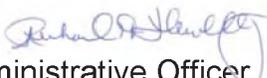


**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

0220-05741-0001

Date: June 4, 2020

To: Paul Krekorian, Chair, Budget and Finance Committee

From:   
Richard H. Llewellyn, Jr., City Administrative Officer

Subject: **Restatement of Findings in the CAO's May 19, 2020, Report on the Impacts on City Services of Furloughs in the 2020-21 Budget (C.F. 20-0600)**

In light of the hearings that the Budget and Finance Committee has scheduled during the month of June regarding potential changes to the 2020-21 Budget and the budget motions requesting alternatives to furloughs, this Office would like to restate our findings provided in our May 19, 2020 "Report on the Impact on City Services of the Furlough Program included in the 2020-21 Proposed Budget, and on Requests from the Members of the Budget and Finance Committee and City Departments to make adjustments to the Proposed Budget."

As discussed in further detail in the Fourth (Year-End) Financial Status Report (C.F. 19-0600), the City is in a more challenging fiscal position now, with potential revenue shortfalls in 2019-20 beyond those assumed in the 2020-21 Budget and lower General Fund reserves as a result of these revenue losses. We will continue to revisit the budget in the coming months as uncertainty reduces.

Attachment

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: May 19, 2020

CAO File No. 0220-05741-0000

Council File No. 20-0500

Council District: All

To: Paul Krekorian, Chair, Budget and Finance Committee

From: Richard H. Llewellyn, Jr., City Administrative Officer 

Reference: 2020-21 Proposed Budget

Subject: **REPORT ON THE IMPACT ON CITY SERVICES OF THE FURLOUGH PROGRAM INCLUDED IN THE 2020-21 PROPOSED BUDGET, AND ON REQUESTS FROM THE MEMBERS OF THE BUDGET AND FINANCE COMMITTEE AND CITY DEPARTMENTS TO MAKE ADJUSTMENTS TO THE PROPOSED BUDGET**

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### RECOMMENDATION

Note and file this report.

### SUMMARY

On May 11, the Budget and Finance Committee held a hearing on the City's financial health, the current and anticipated spending in response to the COVID-19 emergency, and the 2020-21 Proposed Budget including the proposed furloughs, and its impact on the City's most vulnerable residents and families (C.F. 20-0500). The Chief Legislative Analyst (CLA) and City Administrative Officer (CAO) presented jointly on these matters. At the hearing, among other actions, the Committee instructed this Office to:

1. Work with departments to refine the furlough plan, identify the service impacts, and to calculate any savings from alternative to furloughs that departments proposed;
2. Compile all requests from letters that departments submitted to the Committee in a single report and to verify the departments' calculations; and,
3. Respond to questions asked by Committee members relative to specific items and/or departments.

In response to these instructions, for each item that departments identified in their letters to the Committee and that Committee members identified during the hearing, this report provides brief summaries of the cost and service impacts. However, unlike any other year where additions to the Proposed Budget and other changes were possible, the uncertainty relative to COVID-19, the economy, and their collective impact on City expenditures and revenues only seems to grow. As

such, this Office concurs with the approach identified by the CLA and strongly urges the Committee and Council to withhold any changes to the Proposed Budget. More specifically, the Proposed Budget should go into effect intact, with the many difficult reductions that it currently includes, because:

- There is no responsible way to project additional revenue in 2020-21 at this time to pay for service restorations.
- There are no alternative, lower impact, service reductions available.
- The City's response to COVID-19 has diminished the City's General Fund reserves and we must now preserve them as a buffer from the potential risks ahead rather than use them now to restore the Proposed Budget reductions.

Even with the adoption of the Proposed Budget, as noted by the CLA, the City Council will continue to retain its discretion and Charter authority over the Adopted Budget and can conduct ongoing reviews of the budget and make modifications as necessary, subject to the Mayor's approval. Nonetheless, given the ongoing revenue risks, these modifications may necessitate further expenditure reductions.

Absent a complete resolution to the COVID-19 pandemic and an immediate return to normalcy, this Office recommends the following four steps as the Council considers the Proposed Budget:

1. Recognize revenue risks
2. Retain the proposed service and spending reductions
3. Maintain and try to build up the General Fund Reserves
4. Revisit the Budget throughout 2020-21

### **Recognize Revenue Risks**

The Mayor, with support from this Office, developed the Proposed Budget at a time of extreme uncertainty. This uncertainty remains today. There is more downside risk to the City's economic condition and the revenues required to support City services than there is upside opportunity. In fact, the Office of Finance projects that the tax revenues that it processes will fall short of the Proposed Budget projections by \$45 million to \$400 million. Therefore, this Office does not recommend restoring spending reductions based on potential revenue increases.

While the Proposed Budget assumes a quick economic recovery following the reopening of all business categories, revenues in 2020-21 could fall below the already reduced projections for a myriad of reasons tied to COVID-19. A few of these include a modified Safer at Home Order that extends into next fiscal year, the gradual return of economic activity, or new COVID-19 spikes in 2020-21 that require additional closures. Additionally, if the economic dislocation is more severe than anticipated, our economic recovery may take longer, further reducing next year's revenues. If the recession spills over into the housing market, property-based tax revenues may fall short of projections.

### **Retain the Proposed Service and Spending Reductions**

While the spending reductions in the Proposed Budget, and especially furloughs, will negatively impact City services, there are no alternative reductions that are both thoroughly vetted and sure to have less impact. The budget that goes into effect on July 1 must retain the proposed level of reductions to achieve the savings already captured and assumed for 2020-21. In fact, in light of the current economic uncertainty and associated downside risk to City revenues, it is possible that even these reductions will be insufficient to maintain a balanced budget. Should the City approve a budget that includes significant services restorations and revenues begin to fall short of projections the reductions that will be required later will be even more severe.

#### *Salary and Expense Reductions*

The Proposed Budget contains multiple layers of salary reductions prior to furloughs being factored in, giving departments almost no opportunity to hire civilian employees in 2020-21, even to replace employees who leave. These salary reductions include: 1) one-time salary reductions that sweep salary surpluses generated by departments in recent, 2) increased salary savings rates, 3) elimination of vacant positions and their funding, and 4) further reductions to salary accounts to capture savings that the hiring freeze will generate based on each department's historical attrition rate. Consequently, the flexibility that several general managers are seeking to generate other salary savings as an alternative to furloughs is simply not an option. Any alternative reductions in General Fund and most special fund salary accounts will require layoffs of civilian City employees.

In addition to salary account reductions, departments must also contend with reductions in expense accounts totaling \$15 million. Other significant reductions the City as a whole will need to manage include a \$20 million reduction to the reserve for extraordinary liabilities, and a \$16 million cut to capital expenditures. As a result of the capital expenditure reductions, the General Fund spending on capital is 0.53 percent of the budget, below the capital policy level of one percent for the first time since 2012-13.

The opportunity to reprioritize \$23 million included in the Proposed Budget for increased and new services is also limited. Many of these increases are required to meet expected or required spending levels, are backed by grants or revenues, or were only included because the department agreed to shift existing resources into new, higher priority services. Thus, eliminating these new items would not generate significant additional savings to offset salary reductions or furloughs.

As the Committee instructed, this Office is already in communication with Labor to evaluate alternative reductions or other opportunities to curtail furloughs. Until we can evaluate any such alternatives, the reductions included in the Proposed Budget, including furloughs, are the only options that generate the necessary and guaranteed savings.

### *Proposed Furlough Program*

The Proposed Budget includes furlough savings totaling \$139 million, of which \$81 million is attributed to the General Fund and \$58 million to special funds. The Proposed Budget exempts from furloughs all Police and Fire department sworn positions, Building and Safety, Sanitation, and Library in their entirety, and select classifications with a direct public safety impact, including Detention Officers, Police Service Representatives, EMS Advanced Providers, and Correctional Nurses.

The application of furloughs to special funds increased General Fund revenues or relieved General Fund expenditures by a total of \$24.2 million. After accounting for a reduction of General Fund reimbursements by \$12.8 million from some special funds, the net impact to the General Fund from applying furloughs to special funds is a savings of \$11.4 million.

Several of these special funds are facing downside risk due to COVID-19-related revenue loss. In these cases, applying the furloughs was required to enable these funds to balance and to reduce the risk of the General Fund acting as their backstop.

Some select special funds that are subject to furlough do fully reimburse the General Fund for their costs and are facing less acute risk from COVID-19. Applying furloughs to these funds has resulted in the reduction of General Fund reimbursements by \$12.8 million as noted above. As identified in this report, some Departments have requested exemptions from the furlough program for positions within these select special funds. We recommend against approving these additional exemptions and salary restorations. Although the risk to these funds may be smaller, there is significant uncertainty regarding the full financial impact of COVID-19. Further, the furlough program applies across entire departments, where possible, both to increase equity between employees performing similar duties, and in recognition that a single employee may be paid from a number of different funding sources.

Furloughs will clearly have a negative impact on City services. As requested, this report will identify the negative impact on selected high priority services together with the savings that furloughs in those services areas generate. Overall, departments report that reduced working hours will result in increased processing times, delays in project delivery, reduction in available hours to support the public and other City agencies, and in limited cases, no longer providing a service at all. Although service impacts will occur, staggering schedules, reassigning staff, reprioritizing assignments, and other approaches to furlough implementation may mitigate some of the service impacts.

While general managers will certainly seek and implement creative solutions to mitigate service impacts, there may be some situations where they cannot mitigate these impacts or even where furloughs do not make sense. Indeed, in this report we highlight areas where that may be the case, but will need more time to fully conduct that analysis and determine whether and how to refine the program. As the Budget and Finance Committee instructed, this Office will work with City departments to identify those areas and will report once that analysis is complete with recommendations for a more nuanced furlough implementation plan.

### *Hiring Freeze Policy*

The Proposed Budget reflects reduced General fund salary funding of \$31 million to reflect anticipated savings that maintaining vacancies consistent with the hiring freeze policy will generate. Although the Committee specifically asked departments to report on the impact of furloughs, many departments reported on the combined impact of furloughs coupled with the hiring freeze. Departments raised concerns about how reduced working hours along with reduced staff would cause them to reduce services.

While the hiring freeze policy does curb hiring, the policy includes a process through which departments can request exemptions on a case-by-case basis. Entry level Police Officer positions and entry level Firefighter positions are categorically exempt from the hiring freeze.

The current exemption process is set by the Mayor's March 19, 2020, Belt-Tightening Measures letter. Pursuant to that letter, the Mayor will consider exemptions from the hiring freeze for positions that 1) are essential to public health and safety, 2) generate revenue, 3) are legally mandated, and 4) where job offers were made on or prior to March 19th. Departments submit requests for exemptions to the CAO and the CAO makes recommendations to the Mayor's Office for approval or denial of the request based on the above criteria. The CAO and Mayor's Office are having discussions to identify ways to streamline and expedite this process in 2020-21. The City Council does have the authority to refine the hiring freeze process.

Thus, while departments raise valid concerns about reduced staffing levels due to the hiring freeze, there is an opportunity to address the most critical concerns through the hiring freeze exemption process.

### **Maintain and try to build the General Fund Reserves**

The Proposed Budget projects that the City must transfer \$188 million from the Reserve Fund to the balance the budget in 2019-20. As a result, the Reserve Fund will begin 2020-21 at 3.64 percent of the General Fund budget, below the five percent policy level and at the lowest level since 2010-11. Including the Budget Stabilization Fund and the Unappropriated Balance Reserve for Mid-year Adjustments, the total General Fund reserves stand at 5.80 percent, below the 10 percent policy goal and at the lowest level since 2012-13. The Adopted Budget must maintain the City's General Fund reserves at least at its current, level. Furthermore, as the year progresses, the City should seek to re-build its reserves to mitigate the impact of future events.

Tapping into the reserves to reduce the Proposed Budget's cuts would make it much more difficult for the City to address the downside risk related to COVID-19 should it come to pass or to respond to any additional emergency or disaster that could occur. Finally, doing so would send the wrong message about the City's commitment to fiscal responsibility.

In addition, the City Controller recently reported that the City's 2019-20 Property Tax receipts may fall \$90 million below recent estimates. We are evaluating whether this is a permanent loss or represents delayed receipts but in either case, if true, the Reserve Fund could fall as much as 1.5 percent further below the policy level by July 1, 2020.

### **Revisit the Budget throughout 2020-21**

In the coming months, the City's COVID-19 response will continue to evolve as will our understanding about revenues, expenditures, and federal reimbursements. As uncertainty reduces, we must revisit the budget. If the situation improves or if we are able to identify additional funds, the City can pursue priorities such as repaying special fund loans and the Reserve Fund. If we meet these priorities and additional funds are still available, the City can further consider restoring other critical programs such as liabilities funding, restoring the Reserve Fund to the five percent policy level, or reducing furloughs.

### **FISCAL IMPACT STATEMENT**

The recommendation to note and file this report will have no fiscal impact. If the requests identified in this report were enacted, the Proposed Budget would fall out of balance by a total of \$75.8 million, including \$58.4 million in the General Fund, and \$17.4 million in various special funds.

### **FINANCIAL POLICY COMPLIANCE**

The recommendation in this report complies with the City's Financial Policies.

## **FINDINGS**

The following section addresses departmental furlough plans and service impacts, departmental requests to change the Proposed Budget, and specific Committee concerns raised at the May 11 hearing. In the attachment, we summarize the departmental requests and the costs for those requests.

### **A. Aging**

#### Furlough Impacts:

The Department reports that furloughs and the hiring freeze will cause operational challenges throughout the Department and delays in service. It is particularly concerned about its ability to continue to respond at the current level to the COVID-19 crisis.

