



# COUNTY OF LOS ANGELES

## 2016-17 Recommended Budget



Submitted to the Board of Supervisors by  
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## OVERVIEW: 2016-17 RECOMMENDED BUDGET

# BUDGET HALLMARKS

- ◆ \$28.5 billion proposal builds on critical reforms established during last budget cycle
- ◆ Funds key Board priorities and ensures continued support for needed services
- ◆ Underscores commitment to conservative budget practices and fiscal policies



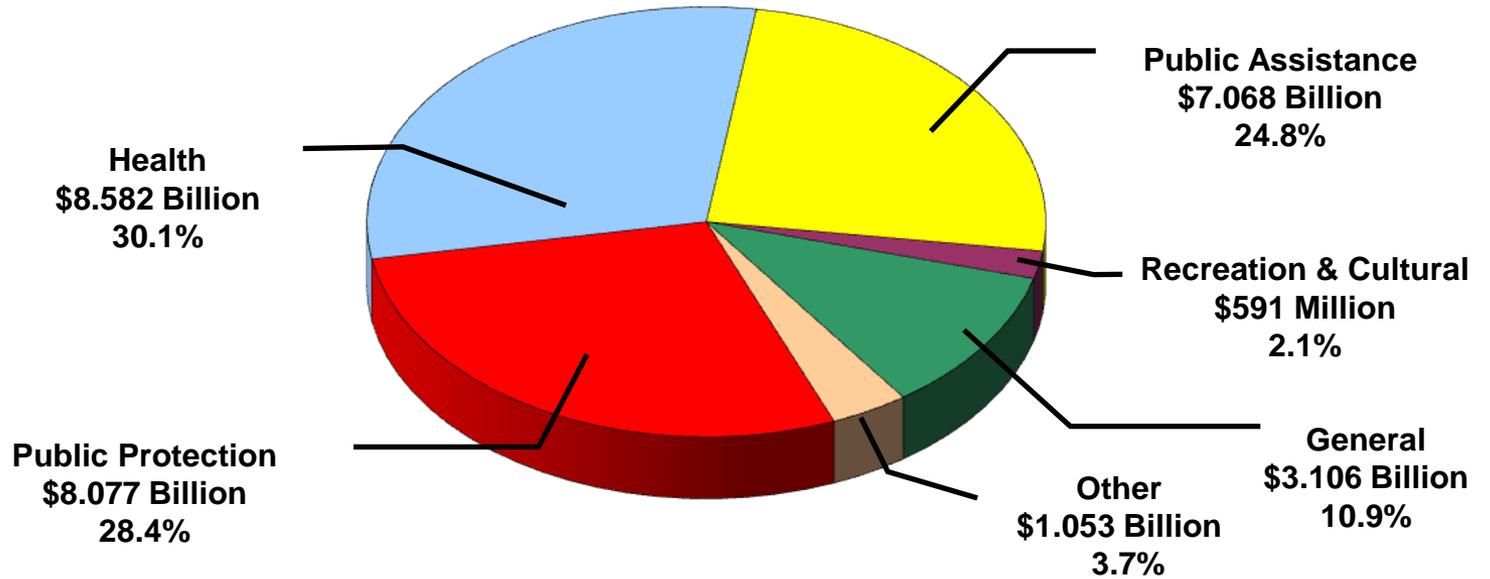
## OVERVIEW: 2016-17 RECOMMENDED BUDGET

# BUDGET OUTLOOK

- ◆ Recommended budget: **\$28.5 billion**
- ◆  \$282 million increase from FY 2015-16
- ◆  5% estimated increase in property tax assessments
- ◆  4% projected increase in sales tax revenues
- ◆ Outlook: **Positive, but cautious**



# OVERVIEW: 2016-17 RECOMMENDED BUDGET



	FY 2015-16 Final Adopted Budget	FY 2016-17 Recommended Budget	Change From Prior Year	% Change from Prior Year
Total General County	\$21.729	\$22.170	\$0.441	2.0%
Special Funds/Districts	6.466	6.307	(0.159)	-2.5%
Total Budget	\$28.195	\$28.477	\$0.282	1.0%
Budgeted Positions	108,093	108,309	216	0.2%



## FOCUS: 2016-17 RECOMMENDED BUDGET

# ADVANCES KEY BOARD PRIORITIES

*Providing critical support across a wide range of needs and reforms*

- ◆ Homelessness and housing
- ◆ Sheriff's Department progress
- ◆ Diversion and re-entry
- ◆ Healthcare integration
- ◆ Child protection
- ◆ Wage enforcement
- ◆ Economic development
- ◆ Proposition 47 reduced-penalties law
- ◆ In-Home Supportive Services





## FOCUS: 2016-17 RECOMMENDED BUDGET



# HOMELESS AND HOUSING INITIATIVES

*Creating better lives through collaboration and leadership*

- ◆ \$98.7 million in dedicated funding
- ◆ Continues hundreds of millions of dollars being invested by County departments
- ◆ \$7.2 million for Housing for Health to promote rapid rehousing, case management and employment services
- ◆ \$700,000 to establish an Office of Homelessness to lead implementation and coordination of initiatives



