


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

April 26, 2022

To: Honorable Members of the  
Budget and Finance Committee

From: Sharon M. Tso   
Chief Legislative Analyst

**Overview of the 2022-23 Proposed Budget**

As requested by your Committee, we have prepared the attached overview of the 2022-23 Proposed Budget, as submitted by the Mayor on April 20, 2022.

If we can be of further assistance in this matter, please let us know.

SMT:KEK:sl

Attachment: Overview of the 2022-23 Budget  
As Submitted by the Mayor

# OVERVIEW OF THE 2022-2023 PROPOSED BUDGET

AS SUBMITTED BY THE MAYOR

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Presented to:  
The Budget and Finance Committee

Prepared By:  
Sharon M. Tso  
Chief Legislative Analyst





**2021-22 Budgeted Revenue .....\$7,503.22M**

- Includes One-Time Revenues (\$823.73M)

**2022-23 Revenue Estimate .....\$7,460.96M**

- Includes One-Time Revenues (\$247.03M) and Ongoing Revenues (\$543.43M)

**Total Revenue Change .....\$-42.26M**

## **Balancing the 2022-23 General Fund Budget**

### **2022-23 Expenditures to Maintain 2021-22 Service Levels**

- **Obligatory Expenditure Changes (\$-472.08M)**

Includes:

- 2022-23 Employee Compensation Adjustments (\$145.48M)
- One-Time Salary Funding (\$-194.10M)
- One-Time Programs and Services (\$-596.68M)
- Unappropriated Balance – FEMA Reimbursement of Loans (\$79.25M)
- Appropriation to the Budget Stabilization Fund (\$64.25M)

- **Continuation of Existing Services (\$347.84M)**

Includes:

- Fire- Firefighter Recruit Training (\$19.25M)
- Citywide Recycling Trust Fund (\$12.06M)
- Police – L.A. County Metropolitan Transportation Authority (\$78.61M)
- Police – Sworn Hiring Plan, Net of Attrition (\$19.34M)
- PW/Sanitation – Comprehensive Cleaning and Rapid Engagement Program (\$36.55M)
- Unappropriated Balance – County Election Expenses, November 2022 (\$10M)

**Total Amount Available for New and Increased Services .....\$81.97M**

- **2022-23 Increased Services (\$77.86M)**

- City Administrative Officer - Citywide Procurement Oversight Expansion (\$0.86M)
- Controller - Upgrade of the City's Financial Management System (\$0.75M)
- Fire - Equity and Inclusion Staffing (\$0.67M)
- Fire - Therapeutic Van Transport Pilot Program (\$2.00M)
- General City Purposes - CIRCLE: 24/7 Homelessness Crisis Response Pilot (\$5.00M)
- General City Purposes - Council Community Projects (\$2.84M)
- General City Purposes - Crisis Response Team (\$0.75M)
- General City Purposes - Summer Night Lights (\$2.40M)
- General City Purposes and Unappropriated Balance - Gang Reduction and Youth Development (\$4.88M)
- General Services - Custodial Services at Libraries (\$0.93M)
- General Services - Increased Custodial Services (\$0.62M)
- Information Technology Agency - Regional Alliance Marketplace for Procurement (\$0.50M)
- Police - Call Redirection to Ensure Suicide Safety Program (\$0.96M)
- Police - Community Safety Partnership (\$0.72M)
- Police - Mental Evaluation Unit Expansion (\$0.64M)
- Police - Overtime Sworn (\$36.53M)
- PW/Board - Clean and Green Program (\$1.90M)
- PW/Board - Climate Emergency Mobilization Consulting Services (\$0.50M)