The Committee asked about the impact of furloughs on senior meals programs. The Department does anticipate impacts to the Senior Delivery Meal Program as office closures will directly affect seniors trying to enroll in meal services, many of whom do not have internet access and rely on staff to help them enroll in city programs via telephone.

The Department also states that there will be significant delays in processing vendor invoices, gathering program service data as required for reimbursements, and responding to fiscal reporting requirements from agencies such as the Controller, CAO, and California Department of Aging.

#### Departmental Request:

The Department requests General City Proposes funding for the LGBT Mini Multipurpose Center in the amount of \$520,000. Of this amount \$450,000 is for contract funding and \$70,000 is to partially fund one Management Assistant and one Accountant to provide administrative and fiscal support for the LGBT Mini Multipurpose Center and four other established mini multipurpose centers. This Office does not recommend the \$70,000 for the positions as the Department currently has multiple vacancies within the requested classifications. The \$450,000 for contract funding is not required in 2020-21 as current year funds are available to fund this contract next year.

### **B. Animal Services**

#### Furlough Impacts:

If the Department is required to furlough all employees, it will negatively impact its ability to provide the mandated level of care for its animals while still ensuring staff safety. As such, these furloughs may prevent the Department from reopening either the West Valley or the North Central Animal Services Centers, which were temporarily closed due to the pandemic. In addition to the reduction in staff hours due to furloughs, the impact of Safer at Home protocols on volunteer participation further reduces the Department's staffing by the volunteer equivalent of at least 40 full-time employees, stretching employee coverage thin and reducing the quality of care.

Therefore, the Department has requested the exemption of essential employees (31 Veterinary Technicians, 160 Animal Care Technicians, and 73 Animal Control Officers) from the furlough program. Exempting these 264 employees would result in a General Fund impact of approximately \$1.6 million.

The Council instructed this Office to work with the Department to identify any impact furloughs or the hiring freeze may have on the euthanasia rate and on the return of fosters.

*Euthanasia Rate:* The Department reports that, if the 264 identified essential workers are furloughed and the hiring freeze and the crisis continue, the number of euthanasia procedures could potentially increase by up to 302 a month. This number would occur if staff shortages cause the Department to close one small shelter and all the animals that would have been adopted, fostered, or remain in the shelter through the next month, were instead euthanized. This outcome is even more likely if the Department is required to close a large shelter than if it only has to close a small shelter.

*Foster Rate:* The Department does not anticipate that the furloughs will have an impact on the return of fostered animals. However, it is preparing for receiving a record number of surrendered animals (foster or otherwise) as more City residents experience the economic and physical impacts of the pandemic.

This Office does not recommend that the Department be exempted from the furlough at this time. If, despite adjusting schedules and staffing, the Department is unable to operate all of its shelters as a result of furloughs or other staff shortages during 2020-21, the City can reconsider alternative solutions.

### **C. Cannabis Regulation**

#### *Furlough Impacts:*

Responsive to the question from the Committee on the impact of furloughs on the Department's license processing times, the Department estimates that furloughs will result in a one- to two-month delay above the current time. The processing of annual licenses was projected to take six- to 12-months respectively for non-retail storefront and retail storefront businesses. This delay in the processing of licenses will reduce opportunities for new tax revenue from new retail businesses without temporary licenses and particularly tax revenues from non-storefront delivery businesses. The Department estimates that the total annual impact ranges from \$1 to \$2 million in lower business and sales tax revenues from delivery activity. This does not change revenue assumptions of the Proposed Budget as this potential new revenue was not included.

Exempting the Department from the furlough program would require the addition of a \$341,759 appropriation in the Cannabis Special Revenue Trust Fund. This additional appropriation would result in a decrease in related cost reimbursement revenue to the General Fund of the same amount as the Trust Fund does not provide full cost recovery.

The Department's Furlough Impact Letter requests an exemption from furloughs and authorization to achieve the same level of reduced salary expenditures (\$341,759) by delaying hiring for its eight existing vacancies. To achieve the required savings, the Department would need to hold these positions vacant for the first seven months of 2020-21. This Office neither recommends that the Department receive an exemption from the furlough program, nor its alternative reduction proposal.

Departmental Requests:

1. The Department is requesting to upgrade four Management Assistants to Management Analysts (\$196,176) and two Administrative Clerks to Senior Administrative Clerks (\$35,044) at a total cost of \$231,220. The purpose for this request is to address anticipated future retention issues. This Office recommends against this request due to the City's fiscal constraints.
2. The Department is requesting two unfunded Special Investigator II positions. While the Department did not request funding, the full year cost of these two positions is \$225,296. The Department states that these positions are needed to address anticipated increases in code compliance and investigation workload related to the increase in licensed cannabis businesses projected for next year. This Office recommends against this request as adding unfunded positions to the Budget is not in compliance with the City's Financial Policies.

**D. City Administrative Officer**

Furlough Impacts:

The City Administrative Officer intends to initiate furloughs beginning the first pay period of 2020-21. The Office intends to ensure staff prioritize completion of high priority tasks. While it is impossible to avoid some level of service impact, the Office will continue to seek innovation and efficiencies to minimize reductions in service levels.

**E. City Attorney**

Furlough Impacts:

The City Attorney combined furlough (\$14,281,550), hiring freeze (\$5,675,861), and salary savings rate adjustment (\$1,376,192) impacts in its letter and states that the reductions will decrease its budget by \$21.3 million, or nearly 20 percent of its employees' working hours. The City Attorney has acknowledged the need for reductions given the current economic situation and requested restoration of an unspecified portion of its service reductions, but states that the total reductions to the Office are disproportionate compared to other City departments. The City Attorney also notes the following operational impacts:

- Reductions in prosecutorial staff would delay case movement, closure of cannabis businesses, nuisance abatement, and diversion programs.

- Increased reliance on outside counsel and decreased processing of claims, leading to potentially higher payouts with less staff available to maintain the current caseload and file timely motions. The Committee specifically asked about these impacts, and the City Attorney submitted a separate, more detailed, communication in response.
- Delays in drafting and processing ordinances, delays in contracts approval and advice to City departments, and fewer attorneys available to staff committee meetings.

While the amount of the reduction in the City Attorney's salaries account is significant, the methodology behind the reduction matches that of other City departments. The increase to the salary savings rate, from two to three percent, remains below the Office's actual vacancy rate of 4.9 percent as of April 2020. The hiring freeze reduction captures savings from anticipated attrition, and the furloughs are based on one day per pay period. Therefore, and in light of the City's fiscal condition, this Office does not recommend restoring these reductions.

## **F. City Clerk**

### Furlough Impacts:

The Office of the City Clerk recognizes the difficult financial situation facing the City in the upcoming fiscal year and will implement the furlough as outlined in the Mayor's Proposed Budget. If all employees are placed on a 5/40 schedule, the department will close the office on the second Monday of each pay period to manage furlough days. If employees revert back to a 9/80 schedule, the City Clerk's Office will close to the public every Monday, which may be an easier adjustment for the public. The Council Services and Human Resources divisions will continue to work on Mondays to meet operational needs. The City Clerk's Office will optimize time and resources to continue providing services to the public and the City offices that it supports.

### Departmental Requests:

The Department has requested an additional \$5.06 million in appropriations to fund 1) the 2021 Neighborhood Council Elections (\$1.06 million) and 2) the 2020 General Municipal Election (\$4 million). This Office does not recommend funding either of these requests.

1. The Department requests a \$1.06 million General Fund appropriation for the administration of the 2021 Neighborhood Council (NC) Elections. The amount of \$579,000 would be needed to maintain NC Election funding at the 2019 NC Election level. The Department, however, requests \$1.06 million in order to conduct the 2021 NC Elections entirely using a vote-by-mail method due to the COVID-19 pandemic. In conjunction with this funding request, the Department requests an exemption from the hiring freeze for as-needed election staff and exemption from furloughs for election staff.

There is \$673,000 in savings anticipated in the Department's 2019-20 Elections account, which can be reappropriated in the Year-End Financial Status Report to partially fund the 2021 NC Elections. The Department reports that this funding will be insufficient to end furloughs, as it has requested, and conduct all vote-by-mail NC Elections.

2. The Department requests a General Fund appropriation of \$4 million for the November 2020 Municipal Elections. The Mayor's Proposed Budget includes \$13 million in the Unappropriated Balance for the November 2020 General Election. This is \$4 million less than the City Clerk's \$17 million request, which assumes up to five ballot measures: \$15 million for the County's election administration charges and \$2 million for the Department to produce the Voter Information Pamphlet (VIP). This expense will decrease significantly if there are no measures on the ballot.

## **G. City Planning**

### Furlough Impacts:

The Department plans to furlough all staff eight hours per pay period with modifications made to address operational needs. These adjustments include the staggering of staff work schedules in order to maintain regular schedules for public facing services, with the potential to modify public counter hours for the Commission Office, records management, and City Hall cashiering to maintain sufficient staffing levels. Additionally, the Department states that while it will work to minimize the operational impact of furloughs, there will likely be delays in the completion of Citywide policy and Community Planning programs.

### Budget and Finance Committee Question:

*CAO, with the assistance of City Planning, to report on the budget reductions related to the Wildlife Corridors. Are any savings generated from fully funding the program?*

The Department reports that the Wildlife Corridor Pilot Study (Study) will streamline the review process, reduce the amount of staff time needed for each project, and potentially reduce the overall processing timeline for applicants related to entitlement applications in the Santa Monica Mountains Study Area. This streamlining and reduction in staff time to process individual cases will generate savings in the long term. The Department states that savings related to these impacts are difficult to quantify due to the variance in staff time required to process various project applications. The Department also believes that the Study could enhance fire safety planning and standardization of other regulations related to issues specific to developments in the Study Area.

The Department states that the Study could be completed by continuing funding and authority for the positions currently included in the 2019-20 Adopted Budget or with a reduced number of positions. Any such restoration would require an additional General Fund appropriation for direct costs only, as follows:

1. Full Restoration: \$368,017 for four positions consisting of one City Planner, two City Planning Associates, and one Environmental Specialist II.
2. Partial Restoration: \$168,709 for two positions consisting of one City Planning Associate and one Environmental Specialist II.

This Office does not recommend the restoration of these positions.

## **H. Civil and Human Rights Commission**

### Furlough Impacts:

The Civil and Human Rights Commission (Commission) plans to furlough half of its employees every Friday to minimize the disruption to the Commission's operations and remain open to the public five days a week. The Commission did not identify any specific furlough impacts in its letter to the Committee. It did, however, request it be exempt from the furlough policy if it is able to acquire significant resources through grants or other means. This Office does not recommend that the Commission be exempt from furloughs.

### Departmental Requests:

1. The Commission is requesting to change its name to the Civil and Human Rights Department. There is no additional cost related to this request, and the Commission can pursue it outside of the budget process.
2. The Commission is requesting six months funding and resolution authority for three positions consisting of one Commission Executive Assistant (\$40,606), one Senior Management Analyst II (\$78,237), and one Executive Administrative Assistant III (\$47,606) to provide administrative, budgetary, management, and operational support. The request includes associated expense funding related to these positions, bringing the total request amount to \$198,205. This Office does not support the requested positions and expense funding at this time in light of the City's fiscal condition.
3. The Commission also requests the creation of a Commission Community Engagement Fund to accept donations from philanthropic organizations for community outreach and engagement and funding for other programming needs of the Commission. There is no additional cost related to this request, and the Commission can pursue it outside of the budget process.

## **I. Controller**

### Furlough Impacts:

Responsive to the Budget and Finance Committee's question about performing critical functions, the Controller reports that the collective reductions to their budget, including furloughs, may impact their ability to support the City's financial systems, track City expenses, track and estimate General Fund revenues, and pay employees in a timely and accurate manner. The Controller will stagger regular days off (RDOs) and furlough days to ensure that the Department's core functions are adequately staffed.

The Controller did raise concerns with the assumed savings from the hiring freeze policy and not having the ability to backfill critical vacancies. The Controller will be able to perform any work that is required to implement MOU adjustments or furloughs.

Departmental Requests:

The Controller is requesting an additional \$589,550 appropriation and one new position as detailed below. This Office does not recommend funding any of these requests.

1. The Controller requested \$300,000 in funding for anticipated sick leave and retirement payouts. Departments are expected to absorb these unbudgeted obligatory costs within existing funds.
2. The Controller requested \$180,160 in funding to backfill two vacant Systems Analysts and reassign these positions from the Payroll Section to support the Human Resources and Payroll (HRP) Project. There are four fully funded positions that directly support HRP in the 2020-21 Proposed Budget and this additional funding is not necessary.
3. The Controller requested \$109,390 in funding and position authority for one Special Investigator II to support the Fraud, Waste, and Abuse (FWA) Program. The Controller currently has one Special Investigator II assigned to FWA and the additional position would help address the growing backlog of cases requiring investigation. If the new position is funded, the Controller would be able to process an additional 30 cases per year for a total of 60 cases per year. In 2018-19, the Controller received 119 cases for investigation.

Budget and Finance Committee Questions:

*Report on whether the Controller will be able to meet obligatory expenses without ability to hold positions vacant.*

This Office anticipates that the Controller will be able to meet obligatory expenses such as sick leave and retirement payouts based on the Proposed Budget amount. The Proposed Budget also reappropriates \$500,000 from current year savings for the Accounting Assistance Program and audits.

**J. Convention and Tourism Development**

Furlough Impacts:

Furloughs may impact the Department's ability to deliver some services in a timely manner, but the Department will prioritize its work to ensure that critical needs are met. The Department did not identify specific service reduction impacts or request any restorations.

