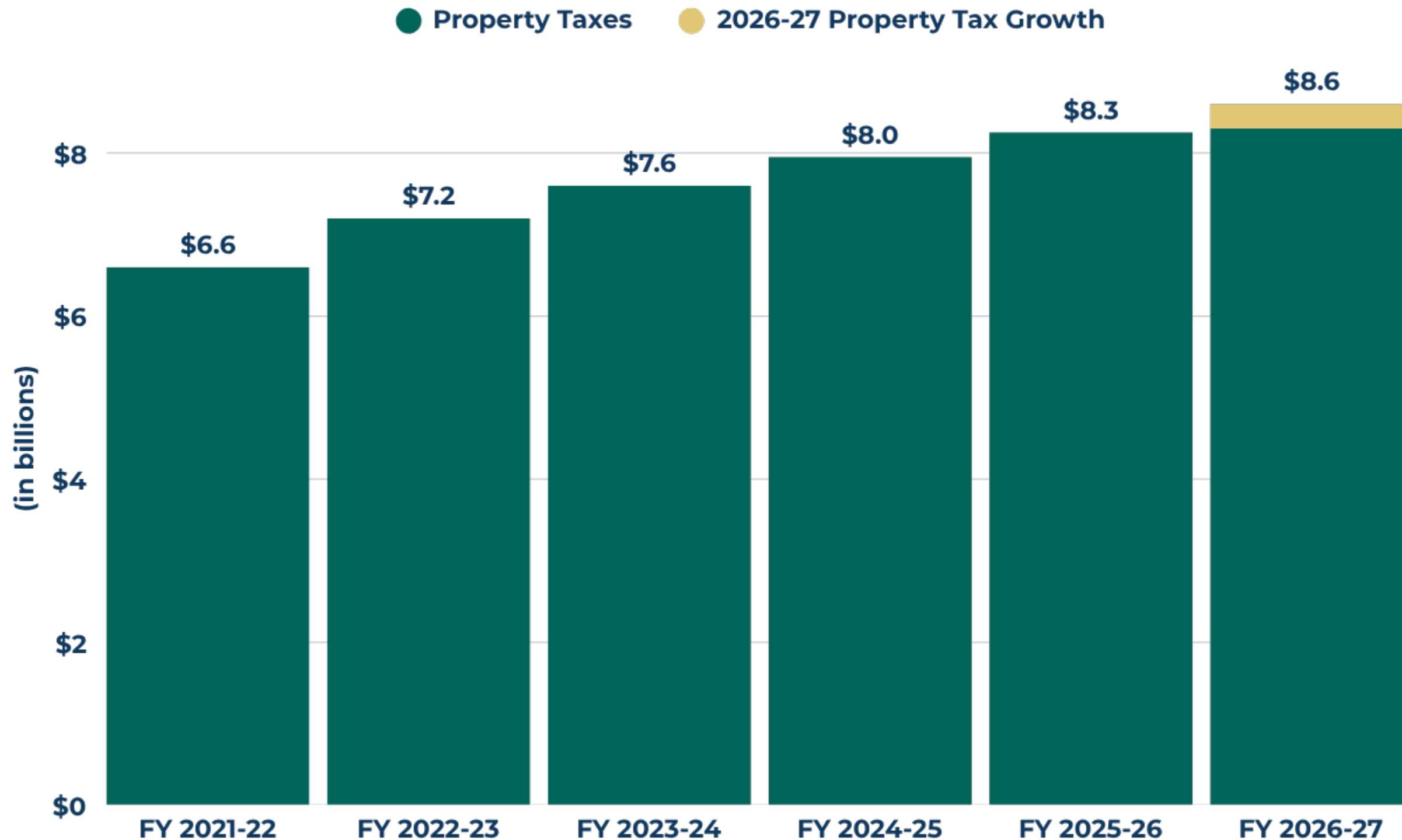


**TOTAL BUDGETED**  
**POSITIONS 115,885**

Net decrease of 81 positions from the 2025-26 Final Adopted Budget due to adjustments in departmental operational needs

Property taxes are the primary source of unrestricted revenues for programs and services.