## FOCUS: 2016-17 RECOMMENDED BUDGET



# SHERIFF'S DEPARTMENT

*Moving forward on a path of progress and reform*

- ◆ \$6.9 million for continued improvement of conditions within the County jail system
- ◆ \$1.6 million and 6 budgeted positions to investigate and combat human trafficking
- ◆ \$2.9 million and 15 budgeted positions to staff a 24/7 Emergency Operations Bureau



## FOCUS: 2016-17 RECOMMENDED BUDGET

# DIVERSION AND RE-ENTRY

*Providing help, not jail, for offenders who need mental health care*

- ◆ \$10.7 million for physical and mental health care programs in lieu of incarceration where appropriate
- ◆ \$9.1 million to open and operate an around-the-clock Sobering Center serving 8,000 annually on Skid Row
- ◆ \$1.4 million for crisis intervention training to improve Sheriff's Department interactions with the mentally ill and reduce use of force



## FOCUS: 2016-17 RECOMMENDED BUDGET



# JOINING FORCES FOR HEALTH

*Building momentum as three departments unite for healthier patients and communities*

- ◆ \$2.1 million to establish additional patient-centered medical homes
- ◆ \$900,000 for leadership positions to oversee implementation of Integrated Correction Health Services plan
- ◆ \$141.7 million and 40 budgeted positions for continued implementation of Mental Health Services Act plans



## FOCUS: 2016-17 RECOMMENDED BUDGET



# CHILD PROTECTION

*Remaking the child safety system with focus and follow-through*

- ◆ \$1.6 million for Office of Child Protection
- ◆ \$4.5 million and 33 positions to combat commercial and sexual exploitation of children
- ◆ \$1.5 million for the Parent-in-Partnership Program supporting family reunification goals
- ◆ \$1 million for safety and placement of youth with severe behavioral issues
- ◆ \$4 million for childcare services ensuring safety and avoiding out-of-home placements



## FOCUS: 2016-17 RECOMMENDED BUDGET



# IN-HOME SUPPORTIVE SERVICES

*Valuing those who care for others*

- ◆ \$18.7 million for IHSS worker wage increases
- ◆ \$3.5 million for costs associated with IHSS worker healthcare benefits
- ◆ \$14.9 million to comply with IHSS local-match requirement



## FOCUS: 2016-17 RECOMMENDED BUDGET

# OTHER BOARD PRIORITIES

*Shaping a brighter future for those on the margins*

### WAGE ENFORCEMENT PROGRAM

Provides Consumer and Business Affairs with \$1 million and sets aside \$600,000 for potential workload increases

### ECONOMIC DEVELOPMENT

Allocates \$6.5 million for economic development programs administered by the Community Development Commission

### PROPOSITION 47

Sets aside \$3.2 million to support various programs related to California's reduced-penalties law



## THE FUTURE: IMPROVING FINANCIAL STABILITY

# CONTINUING FISCAL RESPONSIBILITY

**Board adopted a multi-year plan to prefund retiree healthcare benefits in June 2015**

- ◆ \$22.7 million prefunding contribution in FY 2015-16
- ◆ Estimated \$61.2 million prefunding contribution by FY 2016-17

**Supplemented County's Rainy Day Fund by \$81 million in 2015, bringing the balance to \$338 million**



## THE FUTURE: IMPROVING FINANCIAL STABILITY

- ◆ Fitch Ratings upgraded the County's rating from AA- to AA in February 2016
- ◆ Standard & Poor's (S&P) long-term credit ratings for the County have been raised twice over the last six years
- ◆ Moody's upgraded the County's long-term ratings outlook from stable to positive in 2016

General Obligation	2011	2012	2013	2014	2015	2016
Fitch	AA-	AA-	AA-	AA-	AA-	AA
S&P	AA-	AA	AA	AA+	AA+	AA+
Moody's	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2

- ◆ All three rating agencies assigned their highest short-term rating to the County for 19<sup>th</sup> consecutive year in FY 2015-16



## IMPACTS BEYOND LOS ANGELES COUNTY



# STATE AND FEDERAL BUDGET ACTIONS

### STATE BUDGET

- ◆ The Governor's proposed budget contains no significant impact to County administered programs. State budget changes will be addressed in subsequent budget phases, if needed

### FEDERAL BUDGET

- ◆ The federal budget outlook for the County is positive
- ◆ Congress is unlikely to enact legislation that would significantly reduce funding, thereby impacting County administered programs



## ON THE HORIZON

*Looking ahead to issues that span multiple budget years*

- ◆ Fully funding the Rainy Day Fund
- ◆ Combatting homelessness
- ◆ Creating affordable housing
- ◆ Investing in deferred maintenance and aging infrastructure
- ◆ Replacing legacy information technology systems
- ◆ Supporting stormwater pollution cleanup



## BUDGET CALENDAR

Action	Date
Recommended Budget	April 12, 2016
Public Hearings	May 11, 2016
Budget Deliberations	June 27, 2016 until conclusion