- Unappropriated Balance - Cardiac Monitors (\$0.85M)
- Unappropriated Balance - Graffiti Abatement Strike Teams (\$1.67M)
- Unappropriated Balance - Revenue Collections Software Support and Technology (\$0.70M)
- Other Increased Services (\$11.19M)
- **New Services in the 2022-23 Proposed Budget (\$28.64M)**
  - Building and Safety - Unauthorized Cannabis Business Enforcement (\$0.47M)
  - City Administrative Officer - Van Nuys Parking Lot Plan (\$1.00M)
  - City Clerk - Neighborhood Council Elections (\$0.97M)
  - City Planning - Housing Element Implementation (\$0.45M)
  - Community Investment for Families - Citywide Language Access Program (\$1.00M)
  - Community Investment for Families - Kids First Program (\$0.70M)
  - Community Investment for Families - Office of Immigrant Affairs (\$0.41M)
  - Economic and Workforce Development - Good Food Zone Pilot (\$0.25M)
  - General City Purposes - Angeleno Connect Program (\$0.30M)
  - General City Purposes - Global LA (\$0.50M)
  - General City Purposes - Unified Homeless Response Center Data Project (\$0.62M)
  - Information Technology Agency - Carbon Black Endpoint Protection (\$0.50M)
  - Police - After-Action Implementation Plan (\$5.65M)
  - Police - Community Survey (\$0.25M)
  - Police - Department Climate Study (\$0.30M)
  - PW/Street Services - Automated Public Toilets (\$0.59M)
  - Transportation - DWP Project Design and Construction Support (\$0.69M)
  - Unappropriated Balance - California False Claims Act Settlement (\$4.33M)
  - Unappropriated Balance - Fair Work Week (\$2.00M)
  - Unappropriated Balance - FMS Training (\$1.00M)
  - Unappropriated Balance - Healthy Neighborhood Market Program (\$0.50M)
  - Unappropriated Balance - Low Rise Development Planning and Design (\$0.50M)
  - Unappropriated Balance - MyLA311 Replacement (\$1.00M)
  - Unappropriated Balance - Opioid Use Disorder (\$3.29M)
  - Other New Services (\$1.37M)
- **Efficiencies of Services in the Proposed 2022-23 Budget (\$-24.53M)**
  - Deletion of Vacant Positions (\$-0.55M)
  - Expense Account Reduction (\$-1.39M)
  - Fire - Expense Account Reduction (\$-3.00M)
  - Fire - One-Time Salary Reduction (\$-3.50M)
  - One-Time Salary Reduction (\$-2.18M)
  - Police - Civilian Hiring Adjustment (\$-1.00M)
  - Police - Sworn Hiring Adjustment (\$-3.00M)
  - Police - Sworn Overtime Reduction (\$-6.00M)
  - Salary Savings Rate Adjustment (\$-0.11M)
  - Street Services - One-Time Salary Reduction (\$-1.00M)
  - Transportation - Expense Account Reduction (\$-1.50M)
  - Transportation - One-Time Salary Reduction (\$-1.30M)

**NET SURPLUS/DEFICIT .....\$0**

## **2022-23 and Future Years**

The Mayor's Proposed Budget moves the City from a year of transition in 2021-22 to a time of steady growth in 2022-23 and the years to follow. While the COVID-19 pandemic significantly influenced City revenues and expenditures over the last two fiscal years, the Proposed Budget estimates that revenues in 2022-23 will approach pre-pandemic levels with a projected 8.8 percent growth. The Proposed Budget assumes that City finances have returned to an era of stability without the support of emergency Federal funding that was provided over the past two years.

As is often the case when experiencing strong economic growth, the inflation rate has sharply increased, which is a growing concern for the City's economy, as well as individual households. The Federal Reserve often mitigates rising inflation by increasing interest rates. In the past, this has often led to rising unemployment and recessions. So, as revenues are predicted to steadily grow, there are real concerns that the current economic rebound could be negatively affected by these factors.

The Four Year Outlook (Outlook) anticipates structural balance as revenues continue to steadily grow and approach a return to historical average growth. Following the budget gaps that the City experienced during the pandemic, the Outlook projects budget surpluses beginning in 2023-24, with surpluses continuing to grow through 2026-27. Although these anticipated surpluses are primarily driven by revenue growth, additional factors such as the deletion of spending for one-time programs, no projection of future compensation adjustments after they expire in 2022-23 or 2023-24, and decreased pension contributions are also contributing to these projected surpluses. It should be noted that although these projections are optimistic, there are various uncertainties that may affect these surpluses, such as an economic downturn. Additionally, should decisions be made to continue one-time programs in future years, pursue major new programs and services, or provide cost of living adjustments beyond current labor agreements, expenditures would increase and reduce projected surpluses.

