

County of Los Angeles 2010-11 Proposed Budget

A large, modern, multi-story building with a fountain in the foreground. The building is light-colored with many windows. The fountain is circular with a central jet of water. There are trees and landscaping around the fountain and building.

***“To Enrich Lives Through
Effective and Caring Service”***



Submitted to the
Board of Supervisors

by
William T Fujioka, Chief Executive Officer
and
Wendy L. Watanabe, Auditor-Controller

2010-11 Proposed Budget (\$ in Billions)



Fund	FY09-10 Adopted Budget	FY10-11 Proposed Budget	Change From Budget	% Change From Budget
Total General County	\$ 18.490	\$ 17.654	\$ -0.836	-4.5%
Special Funds/Districts	5.116	5.067	-0.049	-1.0%
Total Budget	\$ 23.606	\$ 22.721	\$ -0.885	-3.7%
Budgeted Positions	101,113.0	99,739.0	-1,374.0	-1.4%

Principle County Budget Policies and Priorities



- ✓ Focus reductions in programs that are discretionary or where the service level is discretionary.
- ✓ Ongoing costs should be funded with ongoing revenues.
- ✓ The budget should be based on realistic revenue estimates.
- ✓ Maintain a Rainy Day Fund equal to 10 percent of ongoing locally generated revenues.
- ✓ County Budget Priorities
 - Public Safety and Justice
 - Public Health and Welfare Prevention
 - Direct Public Services
 - Internal and Support Services

State Impact to Los Angeles County



Fiscal Year	County Impact
2008-09	\$150.1 million loss
2009-10	\$465.3 million loss
2010-11*	\$1.264 billion loss

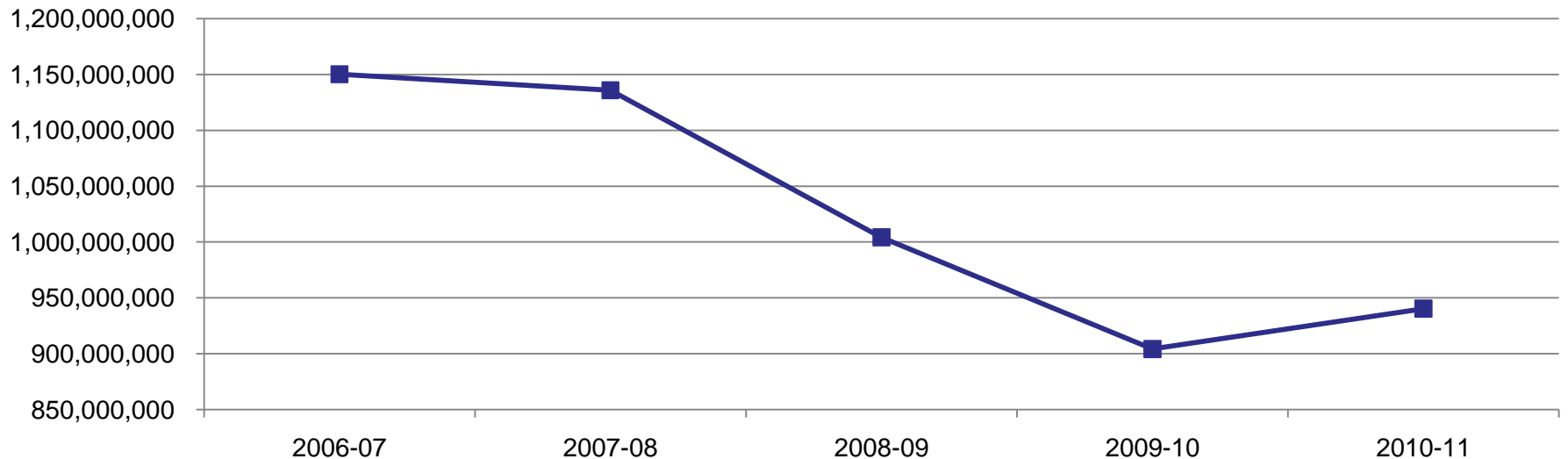
The Proposed Budget does not account for any major State or federal budget impacts.