\$314 million in property tax growth makes up most of \$334.1 million in new funding sources



## 2026-27 Locally Generated Funds

### Revenues (in millions)

Property Tax Growth	\$314.8
Prop 172 Sales Tax	18.3
Local Sales & Use Taxes	<u>.9</u>

**Total Ongoing Funding \$334.1M**

### Fund Balance

One-Time Fund Balance	\$3.5B
Carryover Balance	<u>2.9B</u>

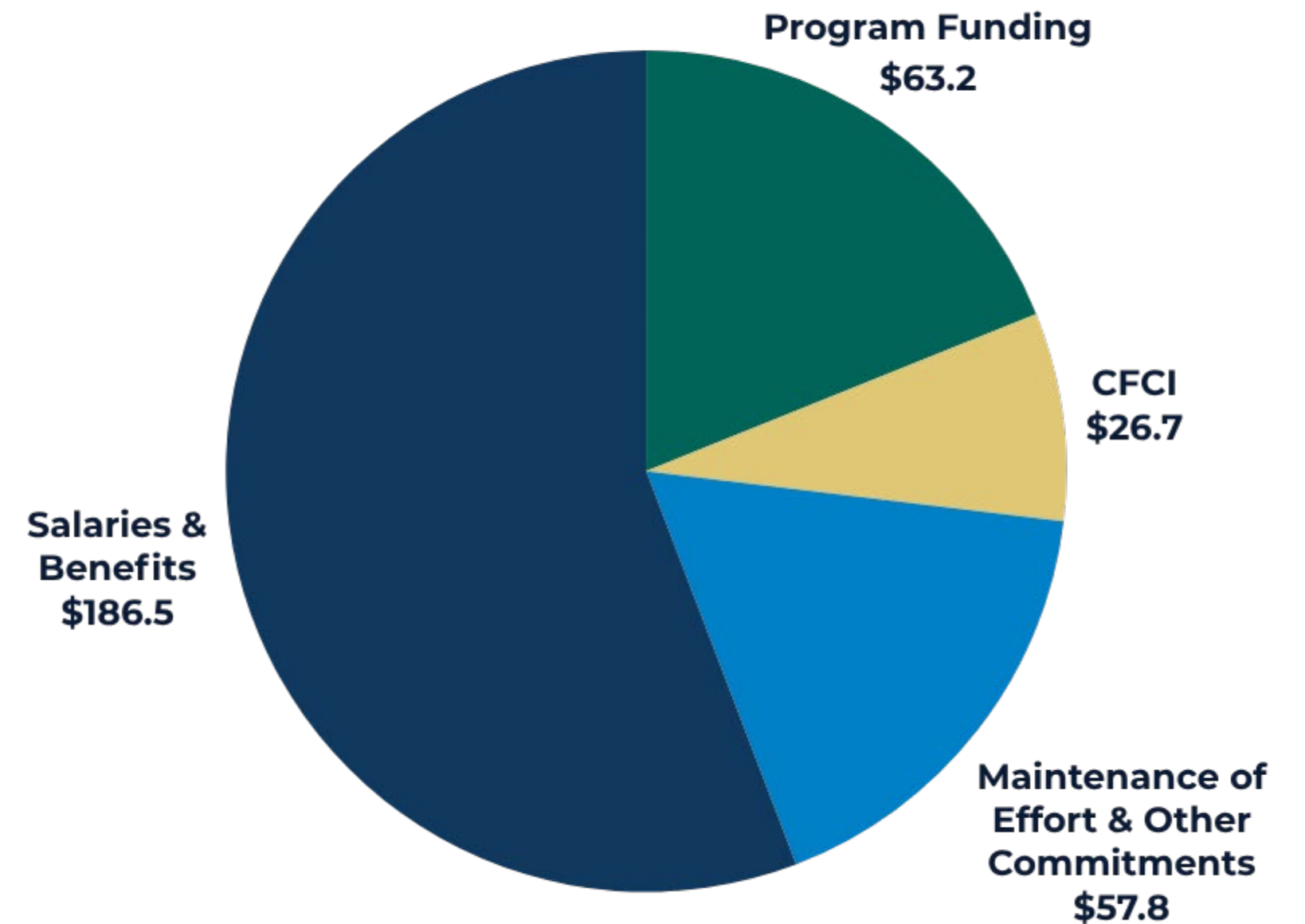
**Available Fund Balance \$554M**

# CEO. Budgeting Local Ongoing Revenue

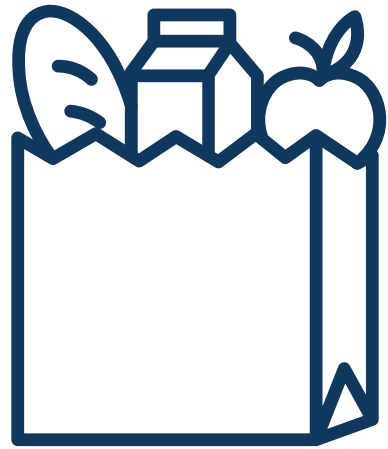
FUNDING USES	ONGOING
<b>Salaries &amp; Benefits</b>	
Employee Negotiated COLAs	\$100.5
Employee Salaries & Benefits-Other	107.9
Previously Set Aside for COLA and Benefits	-22.0
<b>Total Salaries &amp; Benefits</b>	<b>\$186.5</b>
<b>Other Commitments</b>	
Maintenance of Effort Agreements	7.2
Caseload/Assistance Changes	51.2
Appropriation for Contingencies	2.6
Accounting Adjustments	-3.3
<b>Total Other Commitments</b>	<b>\$57.8</b>
<b>CFCI (10% set-aside per Board policy)</b>	<b>\$26.7</b>
<b>Program Funding</b>	<b>\$63.2</b>
<b>TOTAL FUNDING USES</b>	<b>\$334.1</b>

## New Ongoing Local Revenue - \$334.1 million

(in millions)



# CEO. Recommendations for New Program Dollars



## Family & Social Services \$40.1M

To preserve \$194 million in federal SNAP revenue for CalFresh and protect 1,000 DPSS jobs that provide CalFresh services

## Community Care & Justice \$12M

Set aside to support public defenders given increasing caseloads



## Operations \$10.7M

Including \$9.9M to expand the Office of Emergency Management

# CEO. Budgeting One-Time Local Funding



**\$300 million or roughly 55% of available one-time funding is recommended to be set aside to fund AB 218 settlements with survivors of sexual abuse**

## **Other recommendations for \$554M in projected available one-time funding include:**

- **\$100 million** to support Affordable Housing programs
- **\$47.7 million** for the Voting Solutions for All People system and voting model for the November General election
- **\$40 million** for anticipated legal judgments and settlements
- **\$22.3 million** for anticipated General Relief administration cost increases
- **\$8.7 million** to continue the implementation of the eTax filing system, improving the efficiency of tax collection
- **\$5.1 million** in organizational arts grant funding

# CEO. Preserving Safety Net Services

**This budget preserves key investments in safety net services, including:**

- Support for **6,164 interim housing beds and wrap-around services for 32,517 permanent supportive housing units** administered by HSH