The Proposed Budget's projected revenue, particularly in terms of property tax and documentary transfer tax, are optimistic. The County Assessor has not yet provided a preliminary forecast for the 2022 assessment year. Forecasts of declining sales, along with interest hikes and their impact on sales prices could affect the traditionally volatile Documentary Transfer Tax. The combination of rising inflation and interest rates will likely hamper the real estate market, immediately affecting both tax sources and ultimately affecting other sources such sales, transient occupancy and parking occupancy tax. As projected revenues are based on current level receipts, the possibility of a pandemic surge, economic slowdown or world events have not been taken in consideration.

The Mayor's Proposed Budget projects that the Reserve Fund will begin 2022-23 at \$466M, or 6.25 percent of General Fund revenue, slightly higher than the five percent goal. Rounding out the City's reserves will be the Budget Stabilization Fund (\$184M) and the Unappropriated Balance, Reserve for Mid-Year Adjustments line item (\$10M). At 8.8 percent of General Fund revenue, the City's total reserves of \$660M are less than the Financial Policies goal of ten percent. This scenario combined with other issues of concern leaves little room for new and expanded programs.

During 2020-21 in response to the City's decreasing revenues, the City with its labor partners, negotiated the delay of cost of living adjustments until the end of 2021-22. More recently, labor negotiations for salary adjustments for 2021-22 and 2022-23 have been ongoing. The Proposed Budget includes a portion of these costs in Departmental budgets and sets aside an additional \$93M in the Unappropriated Balance to assist departments with increased salary costs for existing employees based on current proposals. This amount, however, is an estimate and the final amount will not be known until the labor negotiations are completed. To the extent labor agreements exceed current proposals, funding in the Unappropriated Balance will be insufficient to cover all costs.

In addition to the delay of salary adjustments in 2020-21, Council approved the Separation Incentive Plan (SIP) to reduce the City's staffing costs by giving eligible retirees a cash incentive to retire. The 2021-22 Proposed Budget eliminated many positions left vacant by those who retired under SIP, but Council ultimately approved restoring many of these positions as resolution authority positions to maintain service delivery levels. The 2022-23 Proposed Budget regularizes over 700 positions, a portion of which are the resolution positions restored as a result of deleted SIP positions, which will become part of each department's base budget in future years. The Proposed Budget adds a net 790 regular and resolution authority positions from FY 2021-22. The difficulty in hiring to fill all vacancies, however, is likely to remain a challenge. The Proposed Budget reduces the overall allocation to some departments based on the current number of vacancies and the likelihood that the funded vacant positions will be filled in 2022-23.

As the economy recovers, the Proposed Budget reflects a City that has considered the unprecedented economic and social changes occurring over the last two fiscal years. The Proposed Budget incorporates Council-priority programs to provide for the health and financial needs of individuals and families, empower women and minority groups, support environmental stewardship, and continue to fund programs to address housing and homelessness.

To address the City's homelessness crisis, the Proposed Budget allocates approximately \$1.2B to homeless programs, a \$400M increase from Fiscal Year 2021-22. Funded programs include: immediate and longer-term housing placement services; the expansion of outreach, hygiene, sanitation, and storage options with the Street Strategies program; the continuation and expansion of the CARE/CARE+ teams and domestic violence shelter operations; continuation of the LA RISE and Solid Ground programs; and new funding to support the Tenant Anti-Harassment Ordinance.

In addition to augmented funding for the newly established Community and Investment for Families Department and Youth Development Department, the Proposed Budget also funds various youth- and family-based programs, with increased funding for Gang Reduction and Youth Development (GRYD), Summer Night Lights, Recreation and Parks childcare centers, Summer Play LA; and new funding for Childcare Support, Ending Family Poverty, and the Kids First Program. The Proposed Budget continues funding for long-standing programs such as Congregate and Home-Delivered Meals for Seniors, Youth Employment Program, FamilySource Centers and Fire Department youth development and recruitment programs.



