



BUDGET AT A GLANCE

FY 2026-27 FINAL CHANGES

Recommended Budget
April 14, 2026

Final Changes
June 22, 2026

Supplemental Budget
September 29, 2026

The **FINAL CHANGES** budget phase is the County’s last update before adopting the new fiscal year budget (aka “Adopted Budget”), incorporating final revenue estimates, Board-directed changes, and other late-breaking adjustments.

FINAL CHANGES BUDGET AT A GLANCE

\$50.3B TOTAL BUDGET

115,683 BUDGETED POSITIONS

- **CHANGE VS. PRIOR BUDGET PHASE:** Increase of **\$1.5 billion** and decrease of **202 positions** from the FY 2026-27 Recommended Budget (presented April 14, 2026). Position reductions are primarily due to department operational needs and the elimination of vacant positions
- **CHANGE VS. PRIOR FISCAL YEAR:** Decrease of **\$2.1 billion** and decrease of **283 positions** from the FY 2025-26 Final Adopted Budget (adopted September 30, 2025)

BUDGET OVERVIEW

What Is Changing in the Budget?

The 2026-27 Final Changes add \$1.5 billion to the Recommended Budget approved on April 14, 2026.

This increase is primarily attributable to:

- \$895.3 million in Behavioral Health Services Act (BHSA) revenues to be deposited in the newly created BHSA Special Revenue Fund.
- \$167.6 million in other State and federal funding.
- \$79.9 million in Fire District-specific funding.

The vast majority of the \$50.3 billion budget—\$37.3 billion or 74%—is tied to program-specific revenues and eligible costs. Of the \$13.0 billion NCC (26% of the budget), all but \$42.2 million has been budgeted in earlier years or budget phases.

KEY BUDGETARY PRESSURES

What’s Making It Hard to Balance the Budget?

The challenges facing the County this year have been well documented during a series of presentations to the Board:

- Legal settlements and liabilities: Financing \$4.8 billion in AB 218 settlement agreements including more than 11,000 claims of childhood sexual assault, with more claims being filed at a rate of roughly 150 per month.
- Federal cuts: Addressing the impacts of federal changes in eligibility for core safety net services, including Medi-Cal (Medicaid funding) and CalFresh (SNAP or Supplemental Nutritional Assistance Program), which are reducing federal funding and increasing the demand for County services.
- 8.5% Curtailments in 2025-26: Departments are facing mounting service demands with less available funding.

UNDERSTANDING WHAT IS AVAILABLE TO ALLOCATE

The CEO recommends changes to the full budget, but only a small portion is flexible. Most of the budget comes from program-specific revenue – including State, federal, and special district funds earmarked for specific purposes designated under legal, contractual or voter-approved requirements.

The rest of the budget comes from locally generated revenue, also known as net County cost (NCC), and its flexibility varies:

- **One-time NCC** is available only once and can’t be relied on in future years;
- **Restricted ongoing NCC** is largely obligated to cover mandated/structural commitments, e.g., Maintenance of Effort¹, legal/contractual obligations, and State/Federal requirements;
- **Unrestricted ongoing NCC** is the most flexible and can be used to address Board priorities and discretionary programs.

¹ **Maintenance of Effort (MOE)** means the County is required to keep spending at a certain level — usually to continue receiving State or federal funding. These rules prevent cuts to core programs by making sure local funding doesn’t drop below a set baseline.

CEO'S BUDGET RECOMMENDATIONS – NET COUNTY COST INVESTMENTS

Our Plan For a Balanced Budget

The CEO's recommendations continue to reflect a strategic belt-tightening approach in response to rising pressures on the budget and the diminishing availability of funds.

No New Locally Generated Revenue in Final Changes

There has been no change in the forecast for property taxes, and no additional property tax revenue is available for allocation.

ONGOING COUNTY FUNDING

However, a realignment of retirement benefits funding with the actual cost of providing benefits freed up \$14.9 million in ongoing funding.

It is recommended that these funds be allocated primarily for the following:

- \$7.0 million to operate and maintain Esperanza Hills, Charles White, Earvin "Magic" Johnson, and Wishing Tree Parks.
- \$5.0 million set aside in PFU to begin establishing the new Ethics Commission, pursuant to the Measure G County Charter amendment.
- \$1.7 million for the Sheriff Department's Computer-Aided Dispatch System licenses.

ONE-TIME COUNTY FUND BALANCE

A second source of funding is anticipated fund balance savings at year-end. This amount is smaller than usual this year due to departments operating with curtailed budgets and some projected deficits, but the CEO is recommending \$27.2 million for critical programs:

Immigrant Support

- \$4.2 million to Department of Consumer and Business Affairs (DCBA) for the RepresentLA program.*

Governance Reform Task Force (GRTF)

- \$3.3 million (and \$0.9 million in previously set aside funds) to continue to support the GRTF.

Care First, Jails Last

- \$2.0 million for the Alternate Public Defender and Public Defender for the Holistic Defense program.*

Jobs Programs

- \$9.1 million for the Youth@Work program.
- \$1.1 million to support the Preparing for Los Angeles County Employment (PLACE).

**Previous funding for these programs has expired or been spent. The CEO is recommending six months of funding to preserve these programs, with the exploration of additional funding in Supplemental Budget.*

OTHER SOURCES OF FUNDING

State, Federal, and Other Agency Funding

Mental and Public Health Services

- \$185.3 million in State and federal funding to expand mental health treatment beds, urgent psychiatric care units, and community-based outpatient services.
- \$11.8 million in State and federal funding to support the Substance Abuse and Prevention Control program.

Homelessness and Housing

- \$101.6 million in one-time funding from various County departments, California Advancing and Innovating Medi-Cal (CalAIM), State grant, and other jurisdictions for the Department of Homeless Services and Housing to provide programs assisting the unhoused.
- \$5.6 million in one-time Measure A funding from the Los Angeles Affordable Housing Solutions Agency (LACAHS) for the DCBA's Stay Housed LA program.

Previously Set-Aside Funds

Care First, Jails Last

- \$3.7 million from obligated fund balance Committed for Youth Justice Reimagines to provide one-time bridge funding for the Department of Youth Development's Youth Development Networks program.

Information Technology and Voting Systems

- \$34.3 million from obligated fund balance Committed for eTAX for the continued development and implementation of the eTAX system.
- \$2.0 million in one-time funding transfer from the PFU budget unit to support the Business Interruption Fund, which provides financial assistance to small businesses adversely affected by significant and unforeseen economic disruptions to their operations.

2026-27 Final Changes

(\$ in Millions)

Total Budget by Fund	2024-25	2025-26	2026-27	2026-27	Change From 2026-27 Recommended	% Change
	Final Adopted	Final Adopted	Recommended	Final Changes		
Total General County	\$ 37,995	\$ 40,097	\$ 38,319	\$ 38,554	\$ 235	0.6%
Special Funds/Special Districts	11,178	12,380	10,467	11,776	1,309	12.5%
Total Budget	\$ 49,173	\$ 52,477	\$ 48,786	\$ 50,330	\$ 1,544	3.2%
Budgeted Positions	117,086	115,966	115,885	115,683	(202)	-0.2%

Position Change by Department	Net Change
Fire	52
Parks and Recreation	26
Mental Health	19
Public Works	7
Chief Executive Office	3
Public Defender	3
Consumer and Business Affairs	2
Youth Development	2
Auditor-Controller	1
LA County Library	1
Medical Examiner	1
Military and Veterans Affairs	1
Children and Family Services	(2)
Probation	(2)
District Attorney	(9)
Sheriff	(66)
Public Health	(70)
Health Services	(171)
TOTAL	(202)