

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Council District: All

To: Chair, Education and Neighborhoods Committee

From: William T Fujioka, City Administrative Officer



Reference: Request on January 20, 2006 for Report

Subject: **POTENTIAL COSTS AND STAFFING FOR THE 912 COMMISSION**

SUMMARY

The Education and Neighborhoods Committee has been considering recommendations for appointing a commission to evaluate the system of neighborhood councils pursuant to Charter Section 912 (912 Commission). Council must adopt an ordinance by April 2006 for the formation of the 912 Commission by late June 2006.

On January 20, 2006, the Chair of the Education and Neighborhoods Committee requested the Office of the City Administrative Officer to report back regarding the staffing costs and potential funding sources associated with the 912 Commission. This Office reviewed five recent commissions that had a similar scope and authority to the 912 Commission: the Presidents' Joint Commission on the Los Angeles Unified School District; the Los Angeles Unified School District Board of Education Redistricting Commission; the Los Angeles City Council Redistricting Commission; the Elected Charter Reform Commission; and, the Appointed Charter Reform Commission.

These five commissions hired contract staff for the majority of their analysis, outreach, and support. Similarly, the 912 Commission's staff work will be temporary and intermittent, and it is therefore appropriate to again hire contract staff.

As with these five commissions, the primary source of funding for the 912 Commission will be the General Fund. Based on the costs from these other Commissions, this Office recommends that the Mayor and Council include \$500,000 in the Fiscal Year 2006-07 Unappropriated Balance for expenses related to the 912 Commission.

RECOMMENDATION

That the Mayor and Council include \$500,000 in the 2006-07 Unappropriated Balance for expenses related to the establishment of the Commission required by Charter Section 912 to review the system of neighborhood councils.

FISCAL IMPACT STATEMENT

The recommended action would require a \$500,000 General Fund appropriation to the Fiscal Year 2006-07 Unappropriated Balance. Future year General Fund costs would be incurred if the Commission took more than one year to complete its review. Considering this recommendation as part of the 2006-07 Budget process is consistent with the Financial Policies.

FINDINGS

Basis for the Report

As part of its discussions on the establishment of a commission to evaluate the system of neighborhood councils pursuant to Charter Section 912 (912 Commission), the Chair of the Education and Neighborhoods Committee requested the Office of the City Administrative Officer to report back regarding the staffing and costs associated with three recent commissions. In addition, the Chair requested this Office to identify potential funding sources for the 912 Commission.

This Office reviewed the staffing and funding sources of the following five recent commissions: the Presidents' Joint Commission on the Los Angeles Unified School District (Presidents' LAUSD Commission); the Los Angeles Unified School District Board of Education Redistricting Commission (LAUSD Redistricting Commission); the Los Angeles City Council Redistricting Commission (Council Redistricting Commission); the Elected Charter Reform Commission; and, the Appointed Charter Reform Commission.

These five commissions were chosen for their similarities with the 912 Commission. These similarities include a limited and defined term, a focus on matters related to local governance, and, with the exception of the Elected Charter Reform Commission, the fact that the commissioners were appointed by local elected officials.

Each of the five commissions hired contract staff and each was primarily funded through the General Fund. Along with the contract staffing, several City departments also assigned existing City staff to be liaisons and provide support to the commissions. The 912 Commission will also require support of existing City staff, including staff in the Department of Neighborhood Empowerment and the Office of the City Attorney. This Office recommends that departments absorb any additional duties generated by work related to the 912 Commission.

Presidents' LAUSD Commission

In April 2005 the Council and Mayor adopted a resolution establishing the Presidents' LAUSD Commission. The commissioners were appointed by elected officials who represent areas within the LAUSD boundaries. The term of the Commission is approximately one year. The work of the Commission is expected to include a review and recommendations regarding the LAUSD governance structure.

Since the Presidents' LAUSD Commission's work has not been completed, the full costs are unknown. The 2005-06 Budget included \$500,000 in the Unappropriated Balance for consulting services to assist in research and analytic support related to the Commission's purpose. The City executed a contract with RAND Corporation to provide these services. The contract is for \$362,404 and the term is one year. Funds are also used to hire a court reporter to produce transcripts of the meetings and for food and other incidentals related to the Commission meetings.

Redistricting Commissions

In 2001-02, the City Council and Los Angeles Unified School District Board of Education completed their decennial redistricting process. In accordance with the City Charter, the initial review and recommendations for new districts were developed by commissions comprised of members appointed by elected officials. The resulting LAUSD Redistricting Commission and Council Redistricting Commission conducted their work simultaneously, and were therefore able to share many costs. The commissions were active for approximately six months.