## **K. Cultural Affairs**

### Furlough Impacts:

The Department reports that the collective reductions, including furloughs, may reduce its ability to deliver arts and cultural services, and may increase delays in contracting, purchasing, payroll accounting, invoicing, and distribution of emergency funding to artists and organizations. Under normal circumstances, the Department operates seven days a week, with its theaters and arts centers operating more than eight hours per day, and processes over 400 contracts a year to procure arts and cultural services for the City.

### Departmental Requests:

In its response to the 2020-21 Proposed Budget, the Department requested removal of Exhibit H Ordinance Change Items 2 and 3.

Item 2 proposes changing the Department's General Fund appropriation from "an amount equal to one percent" of the fiscal year's Transient Occupancy Tax, to "an amount up to one percent" to be effective "for the duration of a fiscal emergency." The Department requests removal of this item, because it jeopardizes the primary funding source of the Department, and will diminish its ability to deliver cultural services. Our Office finds that this item is not required to implement the 2020-21 Proposed Budget.

Item 3 proposes an ordinance to amend the Administrative Code to allow the Department to include the rental and use fee structure for each Department-managed theater, and all theater receipts to be placed in the Arts and Cultural Facilities and Services Trust Fund (ACFSTF). The Department requests removal of this item, because it will not allow the Department to maintain a dedicated funding source to reinvest in the theaters' capital and operating infrastructure.

Currently, theater rental revenue is placed in the Cultural Affairs Department Trust Fund (CADTF) as described in Administrative Code Section 5.111.2, which states that theater rental and use fees "shall be allocated for staffing, programming, and maintenance of theaters managed by the Cultural Affairs Department." Item 3 maintains this same language, which keeps the theater revenue as a dedicated funding source for theater staffing, programming, and maintenance, and only changes the fund in which the theater revenue will be placed: the ACFSTF, not the CADTF. Item 3 allows the theater revenue to offset the Department's budget request for increased funding for as-needed staff at Department-managed theaters (Department Proposed Budget, Item No. 15). The City Attorney's Office has advised that Item 3 is necessary to create a flow of money between these funds. Therefore, this Office recommends that Item 3 be included in the 2020-21 Proposed Budget.

## **L. Disability**

### Furlough Impacts:

The Department reports furlough impacts to each division within the Department and to services provided to the public as well as other City departments. The following are some examples of potential impacts:

- Increased cost of providing Sign Language interpreting during furlough days due to the need to deploy contractors instead of in-house staff.
- Delays and reduction in the ability to respond to information and referral inquiries resulting in longer backlogs and wait times. Similarly, delays in processing of Blue Curb applications, hotline retrieval, and inquiries.
- Reduced outreach efforts to reduce harm to at-risk populations (AIDS Office).

The Department proposes to close its operations on the first Monday of each pay period. Administrative staff and staff performing essential functions have been moved to a 5/40 schedule. A limited number of staff will remain on-call on weekends and when the office is closed. If staff performs work while on-call, the Department will reduce the number of hours worked by staff when the office is opened.

### Departmental Requests:

The Department requested \$67,109 for one exempt Management Analyst to serve as an ADA/Rehabilitation Act §508 Specialist. Under the ADA, the City is required to ensure that all City digital content is accessible to people with disabilities. The Department is currently staffed with one §508 Specialist and typically contracts for remediation to make reports, manuals, trainings, newsletters, and websites accessible to people with disabilities. This Office does not recommend funding for the new position because the 2020-21 Proposed Budget includes an additional \$22,500 for contractual remediation services increasing the total remediation budget to \$35,000.

## **M. Economic and Workforce Development**

### Furlough Impacts:

The Department anticipates furloughs will cause delays in services to the thousands of workers and businesses seeking services, including the Small Business Emergency Microloans, Rapid Response, Dislocated Workers, and Hire LA Youth programs, which provide economic relief and related assistance to workers and businesses impacted by the COVID-19 emergency.

In response to the Committee's question on the impact of furloughs on the Small Business Emergency Microloan Program, the Department estimates that the number of applications processed would drop from an average of 624 to 550 per month. Regarding grant deadlines, the Department states that furloughs will reduce the Department's ability to apply for federal grant opportunities.

Departmental Requests:

The Department requests funding and resolution authority for four new Management Analysts to implement the new Jobs and Economic Development Incentive (JEDI) Zone Program (C.F. 13-0934-S2), at a cost of \$295,338. The Department states that not adding these positions will reduce its disaster response opportunities for assisting businesses. The JEDI Zone Program is a new program intended to assist businesses and developers in approved City JEDI Zones pay reduced City development fees, receive contract assistance with the City development approval process, and obtain information regarding other eligible business assistance and benefits. While the Department would need resources to support any JEDI zones that are approved, our Office does not recommend approval of this request due to the City's fiscal constraints.

**N. El Pueblo**

Furlough Impacts:

The Department plans to implement furloughs by having employees take one workday off within the pay period or by reducing their workday by one hour. The Department reports that the implementation of furloughs will impact maintenance and reduce the number of special events. This Office anticipates that furlough implementation will not impact the Department's core functions.

**O. Emergency Management**

Furlough Impacts:

The Committee requested a report on the impact of furloughs to the Department's emergency response services. As the Department provides preparation and recovery from citywide emergencies, furloughs will reduce the Department's available staff to ensure the readiness of the City's Emergency Operations Center (EOC). Although Department staff are working eight hour shifts as part of the COVID-19 response, the Department reports that staff normally work two 12-hour shifts for the emergency response functions. These extended hours would become necessary in the event of a second, concurrent emergency (wildfire, severe weather event), but would be a challenge to maintain during furloughs.

The Department also reports that furloughs will delay mass notification response times through NotifyLA and Wireless Emergency Alerts, which are currently at 15 minutes. Additional impacts include:

- A reduction of staff hours to maintain the City's Emergency Operations Plan and its various hazard and function-specific annexes, including those related to COVID-19.
- A 50 percent reduction in City-wide training and exercise programs provided by the Department. Currently six core emergency operations training are being provided.
- A reduction in staff hours to transition the Ready Your LA Neighborhood (RYLAN) Program to a web-based, interactive program.

- A reduction in staff hours to manage the Department's grants (approximately \$2.5 million).

The Department requests a funding restoration of \$339,382, which will exempt the Department from the furlough program (31 positions total). This Office does not recommend approving this exemption in light of the City's fiscal constraints.

## **P. Ethics**

### Furlough Impacts:

The Commission initially proposed closing its office one Friday per pay period to maximize agency efficiency. The Commission warns of the furloughs' impact on its ability to complete timely investigations and to finish the backlog of campaign audits that has been pending since the previous economic downturn.

Subsequent to the Budget and Finance hearing, the Commission proposed reducing funding in the Salaries, As-Needed account as an alternative to the furlough program. The Commission asserts it would be more efficient to use full-time staff instead of as-needed employees. The proposed furlough program amount for the Commission is \$344,137, but the Salaries, As-Needed account only has an appropriation of \$80,000. To fully replace the reductions generated by the furlough program, the Commission would need to identify an additional \$264,137 in available appropriations. The Ethics Commission budget is entirely supported by the City Ethics Commission Fund, which is 100 percent funded through an appropriation from the General Fund. In light of this, this Office does not recommend the alternative to furloughs proposed by the Department.

### Departmental Requests:

The Commission has requested \$37,646 for its new developer program for three months of funding for one Senior Management Analyst I (\$22,821) and funding for software, cloud storage, and other infrastructure needs (\$14,825). The Proposed Budget adds one Programmer/Analyst III for this program. In light of the City's fiscal condition, this Office does not recommend adding these resources.

## **Q. Finance**

### Furlough Impacts:

Finance indicates that the furlough program amounts to a 67,600-hour reduction in staff working time for the department. To implement furloughs, Finance proposes to switch the majority of employees' regular day off (RDO) to Fridays and assign a furlough day to each employee that falls on the Friday opposite their RDO. This action would result in Finance closing all public facing operations every Friday including public counters, call center, email, chat, cannabis cash counting operations and collections. The Treasury and Investments Divisions and the Accounting and Systems support necessary for those functions would be exempt from this plan and but still be required to take their furlough hours/days in a more customized approach.

Despite the Friday public counter closures, the public will continue to have access to online services, including the ability to pay their business tax, apply for Business Tax Registration Certificates (BTRCs), and settle existing liabilities. Additionally, Lifeline processing services, which have traditionally required public counter interactions, may soon be available online. Finally, Finance and the City Attorney are examining options to reduce the need for cannabis cash collecting and counting operations. Overall Finance indicates that the flexibility in delivering services necessitated by the pandemic will be required to weather the reduction in staff time required for the furloughs.

Departmental Requests:

Finance did not explicitly request restoration of any specific service but rather they have requested the flexibility to manage allotted funding according to departmental expertise. This Office is unsure of the degree of flexibility that Finance is requesting since the City Charter dictates that departments only spend funds in accordance with the Adopted Budget. The furlough program and hiring freeze instructions may also limit the flexibility that Finance is seeking.

One area that Finance highlighted as a concern is the hiring freeze and its impact on the City's banking transition from Wells Fargo to Bank of America and JP Morgan Chase, originally anticipated to be completed by July 1, 2020, and on what they identify as revenue generating positions. According to Finance, at the time of the hiring freeze implementation, they were in the process of hiring for several classes including those that generate revenue and others that are essential to the successful completion of the City's banking transition from Wells Fargo to JP Morgan Chase and Bank of America. Given the current hiring freeze exemptions for revenue generating and legally mandated positions, Finance should submit requests to fill positions through the existing process.

**R. Fire**

Furlough Impacts:

The Fire Department's Proposed Budget was reduced by (\$3,728,149) as a result of 26 furlough days for select civilian staff. The Department's sworn positions are exempt from the furlough program. In addition, the Department's Emergency Medical Service (EMS) Advanced Provider positions are exempt from furloughs.

The Department's plan to implement the furlough program is to place all employees on a 5/40 work schedule, with one furlough day per each pay period. The Department reports that staff on furloughs will reduce the fleet availability, procurement of equipment and supplies, and administrative support for the monitoring of revenue, billing, and grants.

The Department requested additional furlough exemptions for the following positions, at a total cost of \$66,522:

- Two Fire Psychologist and one Chief Physician (\$50,928).
- One Management Analyst and one Storekeeper (\$15,594). These positions are grant funded through FEMA Urban Search and Rescue grant program. Prior to approving exemption for these positions, the Department must demonstrate full reimbursement.

In response to the Committee's questions, while the Department did state that revenue collections could be impacted, it did not provide a specific amount associated with the revenue impact. Also, the Department did not report any impact to emergency response times.

### Departmental Requests:

The Department is also requesting an additional \$4.6 million in appropriations as detailed below. The Committee also asked about each of these requests. This Office does not recommend funding them.

1. Funding for LAFD recruits: The Department requests additional funding in the amount of \$4,264,818 for LAFD recruits. The Proposed Budget provides funding for these positions as LAFD recruits fill authorized positions that are included in the Department's Proposed Budget. Sufficient funding is available within the Department's Salaries, Sworn Account.
2. Emergency Incident Technician: The Proposed Budget continues 14 of 15 resolution authorities for Firefighter III positions serving as Emergency Incident Technicians (EITs). The Department currently has 123 vacant Firefighter III positions and could realign existing staff to support Battalion 14. The total cost for one additional EIT would be \$175,330 (Salaries Sworn: \$122,406, Sworn Benefits: \$1,666, and Constant Staffing: \$51,258).
3. Fire Captain: The Department requests to add one Fire Captain II (\$165,390) position and delete one vacant Firefighter III (\$122,046) position to supervise the Dozer and Crew 3 Wildfire Handcrew programs. This request was not considered given the City's fiscal condition and other budgetary priorities identified by the Department.

## **S. General Services**

### Furlough Impacts:

Furloughs will reduce the Department's ability to sustain its current level of services to support internal City operations. The Department may request limited exemptions for positions that can affect the Bureau of Sanitation, Police Department, Fire Department, Library, COVID-19 projects expected to extend into 2020-21, and Emergency Operations Center (EOC) (if still activated in 2020-21) operations. The Department has not finalized its furlough plan. At this time, the Department intends to implement the furloughs as a one-hour daily work shift reduction applied over eight days during each pay period (for employees on 5/40 or 4/10 schedule) and designating regular days off (RDOs) as furlough days for employees on a 9/80 schedule.

The Department states that furloughs will have a negative impact across a wide variety of its services, and could result in:

- Lower equipment rate availability.
- Delays in purchasing replacement vehicles.
- Reduced preventative maintenance and increase corrective maintenance, for higher overall cost and reduced lifecycle.
- Diminished capacity to procure critical supplies and maintain accurate inventory counts.
- Inability to properly staff custodial services at LAPD and other facilities, despite additional resources in the 2020-21 Proposed Budget.
- Increased down times for the Department's systems (ex. Asset Management System, FleetFocus M5 System).
- Deferred fuel site maintenance and repair and extended fuel site downtime.

Budget and Finance Committee Question:

*Are there supplies that the City can purchase because prices are lower and can the City buy those supplies in bulk?*

For petroleum products, the City "tops off" all storage tanks when the tank reaches half full. This practice will enable the City to maximize the level of fuel purchased at relatively cheaper costs for petroleum products available at this time. The City does not currently have the infrastructure available to store additional petroleum products.

The Department is unaware of other commodities and supplies that have decreased in price during the COVID-19 pandemic. In general, the Department monitors prices as much as possible, especially for items held in stock in the City's warehouses. When staff identifies a price decrease, they mobilize to purchase as many discounted items as possible, working within the limits of storage availability and prevailing funding limitations for the Stores Revolving Fund.