- **\$383.4 million in ongoing funding for ODR**, including support for **5,300 beds** for jail diversion
- Nearly **\$555 million in funding for Correctional Health Services**, which provides health and mental health care in our County jails.
- And billions more in a wide range of safety net services embedded in department budgets—from health care and public health to social services and child welfare.



# CEO. Federal, State and Other Funding

- **\$82.5 million** in State grants for energy efficiency and EV-related programs
- **\$25.2 million** for the Fire Department to support emergency operations and other expenses
- **\$17.8 million** in State funding for the Cash Assistance Program for Immigrants
- **\$7.5 million**, including 41 positions, for the Department of Mental Health to provide pre-release services in juvenile justice settings, expand mental health clinic services and support other priorities
- **\$4.4 million** for Animal Care and Control to support rising costs for food and medical supplies, expand low-cost spay and neuter services, and other operational priorities
- Includes the transfer of **\$40.1 million** previously set aside to cover the full year cost of a 74-cent per hour wage increase for in-home supportive services providers



## Measure A funding:

**Nearly \$1.1 billion** in Measure A funding to support programs and services designed to prevent homelessness, roughly \$660 million of which will be administered by our new Department of Homeless Services and Housing

## Protecting Homeowners

- **Reassessed and lowered property tax bills for 18,597 parcels, saving homeowners \$3,000–\$10,000 per year**
- Deferred and refunded over \$8M in permitting fees
- Supported passage of the Mortgage Forbearance Act (AB 238) to protect borrowers

## Expediting Rebuilding

- **Accelerated permit approval times by up to 3x**
- Delivered dedicated resident support through case managers and plan portal
- Launched pre-approved building plans and express lanes
- Coordinated with builders to support delivery at scale

## Supporting Businesses and Workers

- **Provided \$55M in commercial recovery funding to support local businesses**
- Local Job Center established to support adult and youth employment

## Focusing on Infrastructure

- **Created Recovery Districts for Altadena and unincorporated Santa Monica Mountains and Sunset Mesa to leverage property tax growth for infrastructure and recovery projects.**
- Set plan for undergrounding ~150 miles of power lines
- Reopened core community assets, including Loma Alta and Triangle Parks