Note: * – Estimate based on January 11, 2010 Governor's Proposed Budget

Sales Tax



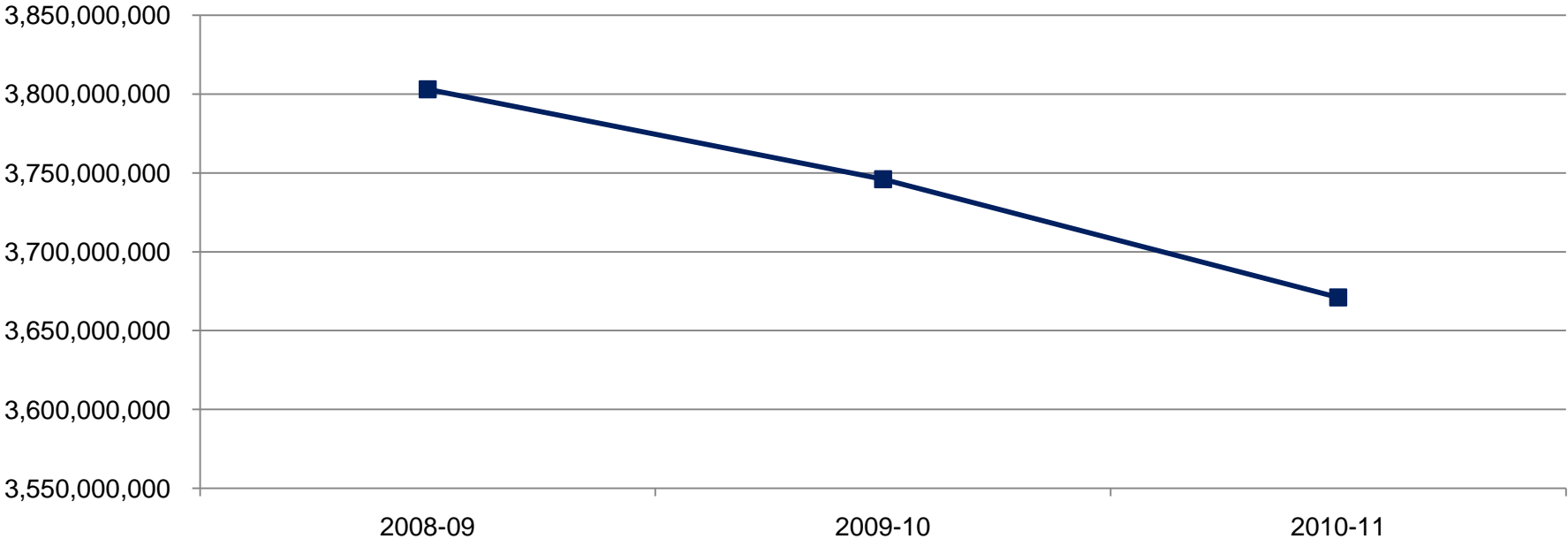
Major Revenue Source	Actual 2006-07	Actual 2007-08	Actual 2008-09	Estimated 2009-10	Proposed 2010-11	Change from Actual 2006-07
Local Sales Tax	\$44.8M	\$42.9M	\$38.8M	\$36.0M	\$37.5M	(\$7.3M)
Public Safety Augmentation (Prop 172 Sales Tax)	\$634.2M	\$623.0M	\$547.9M	\$499.1M	\$519.0M	(\$115.2M)
Realignment Sales Tax (Social Services Only)	\$471.3M	\$469.9M	\$417.5M	\$369.1M	\$383.8M	(\$87.5M)
Total	\$1,150.3M	\$1,135.8M	1,004.2M	\$904.2M	\$940.3M	(\$210.0M)



Property Tax



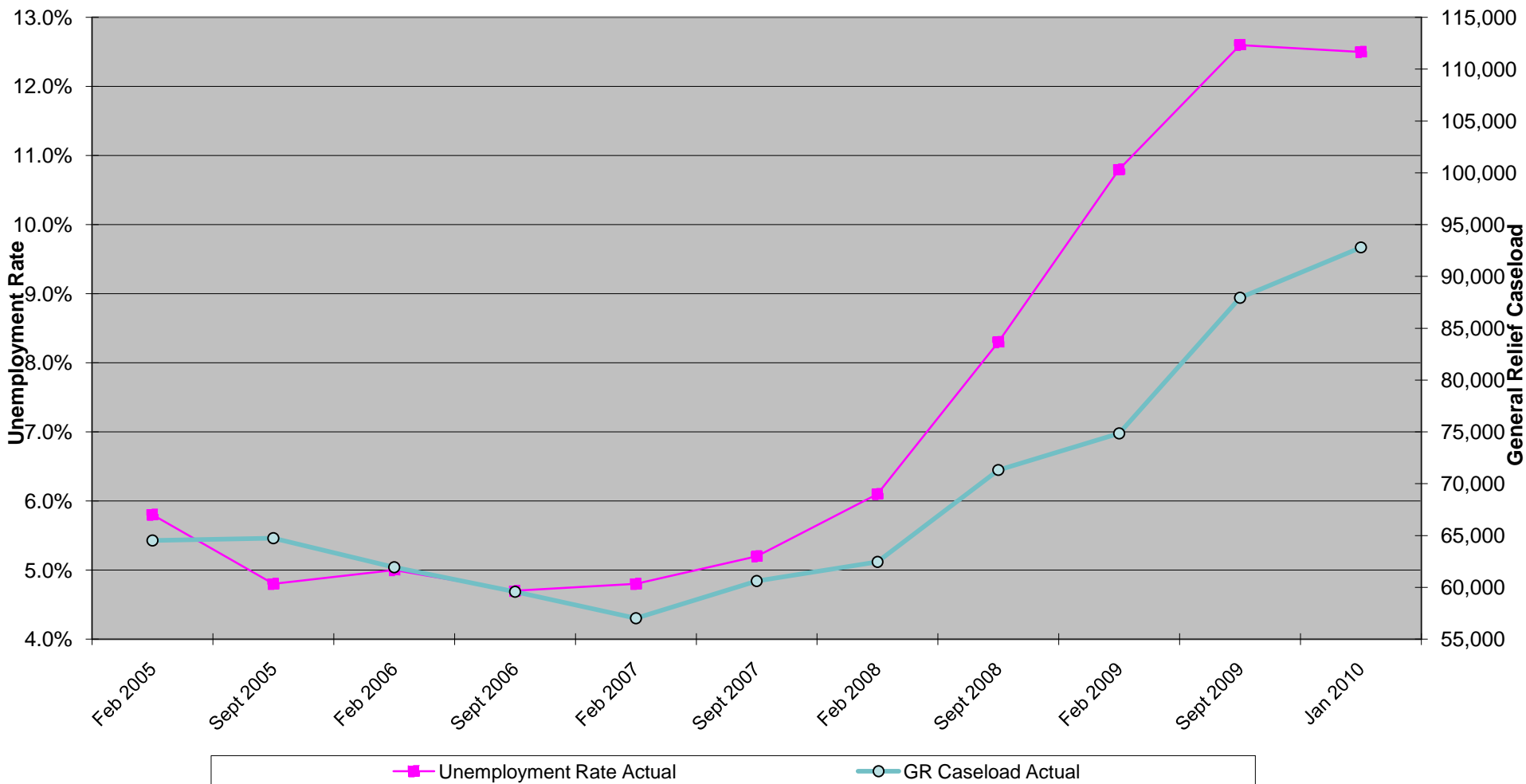
Major Revenue Source	Actual 2008-09	Estimated 2009-10	Proposed 2010-11	Change from Actual 2008-09
Property Tax	\$3.803B	\$3.746B	\$3.671B	(\$132.0M)