## **T. Housing and Community Investment**

Furlough Impacts:

The Department states that furloughs would reduce its ability to: 1) provide services to tenants under the Rent Stabilization Program; 2) prevent poverty and homelessness through the Family Source Center Program and its contract administration of Domestic Violence shelter contracts and Los Angeles Homeless Services Authority (LAHSA) contracts; 3) create affordable housing through the Proposition HHH Program and other housing development programs; and, 4) meet legally mandated deadlines or milestones under its Accessible Housing Program. Nevertheless, while service hours may be reduced, this Office advises the Department to consider management tools currently available to mitigate these service impacts including shifting employee schedules to 5/40, moving RDOs, or other schedule changes.

The Committee asked about the impact of furloughs on services related to tenants and the Independent Living Center settlement, affordable housing projects, domestic violence programs, and family source centers.

### *Services to Tenants*

The Department provides services to tenants through the Rent Stabilization Program. The net cost to reverse the furloughs for this program is \$551,154, which includes \$677,547 for salaries, offset by \$126,393 in related cost reimbursement. The estimated costs do not include reversing furloughs for staff that provide general administration and technical support for the program.

The Department indicates that the furlough program and hiring freeze would result in various service delays. Responses to constituent inquiries would take an additional 30 minutes. The range for the Department's current resolution period for violations of the Rent Stabilization Ordinance and illegal rent increase or evictions of 60 to 120 days would go to 90 to 150 days. Further, the notification from landlords to tenants of buy-out notifications with the Department could be delayed, impacting tenants' ability to cancel the buy-out within their 30 day window. While this Office concurs with the increase in response time for constituent inquiries, we estimate that case resolution periods would increase by six to 12 days and remain within the required window. Additionally, if implementing Department's proposal to furlough all employees on the same day each pay period could result in tenants having two fewer days to respond to a buy-out notification within a 30 day period, this Office recommends that the Department consider other scheduling options afforded to management.

### *Independent Living Center Settlement*

The Accessible Housing Program implements the requirements of the Independent Living Center Settlement Agreement and Voluntary Compliance Agreement. The cost to reverse the furloughs for this program is \$712,603 for salaries and \$130,872 for related costs, for a total of \$843,475. The estimated costs do not include reversing furloughs for staff that provide general administration and technical support for the program. The Department reports that it will not be able to actively monitor 80 to 90 out of 800 to 900 properties as a result of the furlough. The Department indicates that staff will have two fewer days each month to: 1) oversee the surveys for more than 700 older developments; 2) oversee new construction and substantial rehabilitation projects; 3) provide training, which is required for new staff within 30 days; 4) investigate and resolve grievances; 5) maintain an accessible and affordable housing registry and assist persons with disabilities in obtaining housing; and 6) develop and maintain a comprehensive database to assist in data collection, analysis, and reporting to the Court. While this Office concurs that service impacts due to the furlough program will occur, staggering schedules and other approaches to furlough implementation may mitigate some of the service impacts.

### *Affordable Housing*

The Development and Finance Program oversees the financing and development of affordable housing and permanent supportive housing. The net cost to reverse the furloughs for this program is \$514,164, which includes \$798,363 for salaries, offset by \$122,638 in related cost reimbursements and \$161,561 in reimbursements from bond proceeds for eligible Proposition HHH salaries. The estimated costs do not include reversing furloughs for staff that provide general administration and technical support for the program.

The Department reports that the furlough program would: 1) delay processing applications for the Affordable Housing Managed Pipeline by one to two months for each phase (40-50 fewer units financed); 2) reduce the number of Proposition HHH Permanent Supportive Housing bond deals per year from 30 to 27 (200 fewer units financed); 3) add 40 days to the timeline for financing Proposition HHH Housing Challenge projects; 4) increase processing times for land use covenants by one week, from their average eight to 12 weeks to 9 to 13 weeks; 5) increase environmental reviews by six to nine days, from 60 to 90 days to 66 to 99 days; and 6) delay construction monitoring and draw reviews by about a week. While this Office concurs that service impacts due to the furlough program will occur, staggering schedules and other approaches to furlough implementation may mitigate some of the service impacts.

### *Domestic Violence, Family Source Centers, and Los Angeles Housing Services Authority Contracts*

Staff overseeing Domestic Violence, Family Source Center, and Los Angeles Housing Services Authority (LAHSA) contracts are within the Program Operations Division. The net cost to reverse the furloughs for this program is \$220,563, which includes \$252,878 for salaries, offset by \$32,315 in related cost reimbursements. The estimated costs do not include reversing furloughs for staff that provide general administration and technical support for the program.

The Department reports that it takes 10 to 15 weeks to execute new agreements and six to eight weeks to execute each contract amendment. The Department estimates that there would be a 30 percent delay in processing times under the furlough program and hiring freeze. This Office believes the furloughs would lead to a 10 percent delay in processing times and cannot verify the Department's projected impact of staff shortages on processing times. The Department indicates that staff average five days to process LAHSA invoices, which are submitted quarterly, and three days to process other non-profit invoices, which are submitted monthly. This Office believes the furlough program would result in two fewer days each month to process invoices. Nevertheless, while service impacts due to the furlough program will occur, staggering schedules and other approaches to furlough implementation may mitigate some of the service impacts.

*The Committee asked for a report on the Department's proposal to increase its salary savings rate rather than imposing furloughs*

Instead of mandatory furloughs and being subject to the Hiring Freeze, the Department proposes increasing its current salary savings by an additional two percent, from three percent to five percent. The net salary impact of implementing their proposal would be to increase the required appropriation to the Department by \$7,094,898 as illustrated in the table below:

	<b>General Fund</b>	<b>Special Funds</b>	<b>Total</b>
Reverse Furlough Reduction	\$438,016	\$6,772,772	\$7,210,788
Reverse Hiring Freeze	50,830	1,308,415	1,359,245
Apply 2 Percent Additional Salary Savings	(88,972)	(1,386,163)	(1,475,135)
<b>Net Impact</b>	<b>\$399,874</b>	<b>\$6,695,024</b>	<b>\$7,094,898</b>

While the Department states that implementing the alternative proposal would result in an additional \$3 million in reimbursements to the General Fund, due to historically high vacancies, this Office estimates that this proposal would only increase these reimbursements by \$1.5 million.

**U. Information Technology Agency**

Furlough Impacts:

The Department indicates that furloughs will reduce the Department's ability to provide support for numerous technology systems and applications. Citywide service impacts include a reduction to hours of support provided by the Network Operations Center, increased cybersecurity risks, and decreased response times for repairs associated with cybersecurity, network outages, and desktop support. Impacts to major projects may include the delayed implementation of the Human Resources and Payroll (HRP) System, extending the timeline for obsolete desk replacement work for the Police Department VOIP system and the Mobile Worker Program, and delays to Police and Fire radio system projects.

The Department is also concerned with the permanent loss of critical staff in all areas if they transfer to departments that are not subject to furloughs. This Office does not agree with the Department's assessment regarding the potential magnitude of transfers due to furloughs. While the three primary departments to which staff transfers, the Department of Building and Safety, the Bureau of Sanitation, and the Department of Water and Power (DWP), are exempt from furloughs, they are currently subject to the hiring freeze policy, which will limit the ability for staff to transfer.

The Committee asked about the impact of furloughs on 3-1-1 wait times. The 3-1-1 Call Center team works toward answering 95 percent of the calls that come in during operating hours with an average wait time of two minutes or less. The Department reports that furloughs, combined with

current vacancies, would increase the amount of time it takes to answer a 3-1-1 calls by at least ten percent, resulting in an average wait time of over three minutes. Eliminating furloughs for 3-1-1 staff would cost \$322,777. Any restoration from the Telecommunications Development Account Fund and the Solid Waste Resources Revenue Fund will reduce the General Fund reimbursement for related costs. The General Fund subsidizes these funds.

The Committee also about the impact of furloughs on support for Citywide telecommuting operations. The Department indicates that furloughs will have a direct impact on its ability to support employees in all City departments that are working remotely. Furloughs will take staff off duty for ten percent of their normal work time, which will delay requests for telecommuting support. The Department indicates that it is currently supporting 18,000 City employees who are working from home. Services that may be impacted include: a) monitoring and maintenance of the Connect2LACity telework technology; b) helpdesk support for City employees on remote access or establishing remote access; c) assistance with video conference and zoom meetings, including those to facilitate City Council, Commission, and Department meetings; d) cyber security monitoring; e) Channel 35's production of press conferences and public meetings; and f) production and maintenance of telework website resource materials. These telecommuting support functions are performed by staff in numerous groups throughout the Department who perform this work in addition to various other technology support functions. Therefore, there is no clear method to calculate the cost to restore furloughs for just the portion of the work that is related to telecommuting support. The total cost to restore furloughs for the Department, less the 3-1-1 Call Center staff, is \$4,492,968.

This Office does not recommend exempting any ITA positions from furloughs.

#### Departmental Requests:

The Department is requesting a total of \$1,644,000 in additional appropriations. Additionally, the Department has requested moving the \$300,000 currently included in the 2020-21 Proposed Budget Unappropriated Balance (UB) into the departmental budget. This Office does not recommend funding any of these requests, or moving the UB funding to the Department's budget. The details of the request are as follows:

1. The Department requests to restore \$990,000 to its Salaries, General Account to provide a vacancy rate of ten percent. The Department states that the \$2.62 million reduction to their Salaries, General Account due to the Hiring Freeze Policy (\$2.2 million) and Salary Savings Rate Adjustment (\$419,264), combined with the Department's current 2.5 percent salary savings rate and other required funding obligations, would require the Department to hold 12 percent of their authorized positions vacant to operate within the funding provided in the Proposed Budget. These salary reductions reflect the current hiring freeze policy, which is intended to curtail hiring in 2020-21, due to the City's financial condition.
2. The Department requests additional funding of \$380,000 for cybersecurity support and the transfer of \$300,000 from the Unappropriated Balance line item for "Personnel Related Cybersecurity Measures" to the Department's budget to move toward weekly vulnerability

management scans, automatic and continuous detection of City's public facing websites vulnerabilities, and an automated phishing and malware analysis and remediation tool. This Office does not recommend the additional funding in light of the City's fiscal constraints. Further, we recommend maintaining the UB line item until the Department explains its proposal for using the funding during 2020-21.

3. The Department requests to restore \$274,000 in their Contractual Services Account to continue use of an enterprise data management platform. While funding for three positions to manage data analytics projects was included in the Proposed Budget, expense funding was not. The Department states the platform includes analytic and visualization tools, as well as common reporting capabilities and serves as a centralized data repository which is important to ensure the accuracy of results provided to City Council and effective collaboration across City departments. Funding is not recommended due to the City's fiscal constraints.

*Budget and Finance Committee Question:*

*Report on whether there are lower priority projects that can be deferred in order to prioritize cyber security initiatives and the Human Resource and Payroll (HRP) Project.*

The Department indicates that there are no low priority tasks that can be deferred to support the HRP project, cybersecurity, or any other important function. Over the last 10 years, the Department indicates that it has experienced a reduction of 350 positions. During this time, the City's use of technology has expanded, creating greater demands for a broader spectrum of technology from cloud to mobile applications to cyber security. In order to adjust to the loss of staff, the Department states that it long ago deferred low priority projects to focus on the most critical priorities.

**V. Neighborhood Empowerment**

*Furlough Impacts:*

The Department plans to require all employees to take eight furlough hours per pay period. Furlough hours may be in the form of one day off or a reduction of one hour in the employee's work day until eight hours of furlough time are accumulated for that pay period. When adjusting schedules, the Department management will take into consideration the need to support Neighborhood Councils (NC) and varying board, committee, and alliance schedules in order to maintain operations.

The Department reports that the furloughs, combined with the other salary reductions included in the Proposed Budget, will result in service level impacts for all direct Neighborhood Council support programs, including specifically: reduced direct Neighborhood Council support, compromised oversight and staffing of NC meetings and activities, limited ability to support Citywide initiatives, and little to no ability to support new projects in the Innovation Division.

## W. Personnel

### Furlough Impacts:

Due to furloughs, the Department is proposing to close most of its operations on the second Friday of each pay period, which will reduce services to various City departments. Potential service impacts include the inability to meet the City's goals for hiring targeted and public safety positions, provide custody and occupational health services, and implement the Human Resources and Payroll (HRP) project. The reduced hiring goals of the 2020-21 Proposed Budget and the Department's ability to reassign its staff to support various priorities may help to mitigate the actual furlough impact. The workload for mandated custody medical care services and other health and safety services provided by the Department, however, is anticipated to increase due to COVID-19. The Committee asked for a review of potential furlough exemptions for front line, background investigation, and HRP positions. While an exemption for the remaining custody care personnel may require further consideration in the coming months, at this time this Office does not recommend these or any further furlough exemptions.

*Report on positions in Personnel that are considered front line and the impact of exempting them from furlough during the emergency. Provide the impact of the Department's request to exempt Advanced Practice Providers and Background Investigators from the furlough.*

The workload associated with providing custody care medical services has increased due to COVID-19. The 2020-21 Proposed Budget exempts Correctional Care Nurses from furloughs to ensure the continued provision of medical services in the City's jails. The Department reports that Physicians and Advanced Practice Providers (APPs) are also integral to providing custody care medical oversight and supervision and also provide occupational health screenings for City employees. Custody medical care is mandated and will need to be provided with as-needed staff if regular staff are furloughed. Eliminating furloughs for all APPs would cost \$217,000.

The Department reports that furloughs for Background Investigators will result in conducting 120 fewer investigations for public safety candidates. The Department indicates this may reduce the number of candidates that the City can hire as police officers and firefighters. Eliminating furloughs for Background Investigators would cost \$317,300.

*What is the impact to the HRP Project due to the furloughs?*

Furloughs are likely to reduce the ongoing support from all City departments involved in the HRP project. Efforts to mitigate the impact are available which include setting work meetings during non-furlough days or offsetting the days of furloughs for staff assigned to the HRP to avoid disruptions. The Proposed Budget includes two resolution authority positions for the project and the Department has assigned existing staff for additional support. Eliminating furloughs for the two resolution authority positions in Personnel dedicated to the HRP project would cost \$22,926.