The cumulative budget for both commissions was \$847,200, with line items identified in the following table. Funding of \$205,675 was provided by the LAUSD, and the remaining \$641,525 was borne by the General Fund.

Commission	Item	Budgeted Cost
LAUSD Redistricting Commission	Staffing	\$275,000
	Office Materials and Expenses	\$31,000
Council Redistricting Commission	Staffing	\$250,000
	Office Materials and Expenses	\$50,000
Shared Costs	Computers / Software	\$155,700
	Office Lease, Build Out, Furniture, Equipment	\$85,500
	Cumulative Cost	\$847,200

Both commissions were staffed by contractors who were responsible for management, analysis, support, and outreach for each Commission. Approximately 70 percent of the actual staffing expenditures for the LAUSD Redistricting Commission, and 60 percent of the actual staffing expenditures for the Council Redistricting Commission were for public outreach efforts.

The high computer and software costs of \$155,700 were unique to these commissions. Each commissioner needed constant access to complex and expensive mapping software to analyze and understand the impacts of potential changes to district borders. Therefore, each commissioner was provided a laptop computer equipped with the software.

The Charter Commissions

The City established two commissions to review and make recommendations to revise the City Charter beginning in 1996. Members of the Appointed Commission were appointed by City Councilmembers while members of the Elected Commission were elected by the public. Both commissions operated for approximately two years and each held numerous public meetings. Both required extensive analysis on a range of topics related to the entire Charter.

The Appointed Commission expended approximately \$1.97 million through the General Fund. These costs included a large staff of consultants, and all expenses required to support them. A review of a list of contracts executed did not provide a clear breakdown of the types of services provided by the

consultants, but did show that consultants provided managerial, analytical, technical, legal, and videotaping services.

The Elected Commission expended approximately \$1.55 million. It received \$1.25 million from the General Fund and \$300,000 from private donations. As with the Appointed Commission, the Elected Commission used funds to hire a large staff of contract consultants and pay for all expenses required to support them. Based on a review of a list of contracts executed for the Elected Commission, contract staff provided a wide range of services, broken down as follows:

Contract Purpose	Approximate Percent of Funding Used
Outreach	15%
Press	6%
Analysis	34%
Clerical Support	19%
Videotaping	20%
Management	6%

Staffing and Funding Options for the 912 Commission

Council must adopt an ordinance by April 2006 for the formation of the 912 Commission by late June 2006. The range of responsibilities for the 912 Commission will be defined by this ordinance and by the Commissioners themselves and will determine the staffing requirements. Although staff responsibilities have, therefore, yet to be fully identified, the discussions in the Education and Neighborhoods Committee and the requirements of Charter Section 912 suggest that they will include: 1) Planning and scheduling Commission meetings; 2) Conducting outreach to ensure public participation in Commission deliberations; 3) Analyzing the system of neighborhood councils; and, 4) Providing management and support to the Commission.

The staffing will be temporary in nature since it will only be required during the limited life of the 912 Commission. In addition, each task is likely to be intermittent as the workload will vary based on the specific tasks facing the Commission at any given time. For these reasons it is appropriate for the Commission to contract for its staff.

Based on the five commissions discussed above, there are different approaches that the 912 Commission could take for hiring contractors. Specifically, the Commission could hire one contractor to provide all its staffing, as did the Presidents' LAUSD Commission. One important advantage of this approach is administrative ease. Alternatively, the 912 Commission could hire multiple independent contractors each with a different responsibility, as did the other four commissions discussed. This would allow the 912 Commission to ensure that its staff has a wide range of skills to match the wide range of tasks. The eventual members of the 912 Commission should decide how to

form a staff that will best serve their needs.

It is appropriate to use the General Fund to pay for the 912 Commission because its formation is required by the City Charter. Further, the need for this appropriation has already been recognized by the Council through a motion (Hahn – LaBonge) introduced during the 2005-06 Budget process requesting that \$500,000 be placed in the Unappropriated Balance for expenses related to the establishment of this Commission. That motion has been referred to the Budget and Finance Committee. Based on this review of previous commissions, \$500,000 is sufficient for this purpose. Since the 912 Commission will be established close to the end of 2005-06, this appropriation should occur as part of the 2006-07 Budget. Funds can be transferred from the Unappropriated Balance during 2006-07 to accounts within the Office of the Chief Legislative Analyst as costs associated with the Commission arise.

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