# CEO. Preparing for Impact



**H.R. 1 and other federal policy changes will hit our health and social services departments hard next year.**

**This budget reflects an estimated \$662.2 million decline in DHS revenues.**



**We are working with legislative advocates and a coalition of counties to request help.**

# CEO. Budget Sustainability v. Unmet Needs

**We have more than \$2.1 billion in unmet needs.**

**↑ Increase Revenues**

 One-Time Patches

 Increase Revenue Streams

**↓ Decrease Expenses**

 Cut Costs

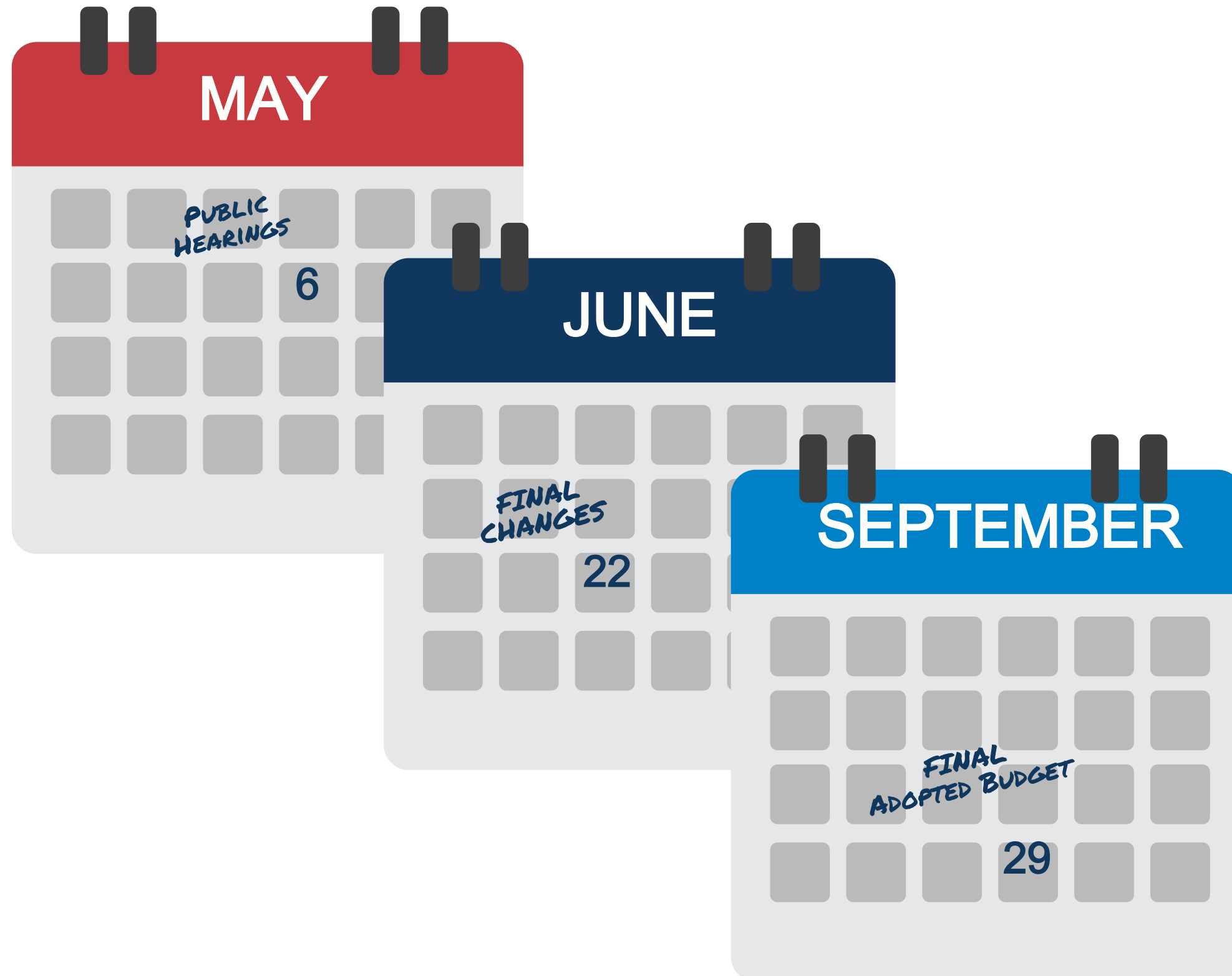
 Find Efficiencies

**↔ Reallocate Resources**

 Shift Dollars from Low → High Priorities

 Find & Redirect Underutilized Funds

# CEO. Next Steps



This is just the *first phase* of the 2026-27 budget.

## Next steps:

- Work with Department Heads between now and Final Changes to see what can be done in the short term to increase revenues, cut centralized costs or reallocate revenues.
- Focus on creating a sustainable path to FY 2028-29 and Measure G.



**Questions?**

**Thank you.**