Departmental Requests:

The Department has requested a total of \$1.4 million in additional appropriations and 14 additional positions. This Office does not recommend funding any of these requests. The details of their request are as follows:

1. The Department requests funding totaling \$325,830 and position authority for one Safety Engineer and one Senior Personnel Analyst for Industrial Hygiene and Ergonomics to ensure City facilities are safe for employees and visitors. This request includes \$135,000 in expense funding for ergonomic evaluations and testing equipment. The Department indicates this request supports increased demand for safety inspections, advice, and guidance. Employee safety measures are anticipated to be required to support a safe work environment and may require an undetermined increase of workload as a result of COVID-19.
2. The Department requests funding in the amount of \$222,570 to restore three positions consisting of two Personnel Analysts and one Administrative Clerk to support examining and facilitate Anytime/Anywhere testing. The 2020-21 Proposed Budget eliminated these positions because they are vacant. In light of the hiring freeze, there will be a reduced need for examining and a lower employment level in 2020-21. Note that an additional \$527,000 in expense funding for Anytime/Anywhere testing is also requested and addressed in the section below.
3. The Department requests \$379,736 and position authority for one Senior Personnel Analyst I and two Personnel Analysts to support civilian recruitment. These positions were originally authorized in 2019-20, and are not continued in the 2020-21 Proposed Budget. This request includes expense funding of \$100,000. The Department indicates this request supports ongoing civilian hiring including essential positions and targeted hiring. Due to the hiring freeze, there will be a reduced need for recruitment in 2020-21.
4. The Department requests \$290,100 and position authority for one Personnel Director, one Senior Personnel Analyst, and one Management Analyst to expand support of the HRP Project. As stated above, the Department is currently staffing the project with six total positions, including four existing positions that were internally reassigned from other divisions, and two dedicated positions included in the Proposed Budget.
5. The Department requests \$173,100 and position authority for two Special Investigators to support the Department of Cannabis Regulation. The Department indicates a need for timely investigations of licensing-related allegations which include criminal and administrative violations, improper conduct, and improper processing. Investigations would potentially be of both City staff and Cannabis businesses. The Department has requested funding from the Cannabis Regulation Trust Fund, which is subsidized by the General Fund. It may not be appropriate for staff in the Personnel Department to investigate Cannabis-related businesses, as the Department's core mission is related to the City workforce.

6. The Board of Deferred Compensation Administration requests an exemption from the hiring freeze for positions funded by the City's Deferred Compensation Plan (DCP). Further, the Board of Deferred Compensation Administration requests one Defined Contribution Manager, a new classification, to oversee the DCP and Pension Savings Plan (PSP). The salary range is undetermined but the position would be at the executive level.

Budget and Finance Committee Questions:

*Does the City expect to rely on Anytime/Anywhere testing? Does this impact the City's ability to hire essential workers and sworn personnel?*

The Department requests \$527,000 for Anytime/Anywhere Testing, which could be partially offset if \$368,000 if current year funds are reappropriated for this purpose. The Department indicates this funding is required to meet the hiring demands for essential workers, including those in the Bureau of Sanitation, Building and Safety, and Department of Water and Power. To support social distancing, the Department is transitioning to Anytime/Anywhere Testing for public safety exams and has already moved the Police Officer written test entirely online. During the hiring freeze, the Department expects testing to continue with 40,000 civilian exams (\$370,000) and 17,000 public safety exams (\$157,000). Due to the City's fiscal constraints, this Office does not recommend additional funding for this purpose.

*What amount of funding is needed to engage outside vendors to ramp up DSW services?*

The current cost of outside vendor support for supplementary Disaster Service Workers (DSW) services is approximately \$400,000 per month. The DSW Program has 16 active missions requiring nearly 500 DSWs each day. Nearly half of the daily deployment of DSWs support the motel and hotel housing missions. The Department anticipates that there may be a need to increase vendor support of DSWs as City departments begin to resume regular operations and City staff have reduced availability to act as DSWs. The Department estimates the cost to engage vendors to provide supplementary DSW services is \$1.2 million for the first quarter of 2020-21, although this is difficult to predict at this time. The Proposed Budget includes no funding for this purpose although federal stimulus funding may be able to reimburse these costs.

**X. Police**

Furlough Impacts:

The Department will furlough 1,950 civilian employees for one day each pay period in a staggered fashion intended to minimize service disruptions. Municipal Police Officers, Detention Officers, Police Service Representatives, and related supervisory classes are not subject to furloughs. The Department reports the impact of furloughs is equivalent to eliminating 190 full time equivalent civilian positions in the Police Department. Additionally, the hiring freeze reduction assumes the net attrition of 130 civilian positions that will not be backfilled making the compound loss of full time equivalent civilian positions 320.

The Committee asked the Department to report on the impact of civilian furloughs on patrol hours and discuss which civilian positions are likely to be filled by sworn personnel and the associated costs. The Department is still performing this analysis. At this early stage, the Department estimates it will need 120 full-time officers at minimum to fill critical civilian positions, as a result of both furloughs and the hiring freeze. To the extent possible, the Department will use light duty personnel to perform administrative functions and thereby minimize the impact on patrol. If all 120 officers were to be reassigned from patrol, there would be a corresponding reduction of 220,000 hours to patrol deployments. It is uncertain at this time if, and how many of, the redeployments of sworn officers would be from patrol or other assignments in the Department. The salary cost for 120 sworn officers will be approximately \$14,762,280, whereas the cost of 120 civilians performing the same duties would be \$10,515,960; a \$4,246,320 difference. The Department acknowledges that even with 120 officers backfilling civilians, the combined effect of furloughs and the hiring freeze will still be a reduction of 200 full time equivalent civilian positions. The Department is in the process of assessing how best to manage this challenge.

The Department is also evaluating the impacts on the work that various specialized classifications perform, such as Forensic Print Specialist, Criminalist, or Equipment Mechanic, from furloughs and the hiring freeze. Impacts to services include delays in the processing of police officer candidates as criminal investigations will take priority, adverse impacts on the investigation of property crimes, increases in out-of-service levels for patrol vehicles, and delays in the entry of restraining orders. While the civilian positions in the Police Department are not automatically exempt from the hiring freeze, the Department may request exemptions from the hiring freeze to fill the positions critical to public safety. To the extent that the Department believes having vacancies in certain civilian positions jeopardizes public safety operations, the Department may request to fill those positions.

The Department will conduct a more complete analysis of the compound impacts of furloughs and the hiring freeze on civilian functions and patrol and will provide additional information on how it will manage these challenges.

*Budget and Finance Committee Questions:*

The Committee asked if the Police Department could partially fund graffiti removal services in 2020-21. Graffiti removal services are provided by the Board of Public Works, but the Proposed Budget does not include funding requested by the Board of Public Works (\$433,000) to fund a \$2.14 hourly increase to the State-mandated Prevailing Wage for graffiti abatement contractors, which results in a reduction to the number of service hours dedicated to graffiti removal. The Police Department indicated that reallocating its salary or expense account funding to support graffiti removal services would cause shortfalls in other accounts that would need to be offset by reduced hiring of sworn and civilian employees or reductions to expenditures on replacement vehicles, technology, and other vital priorities. This Office does not recommend the Police Department fund graffiti abatement services for the Board of Public Works.

## **Y. Public Accountability**

### Furlough Impacts:

Furloughs may lead to delays in the completion of the Office's planned workload for 2020-21. This workload includes a review of the Los Angeles Department of Water and Power's (LADWP) utility rate proposals for both water and power for 2021-22 (due to the Board of Water and Power Commissioners by January 2021), a joint benchmarking study, and the review of LADWP's anticipated 100 percent Renewable Study.

The Office requested to be exempt from the furlough program. The Department indicates that it will manage within budgeted funds and be sure to meet the proposed furlough target. The cost of the furlough reduction is \$158,429 for direct salaries. The LADWP provides full reimbursement for all OPA actual expenditures. This Office does not recommend exempting the Department from furloughs.

## **Z. Public Works/Board**

### Furlough Impacts:

The Board indicates that employees on a 5/40 or 72 hour work schedule will each take one furlough day per period and employees on a 9/80 schedule will reduce their work day by one hour up to 8 hours per pay period. The Board also indicates that staff will only work overtime in response to emergencies.

The Committee asked how furloughs will impact essential services under the Board and whether there will be an impact in hiring a Petroleum Administrator. The Board is concerned that the implementation of furloughs may discourage applicants for Petroleum Administrator. The availability of personnel resources supporting the hiring process could potentially delay the process, depending upon the priority that the Personnel Department places on hiring this position.

### Departmental Requests:

The Board requested consideration of three items. This Office does not recommend approving any of these requests.

1. Storekeeper II for Warehouse Support. The Board requested the reallocation of a Warehouse and Toolroom Worker I to a Storekeeper II to provide higher level warehouse support services. The Board has yet to receive approval from the Municipal Facilities Committee, the City Council, and the Mayor to establish a second warehouse. Should a second warehouse be approved and funded, this request can be reconsidered.

2. Management Analyst for Grants Unit. The Board requested one unfunded Management Analyst resolution authority to lead the Grants Unit. The Board proposes not filling this position until grants are awarded yet they state that this position is necessary to seek and apply for grants. The Board did not present a plan for targeting specific grants. Grants typically do not reimburse the costs of applying or developing projects or scopes for grants.
3. Graffiti Abatement. The Board requested \$433,000 to fund an increase in the prevailing wage hourly rate of \$2.14 per hour. The graffiti abatement contracts expire on June 30, 2020. The Board is in the process of releasing a Request for Proposals. The Board has been instructed to report to the Board of Public Works Commissioners on the required costs after bids are received, but in light of the City's fiscal condition this Office does not recommend additional funding for this purpose. The Committee asked about the ability of the Police Department to partially fund graffiti removal. Funding graffiti in the Police Department has the same General Fund impact as funding it in the Board (see also the discussion in the Police Department section, above).

#### **AA. Public Works/Bureau of Contract Administration**

##### Furlough Impacts:

The Bureau plans to furlough all staff for eight hours each pay period. Furlough days will vary depending on what is most effective for different sections of the Bureau. The Bureau reports that furloughs may impact its ability to provide timely and consistent inspection, contract compliance, and other services.

#### **BB. Public Works/Bureau of Engineering**

##### Furlough Impacts:

The Bureau reports that all staff will be required to take eight furlough hours per period, which will have an impact on the services that they provide. These services include engineering and design services for capital projects, surveying, mapping, and permit plan check and issuance. The Bureau will close its permit counters to walk-in services every Friday, at a minimum, but will continue to provide electronic plan check and permit issuance on those days. The Bureau states that it understands the need for furloughs and budget reductions and will prioritize its most essential services.

#### **CC. Public Works/Bureau of Street Lighting**

##### Furlough Impacts:

The Bureau reports that the implementation of furloughs will reduce all maintenance, design, and construction work by 10 percent. The Bureau plans to implement furloughs across divisions depending on operational needs by reductions of either one hour per work day or one full day per pay period.

The Committee asked the Bureau to report on the impact of furloughs on copper wire theft and streetlight repair. The Bureau reports that it is currently able to repair an average of 230 incidents per month, which includes the use of overtime. The furlough salary reductions (10 percent) and reduction of overtime usage (22 percent) will allow the Bureau to repair an average of 157 incidents per month, which represents a decrease of about 73 incidents per month. If there are more than 157 incidents reported in a month, a backlog will develop, which will further impact response time. The Bureau reports that during the Safer at Home Order, there has been a decrease in copper wire theft incidents reducing the likelihood of a backlog during 2020-21.

Additionally, the Committee asked the Bureau to report on the impact of exempting the Bureau's special funded position from furloughs. The Bureau's two main sources of funding are the Street Lighting Maintenance Assessment Fund (SLMAF) and the Special Gas Tax Improvement Fund (Gas Tax), both of which the General Fund subsidizes. The Bureau's furlough reduction across all funding sources totals \$2,950,151 (\$2,243,956 SLMAF, \$223,831 Gas Tax, and \$482,364 in other special funds). An exemption from furloughs and an increase in salaries funding in SLMAF and Gas Tax would require offsetting reductions in related costs and a loss of \$2,467,787 in General Fund revenue. Therefore, in light of the General Fund impact, this Office does not recommend exempting the Bureau from furloughs.

#### **DD. Public Works/Bureau of Street Services**

##### *Furlough Impacts:*

The Bureau estimates that the implementation of furloughs will reduce available workdays and service delivery across all operations by 10 percent. The hiring freeze will reduce services by an additional 3.3 percent, and other position and funding cuts will reduce services by an additional four percent. The Bureau reports service impacts will be deeper in the Pavement Preservation Program should the contingent revenue in SB1 supporting \$23.9 million appropriations not be realized. The Bureau plans to suspend field operations every other Friday, and will only have limited emergency crews available. The Bureau will also close public counters on Fridays except for urgent matters. The Bureau's customer care center will remain operational but with limited coverage on Fridays.

The Committee asked about the Bureau's request to maintain the salary reductions but be exempt from the furlough program. The proposed furloughs result in a \$9.4 million salary account reduction. The Bureau states that it can manage meeting this funding reduction through a combination of higher salary savings and the utilization of off-budget revenue sources. This Office believes that this is unlikely and would require that the Bureau realize significantly higher attrition rates than those assumed in the budget, which are based on recent averages. While off-budget funds may become available to support the Bureau, it is likely that those funds may need to be used to offset the remaining 90 percent of salary costs should contingent revenues not be realized. Almost 100 percent of the Bureau's budget is supported by multiple revenue sources that have significant downside risk (including the General Fund, Gas Tax, SB1, Measure R, Measure M, Proposition C, Sidewalk and Park Vending, Stormwater, Proposition A, and the Street Damage Restoration Fee Fund).

