



CEO

Chief Executive Office
COUNTY OF LOS ANGELES

LOS ANGELES COUNTY

ATI OFFICE



Alternatives to Incarceration

"Care First, Jails Last"

Work In Progress: Determining Measure J Baseline

- Key Terms and What They Mean
- The Methodology
- Deeper Dive: Key Departments

Work In Progress: Determining Measure J Baseline

The CEO's Office is conducting a two-phase analysis:

Initial Phase **COMPLETED**

Due Diligence **IN PROCESS**

Defining the terms



What is Locally Generated Revenue?

Generally speaking, locally generated revenue means money generated here in the County. We use it to pay costs (our Net County Costs) that are not covered by any other revenue sources.

Examples: property taxes, sales tax, utility user tax



What is the General Fund?

The County's budget is made of several funds. The largest fund is called the general fund. The general fund is used to hold and track money received and spent by the County.

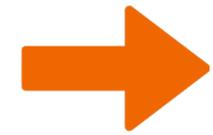
Defining the terms

What is Restricted Funding? How is it Determined?

Funding is restricted when the County has a legal obligation or Board policy requirement to spend the funds in a certain way.

Note: The Measure J ordinance does not define "restricted." Instead, it requires that "unrestricted revenues" be identified. In order to identify what is unrestricted, you must identify what is restricted.

Defining the terms



What are Direct Community Investments?

Direct Community Investments are defined in the Measure J Ordinance. They include:

- Community-based youth development programs;
- Job training and jobs to low-income residents;
- Access to capital for small minority owned businesses, with a focus on Black-owned businesses.
- Rent assistance, housing vouchers, and accompanying supportive services; and
- Capital funding for transitional housing, affordable housing, supportive housing, and restorative care villages.



What are Alternatives To Incarceration Investments?

Investments in Alternatives To Incarceration are defined in the Measure J Ordinance. They include:

- Community-based restorative justice programs;
- Pre-trial non-custody services and treatment;
- Community-based health services, health promotion, counseling, wellness and prevention programs, and mental health and substance abuse disorder services; and
- Non-custodial diversion and reentry programs, including housing and services.

The Methodology: Start with locally generated revenue

Why? This is the first step in calculating the amount of Locally Generated Unrestricted Revenue/NCC. Locally generated revenue is what we use to pay our Net County Costs and is sometimes used interchangeably with the term NCC.



The Methodology: Exclude Existing Measure J-Related Investments because these must be preserved.



Goal: Ensure that we continue our existing investments in the community and for alternatives to incarceration—rather than supplant them. That’s what is directed in the measure and we are committed to sustaining this work that is already underway.



Question: What if the County is already making investments in these areas from locally generated unrestricted revenue/NCC?

Answer: If funding is already going to these investments, then those amounts cannot be counted a second time in the 10% set-aside. They should be continued to be funded as they have been, not diminished.

The Methodology: Identify and Exclude Restricted Revenue



Why? To determine the amount of unrestricted revenue.



Goal: Determine the amount of unrestricted funding by identifying the amount of funding for programs, services, commitments that the County is required to fund.



Question: How do you identify programs/services the County is required to fund?



Answer: Work with each Department to go through their budget to identify these costs. All costs have been designated as unrestricted unless and until we can obtain better information about the required/proposed service level.

The Methodology: Exclude One-Time Funding

One-Time Funding:

- Cannot support ongoing operations
- Already committed to in previous budget cycles

Instead, Provide Preferential Treatment for Measure J Budget:

- Exempt from “Use It or Lose It”
- Retain funding for future Measure J projects



Deeper Dive: Health Services

Net County Cost: **\$1 billion**

One-Time Funding: **\$25 million**

Existing ATI & DCI Investments: **\$7 million**

Restricted Funding: **\$766 million**

Contractual Obligations:

Fixed Employee Benefits

Legal Obligation/Debt

Mandated

Maintenance of Effort

Unrestricted Funding/NCC: **\$222 million**

Overall Budget: \$9.0 billion

Deeper Dive: Sheriff's Department

Net County Cost: **\$1.9 billion**

One-Time Funding: **\$20 million**

Existing ATI & DCI Investments: **\$0.00**

Restricted Funding: **\$1.1 billion**

Contractual Obligations:
Fixed Employee Benefits
Legal Obligation/Debt
Mandated
Utility User Tax

Unrestricted Funding/NCC: **\$787 million**

Overall Budget: \$3.4 billion

Deeper Dive: Children & Family Services

Net County Cost: **\$721 million**

One-Time Funding: **\$213 million**

Existing ATI & DCI Investments: **\$5.8 million**

Restricted Funding: **\$386 million**

Contractual Obligations:
Fixed Employee Benefits
Legal Obligation/Debt
Mandated

Overall Budget: \$2.9 billion

Unrestricted Funding/NCC: **\$117 million**

The Work Continues

We appreciate this opportunity to share our process with the Measure J Advisory Committee.