



# NEWS RELEASE

## COUNTY OF LOS ANGELES

**Contact:** David Sommers, Director of Public Affairs  
Email: dsommers@ceo.lacounty.gov  
Phone: (213) 974-1314

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### 2013-14 LOS ANGELES COUNTY BUDGET PROPOSAL: NO CUTS, NO SHORTFALL

#### FOR IMMEDIATE RELEASE

**April 15, 2013** – After five consecutive years of budget deficits and fiscal challenges, Los Angeles County unveiled a no cuts, no deficit budget proposal today for Fiscal Year 2013-14, totaling \$24.699 billion.

“Achieving a balanced budget is a notable accomplishment given the economic crisis that we have endured without service reductions, layoffs, or furloughs,” said Chief Executive Officer William T Fujioka. “This achievement was made possible through the Board of Supervisors’ leadership, and their prudent fiscal practices and long-term budgeting discipline. Also invaluable was the incredible support and partnership with our County managers, Labor partners, and the hard work of all County employees.”

Over the past five fiscal years, the budget deficit that the County was able to overcome was significant, with the highest single year shortfall totaling \$491.6 million in Fiscal Year 2010-11. Throughout this difficult period, all County employees agreed to zero salary or cost-of-living increases.

The 2013-14 budget proposal calls for no departmental curtailments. In previous curtailments in the past several years, County departments have endured budget cuts of over \$360 million, averaging a 15-percent reduction, with some departments absorbing cuts of over 30-percent. Furthermore, to control costs, the County has also pursued savings from the innovative ideas of the Efficiency Initiative Program. To this date, it has allowed the County to achieve over \$250 million in ongoing and one-time savings, while also improving operations and customer service. These measured actions, along with the use of one-time funding solutions, allowed the County to maintain a balanced budget with no significant direct impact or reductions on public services.

In 2012, due to the County’s financial stability and discipline, the County received the highest long term credit rating score it has ever been awarded by Standard & Poor’s, allowing the County to borrow short term funding at significantly lower interest rates. Furthermore, all three major ratings agencies assigned their highest short term rating to the County for the 16<sup>th</sup> consecutive year in 2012-13.

For the 2013-14 budget proposal, the County has preserved its primary financial reserves, which remain available to address future uncertainties, meet cash flow needs, and aid in maintaining the County's high credit ratings, and did not have to rely on one-time funding solutions to balance the budget.

This budget proposal is just the first step in a months-long process that includes public hearings, deliberations, and the inclusion and consideration of potential impacts from the State and Federal budget proposals, which are currently beyond the County's control.

Complete details of the budget outlook are also available on the County's homepage at <http://www.lacounty.gov>, or by following the County on Twitter @lacountyceo.

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