For these reasons, this Office does not support the Bureau's alternative proposal and request to be exempt from furloughs.

*Budget and Finance Committee Questions:*

*Report on the liability impacts for deferring sidewalk and tree maintenance*

While the Sidewalk Repair Program (SRP) is making progress in addressing requests to make repairs, a significant backlog of requests still remains. The Bureau is currently working on developing an Asset Management System that includes sidewalks and their current condition. The Bureau estimates that approximately 18,000 locations Citywide have tree/sidewalk defects that create liability exposure for the City. In addition, there are other liability locations not related to broken sidewalk related to tree uplifts. The City currently addresses approximately one percent of problem locations per year. Furloughs will decrease this rate to 0.9 percent per year.

Furloughs will reduce the number of trees trimmed by approximately 2,500 in 2020-21. This reduction in the number of trees trimmed will lead to an increase of the trim cycle by 1.3 years, from 18.4 years to 19.7 years. The Bureau will continue to water all trees.

While these service delays may increase liability, we are not able to quantify the financial impact at this time.

*Report on \$3.7 million Reimbursement of General Fund costs from Measure W. Can it be used for Urban Forestry?*

The \$3.7 million budgeted for Reimbursement of General Fund costs in Measure W funds is to reimburse the General Fund for overhead costs. Using these funds for another purpose would reduce General Fund revenue and, therefore, this Office does not recommend any such change. Whether Measure W could be used for Urban Forestry would depend on what, specifically, would be funded, and whether that proposal is consistent with the eligible uses of the Fund.

*Can additional revenues be obtained by providing contractual services to the Los Angeles County Metropolitan Transportation Authority (Metro) and/or the Los Angeles Department of Water and Power (LADWP)?*

The Bureau is pursuing strategies to secure off-budget funding. The Mayor's Office, the CAO, and the Bureau are currently in discussions with the LADWP to identify funding opportunities. The Bureau is also in similar discussions with Metro. This Office will review and report on new funding or off-budget opportunities as they emerge.

*Report on the seven resolution authorities discussed by the Bureau in its letter*

The Bureau requests to restore seven positions consisting of two Street Services General Superintendents IIs, two Systems Analysts, two Geographic Information Systems Specialists, and one Principal Civil Engineer without funding. The full-year direct costs of these positions are \$824,156. The Bureau reports that these positions are critical and have direct impacts on risk, safety, technology and asset management innovation, leadership, sidewalk construction, and grant-funded streetscape projects.

Five of these seven positions are currently filled. Two of the five positions can be absorbed into existing vacancies in the same classification within the Bureau. The remaining three positions will require either a substitute or in-lieu authority to avoid displacement. This Office does not recommend adding these position authorities since the Bureau has vacancies to place these employees, or this Office can activate substitute authorities to avoid displacement. Restoring these positions without funding does not comply with the City's Financial Policies.

## **EE. Recreation and Parks**

### Furlough Impacts:

The Department estimates that due to furloughs and its 5.5 percent salary savings rate, only about 84 percent of full time staff will be available to provide Department services. The Department listed the following examples of service impacts: inability to respond to emergency situations, closure of all seasonal pools, reduced operating hours at year-round pools, reduction in open days or closure of educational facilities (Observatory, aquarium, and museums), reduction in all recreational programming for youth, adults and seniors, cancellation of all festivals and special events, and possible loss of funding from the 2028 Olympic Committee due to unavailability of full-time staff to operate planned and funded sports programs.

The Committee asked the Department to report on the impact of furloughs on the City's ability to staff its emergency facilities and if reimbursement is possible through the Coronavirus Aid, Relief, and Economic Security (CARES) Act to avoid furloughs. As emergency shelters are eligible for reimbursement by several federal COVID-response funding sources, including Emergency Solutions Grant (ESG), Community Development Block Grant (CDBG), CARES Relief Fund, and possibly Federal Emergency Management Agency (FEMA), furloughs should not have an impact on shelter operations.

The Committee also asked if Park Rangers are included in the proposed furloughs and asked the Department to report on the impact to the Department's operations and public safety. The Park Rangers are included in the proposed furlough program. The Department will reduce public safety services throughout the park system based on reduced hours available for Park Rangers.

### Budget and Finance Committee Questions:

*CAO, with the assistance of Recreation and Parks, to report on how to open playgrounds at 25 percent capacity. How will the Department provide safety and enforcement?*

The Department is not planning to open playgrounds until they can open without mandatory state, county and local health restrictions. According to the Department, minimized capacity at playgrounds is not feasible with the heightened and required maintenance frequency necessary for COVID-19 containment and community spread mitigation.

*CAO, with assistance of Recreation and Parks, to report on funding that has traditionally been allocated for Summer Night Lights (SNL). Will there be an alternative program for youth?*

The program funding for SNL (\$1.688 million in 2019-20) has been traditionally included in the General City Purposes (GCP) budget. The Proposed Budget for 2020-21 does not include program funding in the GCP. The Department's City Services Program includes approximately \$1.1 million in the Salaries As-Needed and Overtime General accounts to support the SNL program by providing maintenance, cleaning, and opening and closing of 32 SNL sites. The Mayor's Office of Gang Reduction and Youth Development is currently working with the Department to develop an alternative program for youth that can accommodate current social distancing rules and use the SNL support funding in the City Services Program.

## **FF. Transportation**

### Furlough Impacts:

The Department generally expects to see overall service reductions and delays due to fewer working days across all functions, such as traffic signals, signs, and striping projects, design and implementation of capital projects for grant programs, and ongoing safety programs like Vision Zero. The Department anticipates that its supervisors will manage this reduction in work days to mitigate any service delivery impact to the public.

The Department plans to close all public counters one day every two weeks. It will coordinate these closures with the Department of Public Works and Department of Building and Safety. In addition, Traffic Officers' responsibilities in the Parking Enforcement and Traffic Control Division have shifted away from patrol and enforcement towards critical COVID-19 response efforts and traffic control. The Department expects this shift in responsibilities to continue into 2020-21, and that the proposed furloughs would further reduce hours dedicated to patrol and enforcement.

The Committee asked about the service impact to specific programs, which we discuss in the following sections. In light of the City's fiscal constraints, this Office does not recommend exempting these positions from furloughs.

### *Safe Routes to Schools*

The proposed furloughs will cause some slight delays in the Safe Routes to Schools (SRTS) program in terms of applying for new grant funds, managing implementation of previously grant-funded projects, and implementing public education in coordination with the Los Angeles Unified School District. The Department has one full-time employee assigned to manage and implement the SRTS program, and nine additional positions that support project development and

implementation of SRTS projects funded with outside grants. The estimated cost to restore furloughs for 10 positions is about \$78,000 in Proposition C and Measure R funds, both of which are facing fiscal challenges and downside risk due to COVID-19.

According to the Department, there are five schools with Safe Routes to School (SRTS) plans currently under construction, four schools currently in the design phase, and eight additional schools in the pre-design phase. Furloughs will not impact the majority of these projects as they are being completed through existing contracts.

### *Crossing Guards*

The proposed furloughs will not initially reduce supervision of the Crossing Guard program provided by five full-time staff (one Senior Traffic Supervisor II and four Senior Traffic Supervisor I positions). Supervisors would be on furlough one day per pay period, with other supervisors monitoring staff as needed on selected furlough days. The cost to restore furloughs for these positions is \$38,231 (General Fund).

The crossing guards are part-time staff and are exempt from furloughs. With current school closures, the Department either is deploying crossing guards as Disaster Service Workers or has placed them on paid leave. This reduces the supervisory requirement. The Department has temporarily assigned these supervisors to other duties. The ongoing service impact of furloughs will depend on when and how schools eventually re-open.

### *Re-striping Coordination with the Bureau of Street Services*

The Department's Streets and Sign Management program frequently coordinates with the Bureau of Street Services (BSS) on the Pavement Preservation Program, the Complete Streets Program, and other street improvement and repair projects.

The proposed furloughs would result in delays for re-striping, markout, and other general paint and sign field operations (about two working days every month). The Department anticipates that due to furloughs it will not be able to meet the 10-day completion standard for markout and striping in some cases. The Department provides about \$6 million in contractual services striping support specifically for the Pavement Preservation Program. Furloughs will not reduce these contract services. The Department has established bi-weekly meetings with BSS to address coordination and the impact of the proposed furloughs going forward.

The cost to restore furloughs for the Department's Streets and Sign Management budget program is about \$1.2 million (\$0.2 million in General Fund and \$1 million in special funds). Many of the City Funds (General Fund, Gas Tax, Street Damage Restoration Fund, Measure M, Measure R, and Proposition C) supporting the striping program are facing fiscal challenges and downside risk due to COVID-19.

### *Parking Enforcement and Traffic Control*

The proposed furloughs on Traffic Officers, Senior Traffic Supervisors, and other management and support staff would reduce the available working days for all staff (about two working days per month). The cost to restore furloughs for Traffic Officers, Senior Traffic Supervisors, and other staff in the Parking Enforcement Services budget program is about \$5.4 million (\$5.3 million in General Fund and \$0.1 million in various Special Funds).

The service impact of the proposed furlough for Traffic Officers is dependent on how available hours going forward will be prioritized for patrol and enforcement versus providing traffic control, critical COVID-19 response support, and special event support if and when large gatherings are allowed once again.

The Department estimates \$15 million in parking citation revenue loss due to furloughs based on its analysis of the pre-COVID average number and value of citations issued per Traffic Officer per week. This estimate, however, does not factor in how citation enforcement, issuance, and collections have also changed with Safer at Home Order in place and how the Department has shifted Traffic Officers' active time from patrol and enforcement in response to COVID-19. The City is currently minimizing ticket issuance for residents complying with the Safer at Home Order and parking meter occupancy has fallen over 90 percent, significantly reducing the number of potential violations. The reduced Traffic Office hours, therefore, may match the reduced opportunity for them to issue citations and, therefore, not further reduce revenues.

### *Grant Funds and Grant-Funded Projects*

The proposed furloughs are projected to have minimal impact on grant applications given the lead time and extensions that have been provided by many grantors in 2020-21. For the upcoming Active Transportation Program (ATP) Cycle 5 grant, the Department anticipates being able to submit grant applications on time in July and September 2020. The furloughs may delay the development and implementation of grant-funded capital projects. Nonetheless, the Department states that it will manage the reduction in work days to mitigate project delivery impact with existing staff.

Many of these capital projects also require the support of departmental partners such as the Public Works Bureaus of Engineering, Street Services, and Street Lighting. The impact of furloughs on those departments may also impact project grant application, design, and implementation.

The cost to restore furloughs for this budget program is about \$466,000 (\$37,000 in General Fund and \$429,000 in various special funds). All the City Funds (General Fund, Proposition C, and Measure M) supporting the grant development program are facing fiscal challenges and downside risk due to COVID-19.

### *Traffic Signal Installation*

The Department estimates that because of furloughs, it will complete about 10 percent fewer traffic signal projects in 2020-21. LADOT construction crews typically complete about 40 major traffic signal projects each year. The Department states that traffic signal repair and maintenance of existing signals is the highest priority, and thus furloughs will primarily reduce signal construction. The Department states that it will manage the reduction in work days to mitigate service delivery impact.

The cost to restore furloughs for this budget program is about \$2.42 million (\$0.36 million in General Fund and \$2.06 million in special funds). Many of the funds (General Fund, Proposition A, Proposition C, and Measure M) supporting the signal construction and maintenance program are facing fiscal challenges and downside risk due to COVID-19.

### *Vision Zero*

The Department states that furloughs may result in slight delays for the project development and analysis of Vision Zero Priority Corridors and Intersections. In addition, the design of previously identified Vision Zero projects and implementation of short- and long-term safety interventions would also experience slight delays (about two working days per month). The Department states that it will manage the reduction in work days to mitigate service delivery impact.

The cost to restore furloughs for the Vision Zero program is about \$151,000 (Measure R and Measure M). This estimate does not include additional base budget staff that may provide support to the Vision Zero program. The primary City Funds (Measure R and Measure M) supporting staff for the Vision Zero program are facing fiscal challenges and downside risk due to COVID-19.

The Committee asked what could be done to ensure that Vision Zero projects are equitably distributed throughout the City. This policy discussion can occur outside of the budget process. Currently, Vision Zero is a data-driven program with projects selected and implemented based on injury and fatality data.

### *Public Counters*

The Department's furlough impact letter states that it plans to close public counters one day every two weeks, including public counters for Parking Adjudication and Citation Review and Development Services in various area offices. The cost to restore furloughs for these services vary across budget programs and funding sources.

### *Budget and Finance Committee Question:*

*Report on the status of the Encino Hills Traffic Management Plan and include if this will be impacted by furloughs and the hiring freeze.*

The Proposed Budgets does not include funding for the Encino Hills Neighborhood Traffic Management Plan. The Department plans to identify \$150,000 for this project.

## **GG. Zoo**

### Furlough Impacts:

The Department reports that the implementation of furloughs combined with additional salary reductions and the hiring freeze will impact programs open to the public and facilities maintenance. This will result in the elimination of interpretive programs and other animal experiences both on and off Zoo grounds. In order to meet the priorities of animal health and welfare and staff and visitor safety, the Department states that it will stagger furlough days among all staff. Thus, while furloughs may reduce the provision of secondary programs, the Zoo will maintain its core functions.

