



# Press Release

FOR IMMEDIATE RELEASE:  
May 27, 2020

Contact: Alma Maldonado  
Mobile: 323.804.2561

## City of Compton to Issue City Employee Layoff Notices As a Result of Pandemic-Induced Deficit Revenue Shortfalls Led to Lowest Revenues Since 2013

**Compton, CA.** – The City of Compton will be issuing layoff notices to city employees as it is facing a severe budget deficit as a result of the COVID-19 pandemic. The workforce reduction is induced by the revenue shortfalls from the economic standstill that has taken place over the last few months as many businesses were forced to close as part of the state’s shelter-in-place orders.

City staff is recommending a strategy to address Compton’s financial challenges that makes difficult cuts to offset ongoing expenditures. The City is actively seeking every available option to mitigate the impacts, including reviewing the City’s debt repayment and reserve policies.

“The City is experiencing significant revenue reductions due to the COVID-19 pandemic and that is impacting our budget,” said Compton City Manager Craig Cornwell. “The City Council recognizes tough decisions are ahead and remain focused on delivering services and minimizing impacts to our City’s workforce. Unfortunately, new budget realities forced the City to make the difficult decision to issue layoff notices to our employees. We are hopeful that the City’s revenues will begin to increase when our economy re-opens and recovers, which will allow us to reinstate impacted employees.”

One of the City’s major revenue sources is the sales tax which has been severely limited since March when the state issued its shelter-in-place orders. The City is facing a revenue shortfall of approximately \$10 million for the current 2019-2020 fiscal year and a \$9.8 million shortfall for the 2020-2021 fiscal year. It is estimated that next year’s General Fund for the City will be approximately \$47.9 million which is a 10-15% reduction - the lowest it has been since 2013.

The City will continue its focus on serving residents effectively by continuing to aggressively address Compton’s infrastructure. City leaders recognize that further deferring maintenance costs at this time will only cost more in the long-run. The City plans to continue with planned street repair, beautification, and maintenance projects.

###