COMPARISON: LA Unemployment Rate & LA GR Caseload (Feb 2005 – Jan 2010)



COMPARISON: LA Unemployment Rate (February 2005- January 2010 Actual) LA GR Caseload (February 2005 - January 2010 Actual)



General Relief (GR) Overview



Public Assistance Program	Actual 2006-07	Actual 2007-08	Actual 2008-09	Estimated 2009-10	% Change from Actual 2006-07
GR Caseload (monthly)	58,599	62,897	74,763	93,860	+60.2%
GR Net County Cost	\$132.9M	\$147.7M	\$178.4M	\$221.8M	+66.9%

Additional 20,000 cases = \$4.42M monthly

GR benefits \$221/month per individual
Annual amount - \$2,652

Primary Drivers of Budget Changes



2010-11 NCC Budget Gap (Totaling \$510.5 million)

- ✓ Revenue Reductions - \$221.5 million
- ✓ Assistance Caseload - \$145.9 million
- ✓ Unavoidable Cost Changes - \$130.9 million
- ✓ Net Program Cost Changes - \$12.2 million

2010-11 NCC Budget Gap Solutions (Totaling \$510.5 million)

- ✓ Ongoing Departmental Reductions - \$175.2 million
- ✓ Ongoing Revenue Solutions - \$13.0 million
- ✓ One-Time Bridge Funding - \$167.2 million
- ✓ Labor Management Savings - \$115.0 million
- ✓ Extension of the FMAP (Federal Medical Assistance Percentage) Rate Increase - \$40.1 million

Cumulative Departmental Net County Cost Reductions



	FY 2008-09	FY 2009-10	FY 2010-11	Total
Cumulative Departmental Net County Cost Reduction	\$32,982,000	\$162,892,000	\$174,914,000	\$370,788,000

Efficiency Initiatives



Efficiency Measures – Increased savings from \$75M in FY 2009-10 to \$145M in FY 2010-11

- Health Services Department (\$89M)
 - Standardizing drug formulary options and improved inventory management \$58M
 - Monitoring of services and supplies expenditures \$11M
 - Flexible payment options for emergency room services \$2.5M
 - Standardization of supplies and overtime reduction \$1.7M
 - Better security staff deployment \$1.6M
 - Education to improve physician documentation and maximize reimbursement \$1.4M
 - Various other efficiency measures \$12.8M
- Public Social Services Department (\$18M)
 - Transitioning General Relief recipients to Supplemental Security Income \$11M
 - Data mining tool for fraud prevention \$7M
- Children and Family Services Department (\$11M) through monitoring of purchases
- Mental Health Department (\$5M) through reduced cost of provision of medication

Los Angeles County Economic Indicators



Taxable Sales (% Change)	Los Angeles County	California
2009	(2.2%)	(8.8%)
2010	1.4%	1.2%
2011	4.4%	5.2%
2012	n/a	6.9%
Unemployment Rate	Los Angeles County	California
2009	11.7%	9.3%
2010	11.8%	9.7%
2011	10.2%	9.3%
2012	n/a	8.6%

Note: n/a indicates data is not available

Source: UCLA Anderson Forecast, January 2010 and March 2010