### Departmental Request:

The Zoo's letter to the Committee assumes that the Zoo will be closed for three months in 2020-21 and experience 60 percent in revenue losses for the rest of 2020-21. Compounded with the current year closures, the Zoo believes that it will not be able to generate revenue at the appropriate level necessary to support the Zoo's 2020-21 cash flow needs beginning July 1. Therefore, the Zoo requests the transfer of \$14.9 million included in the 2020-21 Proposed Budget Unappropriated Balance line item for Zoo and El Pueblo revenue shortfalls on July 1. This Office recommends a partial transfer of \$5,676,650 to the Zoo to subsidize the Department for the first three months of 2020-21 pending a review of actual revenue experience. The transfer will be included in the 2019-20 Year-End Financial Status Report for action on or after July 1.

## **HH. Sidewalk Repair Program**

The Committee asked about the impact on the Sidewalk Repair Program due to furloughs for the Bureau of Street Services, Bureau of Engineering, and Department of Transportation. The furlough reductions for these departments from the Sidewalk Repair Fund total \$756,633. The Proposed Budget provides \$35 million in funding and sufficient funding to comply with the Willits Settlement Agreement.

### *Public Works/Bureau of Engineering*

The Bureau did not anticipate any significant impacts to the Sidewalk Repair Program due to furlough. Ninety percent of design work for this program is performed by consultants, which will not be impacted by furlough reductions.

### *Public Works/Bureau of Street Services*

The Bureau reports that the five crews that currently repair sidewalk locations that the disability community requests will be subject to mandatory furloughs of 26 days. The total furlough reduction amount for the Bureau is \$545,798. This will result in delays in the repair of approximately 30,000

square feet of sidewalk out of the total 300,000 square feet anticipated for 2020-21, or about 10 locations out of a total 100. The Bureau also expects to install 230 access ramps, which is 20 fewer than the original estimate of 250. The Bureau will continue to water all trees planted as part of the Sidewalk Repair Program, although the frequency may be adjusted or delayed slightly due to furloughs.

*Department of Transportation*

The Department has half of one Signal Crew allocated to perform as-needed work supporting the Sidewalk Repair Program. The total furlough reduction for this crew is \$16,787. The Department may experience slight delays because of furloughs.

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*Attachment*

Department Name	Request	General Fund Cost (Direct Costs only)	Special Fund cost (Direct Costs only)	Total Cost	CAO Analysis Summary and Recommendation
Aging	LGBT Mini Multipurpose Center	\$520,000	\$0	\$520,000	<b>NOT RECOMMENDED</b> Aging requested funding for the LGBT Mini Multipurpose Center (MMP) in the amount of \$520,000. Of this amount, \$450,000 is for contract funding and \$70,000 is to partially fund two positions to provide increased administrative and fiscal support at five MMPs. Funding is available in 2019-20 for the cost of the contract and the Department may continue using existing staff to provide support to the MMPs.
Animal Services	Furlough Exemption - 264 Essential Employees	\$1,600,000	\$0	\$1,600,000	<b>NOT RECOMMENDED</b> The Department requests exemption of Veterinary Technicians, Animal Care Technicians, and Animal Control Officers from the furlough program that equates to \$1.6M. The Department reports that furloughs across all classifications may result in the closure of one shelter. If this occurs, the City could consider alternatives to enhance staffing.
Cannabis Regulation	Furlough Exemption - Delay Hiring in Lieu of Furloughs	\$0	\$341,759	\$341,759	<b>NOT RECOMMENDED</b> The Department proposes to delay hiring to achieve furlough savings of \$341,759. Any restoration from the Cannabis Regulation Special Trust Fund will reduce the General Fund reimbursement for related costs.
Cannabis Regulation	Upgrade Six Positions without Funding	\$0	\$0	\$0	<b>NOT RECOMMENDED</b> The Department requests to upgrade four Management Assistants to Management Analysts and two Administrative Clerks to Senior Administrative Clerks to address future retention issues.
Cannabis Regulation	Two Unfunded Special Investigator II Positions	\$0	\$0	\$0	<b>NOT RECOMMENDED</b> The Department requests for two unfunded Special Investigator positions. Adding unfunded positions do not comply with the City's Financial Policies.
City Attorney	Furlough Exemption	\$13,278,758	\$1,002,792	\$14,281,550	<b>NOT RECOMMENDED</b> The Department addressed all service reductions, including furloughs, the hiring freeze, and salary savings rate increase in its response. The Department reports operational impact to case litigation, enforcement, nuisance abatement, drafting of ordinances, slowed contract approvals, and untimely advice to City Departments.
City Attorney	Restoration of Hiring Freeze Reductions and Salary Savings Rate Adjustment	\$6,834,311	\$217,742	\$7,052,053	<b>NOT RECOMMENDED</b> The Department requests the restoration of funding for salaries for the hiring freeze and the salary savings rate increase. The hiring freeze reductions correspond to the methodology applied to other City departments. The Department should not experience a service impact as a result of the salary savings increase as the proposed increase of one percent to three percent remains below the City Attorney's current vacancy rate of 4.9 percent, as of April 2020.
City Clerk	2021 Neighborhood Council Elections	\$1,060,306	\$0	\$1,060,306	<b>NOT RECOMMENDED</b> Of the \$1.06 million request, \$0.579 million is required to maintain 2019 Neighborhood Council (NC) Election level funding. If the 2021 NC Elections must be conducted entirely through a Vote-By-Mail method due to the COVID-19 pandemic, the estimated costs are \$1.06 million. Approximately \$0.673 million in savings is available in the Department's 2019-20 Elections account for reappropriation to partially fund the 2021 NC Elections. This leaves a funding gap of \$0.387 million.
City Clerk	2020 General Municipal Election	\$4,000,000	\$0	\$4,000,000	<b>NOT RECOMMENDED</b> The City Clerk requests an additional \$4 million for the November 2020 General Election, for a total of \$17 million. This amount assumes placing up to five ballot measures on the ballot: \$15 million for the County's election administration charges and \$2 million Voter Information Pamphlets. This estimate will decrease significantly if there are no measures on the ballot.
City Planning	Wildlife Corridor Pilot Study Evaluation - Potential Cost Savings from Restoring Positions	\$368,017	\$0	\$368,017	<b>NOT RECOMMENDED</b> The Committee requested an analysis of the potential cost savings of restoring positions and funding for the Wildlife Corridor Pilot Study (Study). The department reports that the Study would streamline the review process, reduce the amount of staff time needed for each project, and potentially reduce the overall processing timeline for applicants related to entitlement applications in the Santa Monica Mountains Study Area. Cost savings resulting from the study will materialize over a long period of time. Full restoration of these positions is \$368,017.

Civil and Human Rights Commission	Additional Staffing Resources and Expense Funding	\$198,205	\$0	\$198,205	<b>NOT RECOMMENDED</b> The Department requests six months funding and resolution authority for three positions consisting of one Commission Executive Assistant, one Senior Management Analyst II, and one Executive Administrative Assistant III, and related expense funding.
Controller	Sick Leave and Retirement Payouts	\$300,000	\$0	\$300,000	<b>NOT RECOMMENDED</b> The Department requests funding for sick leave and retirement payouts. Departments are traditionally expected to absorb these costs.
Controller	Two Systems Analyst positions for Payroll System Replacement	\$180,160	\$0	\$180,160	<b>NOT RECOMMENDED</b> The Department requests funding to backfill two vacant Systems Analyst positions in the payroll section in order to reassign these positions to provide additional support for HRP. Currently, there are four positions in the Controller's Office supporting HRP that are fully funded.
Controller	One Special Investigator II for Fraud Waste and Abuse Unit	\$109,390	\$0	\$109,390	<b>NOT RECOMMENDED</b> The Department requests one new Special Investigator II position to address the backlog of cases in the Fraud, Waste, and Abuse program.
Disability	ADA/Rehabilitation Act Section 508 Specialist	\$67,109	\$0	\$67,109	<b>NOT RECOMMENDED</b> The Department requests one exempt Management Analyst to serve as an ADA/Rehabilitation Act Section 508 Specialist. The Department typically contracts out for additional remediation services. Additional funding (\$22,500) is provided in the Proposed Budget for this purpose, for a total of \$35,000.
Economic and Workforce Development	Jobs and Economic Development Incentive (JEDI) Zone Program	\$295,338	\$0	\$295,338	<b>NOT RECOMMENDED</b> The Department requests funding and resolution authority for four new Management Analysts to implement the new JEDI Zone Program (C.F. 13-0934-S2).
Emergency Management	Furlough Program Exemption	\$339,382	\$0	\$339,382	<b>NOT RECOMMENDED</b> The Department requests exemption from the furlough program, valued at \$339,382. The Department states that furloughs will impact its emergency response services by having limited staff available during activations at the EOC. The Department also states that furloughs will impact service and operational levels to its Emergency Planning, Training and Exercises, Community Preparedness and Engagement, and Grants Management.
Ethics	Furlough Exemption - As-Needed Salaries Offset	\$264,137	\$0	\$264,137	<b>NOT RECOMMENDED</b> The Commission proposes closing the office one Friday per pay period to maximize agency efficiency. Commission warns of impact to the ability to complete timely investigations and to finish the backlog of campaign audits that has been pending since the previous economic downturn. The funding request reflects an \$80,000 offset from transferring As-Needed funding to Salaries General. To fully offset the furlough requires an additional \$264,137. The Ethics Commission budget is entirely supported by the City Ethics Commission Fund, which is 100% funded through an appropriation from the General Fund.
Ethics	New Developer Program	\$37,646	\$0	\$37,646	<b>NOT RECOMMENDED</b> The Commission requests additional funding for the New Developer Program in the amount of \$37,646 for one Senior Management Analyst I and expenses. The Ethics Commission budget is entirely supported by the City Ethics Commission Fund, which is 100% funded through an appropriation from the General Fund.
Fire	Furlough Exemption - Three General-Funded Positions and Two Grant-Funded Positions.	\$66,522	\$0	\$66,522	<b>NOT RECOMMENDED</b> The Department reports that the two Fire Psychologist and one Chief Physician support behavior wellness and support for financial difficulties. The Department must demonstrate full cost recovery to support this request.
Fire	LAFD Recruit Funding	\$4,264,818	\$0	\$4,264,818	<b>NOT RECOMMENDED</b> The Department has sufficient funding in the Salaries Sworn Account for LAFD recruits. These positions are funded through regular authorities in the Department's base budget.
Fire	Wildfire Handcrew Program Oversight	\$43,344	\$0	\$43,344	<b>NOT RECOMMENDED</b> The Department requests to delete one Firefighter III position and add one Fire Captain II to support the Wildfire Handcrew programs. This position was not recommended given the City's fiscal condition and priorities identified by the Department.
Fire	Emergency Incident Technician	\$175,330	\$0	\$175,330	<b>NOT RECOMMENDED</b> The Department requests restoration of one Firefighter III position that serves as an Emergency Incident Technician. The Department currently has 123 vacancies for Firefighter III and may realign resources to support the duties for this position. Funding for this position would also require Constant Staffing Overtime and Sworn Benefits.

Fire	Furlough Exemption - Civilian	\$3,728,149	\$0	\$3,728,149	<b>NOT RECOMMENDED</b> The Department requests exemption from civilian furloughs. The Department reports that furloughs will impact fleet availability, procurement of equipment and supplies, and administrative support.
Housing and Community Investment	Furlough Exemption	\$438,016	\$6,772,772	\$7,210,788	<b>NOT RECOMMENDED</b> The Department requests to partially offset the furloughs and hiring freeze by increasing their salary savings to 5 percent, or \$1,475,134. The total cost for restoring furloughs is \$7,210,788.
Housing and Community Investment	Hiring Freeze Exemption	\$50,830	\$1,308,415	\$1,359,245	<b>NOT RECOMMENDED</b> The Department requests to partially offset the hiring freeze by increasing their salary savings to 5 percent, or \$1,475,134. The total cost for exempting all positions from the hiring freeze is \$1,359,245.
Housing and Community Investment	Salary Savings Rate Increase	-\$88,972	-\$1,386,163	-\$1,475,135	<b>NOT RECOMMENDED</b> The Department requests to partially offset the hiring freeze by increasing their salary savings from three percent to five percent, or \$1,475,135. The Department indicates their proposal would generate \$3.0 million in additional General Fund revenue from related cost reimbursements. The CAO estimate is \$1.5 million in reimbursements based on the Department's historical vacancy rate and revenue shortfalls.
Housing and Community Investment	Furlough Exemption - Tenant Services (Rent Stabilization Program)	-\$121,020	\$672,174	\$551,154	<b>NOT RECOMMENDED</b> The cost to exempt this program from furloughs is \$677,547 for salaries, which is offset by \$126,393 in related cost reimbursement. The net cost is \$551,154. The Department reports the furloughs will result in service delays. The Department should stagger schedules to minimize impacts to service delivery.
Housing and Community Investment	Furlough Exemption - Independent Living Center (Accessible Housing Program)	\$843,475	\$0	\$843,475	<b>NOT RECOMMENDED</b> The cost to exempt this program from furloughs is \$712,603 for salaries and \$130,872 for related costs, for a total of \$843,475. The General Fund fully funds the Special Fund that supports this program. The Department reports that it will not be able to actively monitor 80 to 90 out of 800 to 900 properties and operate two fewer days per month. The Department should stagger schedules to minimize impacts to this program.
Housing and Community Investment	Furlough Exemption - Affordable Housing (Development and Finance Program)	-\$147,538	\$661,702	\$514,164	<b>NOT RECOMMENDED</b> The cost to exempt this program from furloughs is \$798,363 for salaries, which is offset by \$122,638 in additional related costs, and \$161,561 in reimbursements from bond proceeds for eligible Proposition HHH salaries. The net cost is \$514,164. The Department reports that furloughs will result in service delays. The Department should stagger schedules to minimize impacts to service delivery.
Housing and Community Investment	Furlough Exemption - Domestic Violence, Family Source Centers, LAHSA (Program Operations)	\$25,915	\$194,648	\$220,563	<b>NOT RECOMMENDED</b> The cost to exempt this program from furloughs is \$252,878 for salaries, which is offset by \$32,315 in related cost reimbursement. The net cost is \$220,563. The Department reports that furloughs will delay the execution of new agreements and contract amendments. Furloughs will also delay processing times. This Office estimates a 10 percent delay from furloughs versus the Department-reported 30 percent. The Department should stagger schedules to minimize impacts to this program.
Information Technology Agency	Salary Restoration	\$990,000	\$0	\$990,000	<b>NOT RECOMMENDED</b> The Department requests to restore partial funding totaling \$990,000 in their Salaries, General Account, to partially restore the reductions related to the increased salary savings rate and the hiring freeze. These salary reductions reflect the current hiring freeze policy.
Information Technology Agency	Cybersecurity Support	\$380,000	\$0	\$380,000	<b>NOT RECOMMENDED</b> The Department requests \$380,000 for cybersecurity support and a transfer of \$300,000 from the 2020-21 proposed UB for Personnel-related cybersecurity measures to the Department's budget. The Department should report back on the plan to use the UB funding during 2020-21.
Information Technology Agency	Contractual Services Restoration	\$274,000	\$0	\$274,000	<b>NOT RECOMMENDED</b> The Department requests to restore partial funding totaling \$274,000 to their Contractual Services Account to continue use of an enterprise data management platform. The platform includes analytic and visualization tools, as well as common reporting capabilities and serves as a centralized data repository.

Information Technology Agency	Furlough Exemption - 3-1-1 Wait Times	\$0	\$322,777	\$322,777	<b>NOT RECOMMENDED</b> The Department reports that furloughs will increase the amount of time it takes to answer 3-1-1 calls by at least ten percent, resulting in an average wait time of over three minutes. Eliminating furloughs for 3-1-1 staff would cost \$322,777. Any restoration from the Telecommunications Development Account Fund and the Solid Waste Resources Revenue Fund will reduce the General Fund reimbursement for related costs. These funds are subsidized by the General Fund.
Information Technology Agency	Furlough Exemption - Telecommuting Operations	\$4,283,298	\$209,670	\$4,492,968	<b>NOT RECOMMENDED</b> The Department reports that furloughs will have a direct impact on the Department's ability to support employees in all City departments that are working remotely. Furloughs will take staff off duty for ten percent of their normal work time, which will delay requests for telecommuting support. These telecommuting support functions are performed by staff in numerous groups throughout the Department who perform this work in addition to other technology support functions. There is no clear method to calculate the cost to restore furloughs specifically for telecommuting support. The total cost to restore furloughs for ITA, less the 3-1-1 Call Center staff, is \$4,492,968.
Personnel	Furlough Exemption - Physicians, Advanced Practice Providers, and Background Investigators.	\$534,300	\$0	\$534,300	<b>NOT RECOMMENDED</b> The Department requests to exempt Physicians, Advanced Practice Providers, and Background Investigators from furloughs. Custody medical care is mandated and therefore furloughs will require more as-needed staff to perform these duties and the efficacy of furloughs for these positions may need to be reviewed in the coming months. The Department reports that furloughs will result in 120 fewer background investigations for public safety candidates.
Personnel	Furlough Exemption- Human Resources Payroll (HRP) Project	\$22,926	\$0	\$22,926	<b>NOT RECOMMENDED</b> The Department reports that furloughs would impact the ability to provide ongoing support of City departments during implementation of the HRP Project. Efforts to mitigate the impact are available including scheduling work meetings during non-furlough days or offsetting the days of furloughs for staff assigned to the HRP to avoid disruptions in support.
Personnel	Anytime/Anywhere Testing	\$527,000	\$0	\$527,000	<b>NOT RECOMMENDED</b> The Department transitioned to Anytime/Anywhere Testing for public safety exams in support of social distancing measures. The Department requests \$527,000 for Anytime/Anywhere Testing to meet hiring demands of essential workers and identified \$368,000 in current year funds that are available for reappropriation for this purpose. If approved, this reduces the request to \$159,000. Anytime/Anywhere Testing supports civil service exams for both civilian and sworn positions.
Personnel	Disaster Service Worker (DSW) Services - Outside Vendor Support	\$1,200,000	\$0	\$1,200,000	<b>NOT RECOMMENDED</b> The Department estimates \$1.2 million is necessary to engage outside vendor support of DSW services for the first quarter of 2020-21. The current deployment of DSWs is approximately 500 daily (with up to 80 contract workers) with a cost of \$400,000 per month. Federal stimulus funds may be available to reimburse these costs.
Personnel	Industrial Hygiene and Ergonomics	\$325,830	\$0	\$325,830	<b>NOT RECOMMENDED</b> The Department requests position authority for one Safety Engineer and one Senior Personnel Analyst and related expenses (\$325,830) for Industrial Hygiene and Ergonomics. The Department currently has three Safety Engineer positions that support this program.
Personnel	Examining	\$222,570	\$0	\$222,570	<b>NOT RECOMMENDED</b> The Department requests to restore funding of \$222,570 and position authority for two Personnel Analysts and one Administrative Clerk to support examining and facilitate Anytime/Anywhere testing. This request is in addition to the request for \$527,000 in expense funding for Anytime/Anywhere testing. The 2020-21 Proposed Budget continues nine positions in Examining. Consistent with the City's hiring freeze, reduced need for examining and a lower employment level are anticipated in 2020-21. The Department plans to focus its hiring efforts towards hiring essential positions.
Personnel	Civilian Recruitment	\$379,736	\$0	\$379,736	<b>NOT RECOMMENDED</b> The Department requests to restore position authority for one Senior Personnel Analyst I and two Personnel Analysts and related expense funding to support civilian recruitment (\$379,736). The Department indicates this request supports ongoing civilian hiring including essential positions and targeted hiring. Consistent with the City's hiring freeze, reduced need for recruitment and a lower employment level are anticipated in 2020-21. The Department plans to focus its hiring efforts towards hiring essential positions.

Personnel	Human Resources Payroll (HRP) Project	\$290,100	\$0	\$290,100	<b>NOT RECOMMENDED</b> The Department requests position authority for one Personnel Director, one Senior Personnel Analyst, and one Management Analyst to expand support of the HRP Project (\$290,100). A total of six positions within the Department are supporting this project. This includes four positions that were reassigned from other divisions.
Personnel	Cannabis Regulation Support - Special Investigators	\$0	\$173,100	\$173,100	<b>NOT RECOMMENDED</b> The Department requests \$173,100 for two Special Investigators to support the Department of Cannabis Regulation. The Department indicates a need for timely investigations of licensing-related allegations, which include criminal and administrative violations, improper conduct, and improper processing. Investigations would potentially be of both City staff and Cannabis businesses. These positions are proposed to be special funded by the Cannabis Regulation Trust Fund. Any additional appropriations from the Cannabis Trust Fund will reduce General Fund reimbursements for related costs.
Police	Graffiti Removal - LAPD Funding	\$0	\$0	\$0	<b>NOT RECOMMENDED</b> The Committee proposed that LAPD partially fund graffiti removal services in 2020-21. The Board of Public Works requested for \$433,000 to increase funding for graffiti removal services to offset a State-mandated increase to the Prevailing Wage Rates. The Police Department reports that reallocating its salary or expense account funding for graffiti removal services would cause shortfalls in other accounts. This results in reduced hiring of sworn and civilian employees or reductions to expenditures on replacement vehicles, technology, and other vital priorities.
Public Accountability	Furlough Exemption	\$158,429	\$0	\$158,429	<b>NOT RECOMMENDED</b> The Department requests exemption from furloughs and proposes to manage within budgeted funds.
PW Board	Graffiti Abatement	\$433,000	\$0	\$433,000	<b>NOT RECOMMENDED</b> The Board requests \$433,000 to fund an increase in the Prevailing Wage hourly rate of \$2.14 per hour. The graffiti abatement contracts expire on June 30, 2020. The Board released a Request for Proposals and was instructed to report back on the required costs after bids are received and analyzed. A decision can be made at that time whether additional funding is warranted.
PW Street Lighting	Furlough Exemption - Street Lighting Maintenance Assessment Fund Positions	\$0	\$2,243,956	\$2,243,956	<b>NOT RECOMMENDED</b> To exempt the Bureau of Street Lighting positions from furloughs equates to \$2.2 million. Any restoration from the Street Lighting Maintenance Assessment Fund will reduce the General Fund reimbursement for related costs. This fund is subsidized by the General Fund.
PW Street Services	Furlough and Hiring Freeze Exemption	\$0	\$0	\$0	<b>NOT RECOMMENDED</b> The Bureau requests to offset furloughs with salary savings and off-budget funds. To meet higher salary savings will require the Bureau to have an unrealistically high attrition rate. With a significant downside risk to the revenue that supports the Bureau's Budget, the Bureau may require the use of any available off-budget funds to offset the revenue shortfalls to cover salary costs. In light of these risks, off-budget funds may not be sufficient or available to offset furloughs.
PW Street Services	Position Restoration	\$0	\$824,156	\$824,156	<b>NOT RECOMMENDED</b> The Bureau BSS is requests to restore seven positions which include two Street Services General Superintendents IIs, two Systems Analysts, two Geographic Information Systems Specialists, and one Principal Civil Engineer without funding. The value of these positions is \$824,156. Five positions are currently filled. The Bureau can absorb two positions into existing vacancies. The remaining three positions will require either a substitute or in-lieu authority to avoid displacement. Restoring positions without funding is not in compliance with the City's Financial Policies.
PW Street Services	Measure W - \$3.7 million Reimbursement of General Fund Costs	\$3,700,000	\$0	\$3,700,000	<b>NOT RECOMMENDED</b> The \$3.7million General Fund reimbursement from Measure W covers the staff overhead costs (e.g. health benefits, retirement) and is reflected in the Proposed Budget as a General Fund receipt.
Transportation	Furlough Exemption- Safe Routes to Schools	\$0	\$78,000	\$78,000	<b>NOT RECOMMENDED</b> The proposed furloughs are expected to cause slight delays in the Safe Routes to Schools (SRTS) program in terms of applying for new grant funds, managing implementation of previously grant-funded projects, and implementing public education in coordination with the Los Angeles Unified School District. Projects currently in design or construction should not be impacted by the proposed furloughs as they are being completed through contractors. Special funds supporting this program are distressed due to the COVID-19 pandemic.

Transportation	Furlough Exemption - Crossing Guards	\$38,231	\$0	\$38,231	<b>NOT RECOMMENDED</b> Crossing guards are part-time staff and are exempt from furloughs. The proposed furloughs apply to the supervisors of the Crossing Guard Program. Furloughs will not initially impact supervision of the Crossing Guard program, as supervision is provided by five full-time staff (one Senior Traffic Supervisor II and four Senior Traffic Supervisor I positions).
Transportation	Furlough Exemption - Re-Striping Coordination with Bureau of Street Services	\$200,000	\$1,000,000	\$1,200,000	<b>NOT RECOMMENDED</b> Approximately \$1.2 million reflects the entire Streets and Signs Management budget program, as there is significant coordination with the Bureau of Street Services for multiple programs. The proposed furloughs would result in delays for re-striping and markout, as well as other general paint and sign field operations (about two working days every month). Special funds supporting this program are distressed due to the COVID-19 pandemic.
Transportation	Furlough Exemption - Traffic Officers (Parking Enforcement and Traffic Control)	\$5,300,000	\$100,000	\$5,400,000	<b>NOT RECOMMENDED</b> Traffic Officers' active time has also shifted away from patrol and enforcement as a result of the COVID-19 pandemic. If Traffic Officers were exempt from furloughs, it is unlikely violations will reach pre-COVID levels to generate additional revenue.
Transportation	Furlough Exemption - Grant Funds and Grant-Funded Projects	\$37,000	\$429,000	\$466,000	<b>NOT RECOMMENDED</b> The proposed furloughs are projected to have minimal impact on grant applications given the lead time and extensions provided by many grantors in 2020-21. The furloughs are expected to create delays in the development and implementation of grant-funded capital projects.
Transportation	Furlough Exemption - Traffic Signal Installation	\$360,000	\$2,060,000	\$2,420,000	<b>NOT RECOMMENDED</b> Staff support for the design and construction of traffic signals are included as part of the Department's overall Traffic Signal and Systems budget program. The Department states that traffic signal repair and maintenance of existing signals are the highest priority. As a result, proposed furloughs will primarily impact new construction. The Department estimates that the proposed furloughs result in about ten percent fewer traffic signal projects completed in 2020-21. Special funds supporting this program are distressed due to the COVID-19 pandemic.
Transportation	Furlough Exemption - Vision Zero	\$0	\$151,000	\$151,000	<b>NOT RECOMMENDED</b> The Department states that furloughs may result in slight delays for the project development and analysis of Vision Zero Priority Corridors and Intersections. The design of previously identified Vision Zero projects and implementation of short- and long-term safety interventions will also experience slight delays (about two working days per month).
Zoo	Unappropriated Balance Transfer	\$0	\$0	\$0	<b>NOT RECOMMENDED</b> The Department requests a transfer of \$14,924,000 from the Unappropriated Balance. Zoo and El Pueblo Revenue Shortfalls account on July 1. A transfer of \$5,676,650 will be included in the 2019-20 Year End Financial Status Report for action on or after July 1. As this funding is already included in the Proposed Budget, there is no additional impact to the recommended approach.
<b>TOTAL</b>		<b>\$58,388,048</b>	<b>\$17,377,500</b>	<b>\$75,765,548</b>	