The Proposed Budget maintains law enforcement and public safety resources, while increasing funding for alternative response programs such as CIRCLE: 24/7, Systemwide Mental Assessment Response Teams (SMART), the Community Safety Partnership (CSP), and the Library Experience Office, created to engage with patrons in need of services (housing, mental health, primary care and substance abuse) and to train staff in enhanced customer service, de-escalation, and solutions to prevent serious incidents.

Looking ahead, the Proposed Budget address the growing concerns of the environment and climate change with a \$10.5M allocation to a newly created Climate Equity Fund and expands upon water recycling, green building and electric vehicle fleet and infrastructure. The Proposed Budget also allocates \$101.66M to Capital and Technology Infrastructure Projects, including municipal facilities maintenance and updates, seismic and bridge improvements, technology infrastructure, and pavement and sidewalk repair. The \$101.66M allocated to infrastructure equals 1.36 percent of General Fund revenue, which is \$10M short of the Financial Policies goal to allocate 1.5 percent of General Fund revenue for this purpose. For projects included under the Capital and Technology Improvement Expenditure Program (CTIEP), prioritization criteria includes health and safety risks, sustainability, and equitable community investment.

To continue to address the rising concerns of inequity throughout the City and in its own workforce, the Proposed Budget provides funding for the newly proposed Economic and Workforce Development Department's Office of Workplace Equity and Diversity, the expansion of Equity and Inclusion Staffing in the Fire Department, the Personnel Department's Office of Workplace Equity, and the Police Department's Diversity, Equity, and Inclusion Certificate Program.

As the City's economy continues to recover, current and future effects of the pandemic still exist. With total reserves below the Financial Policy goal of ten percent, the Mayor and Council must continue to act with caution. The full effect of inflation and interest rates, as well as the rising costs of goods and labor, are still unpredictable and in flux. Health and financial concerns of the pandemic combined with the uncertainty of further global impact from the war in the Ukraine, can easily alter the expected financial growth presented in the Proposed Budget. To provide City residents with relied-upon services and sufficient City staff for assistance, the need for maintaining strong reserves continues to be paramount.

## **Significant Issues**

### **Policy Considerations**

#### **Compliance with Financial Policies:**

City Financial Policies		Mayor's Proposed Budget
Reserve Fund	<p>The Reserve Fund shall be 5% of the General Fund Budget.</p> <p>Goal – The Cumulative General Reserves should be 10% of General Fund revenue.</p>	Partially Compliant: Proposes a Reserve Fund of \$465.9M which equates to a Reserve Fund rate of 6.25% of General Fund revenues. The proposed Cumulative General Fund Reserves equates to 8.8% General Fund revenues.
Capital & Infrastructure	To the extent possible, the City shall annually budget 1.5% of General Fund revenue to fund capital or infrastructure improvements.	Not Compliant: Provides 1.36% of General Fund revenue for capital and infrastructure projects (\$101.7M).
One-time Revenue	To the extent possible, current operations will be funded by current revenues. The use of unencumbered prior year balances in all funds shall be scrutinized and carefully limited to be used primarily for one-time expenditures. One-time revenues will only be used for one-time expenditures.	Compliant: \$247M in one-time revenue is programmed in 2022-23. According to the CAO Supporting Documents, one-time expenditures totaling \$387.1M are included in the 2022-23 Proposed Budget.
Pension & Retirement Funding	When the required contribution rate falls below the normal cost rate, the City will set aside the incremental rate amount for one-time expenditures only.	Not Applicable: A credit has not been earned; therefore funding is not set aside in accordance with this policy.
Budget Stabilization Policy	This fund is intended to prevent overspending during prosperous years and provide resources to help maintain service levels during lean years.	Compliant: \$184M is included in the 2022-23 Proposed Budget for the Budget Stabilization Fund (BSF). A transfer of \$64.3M is made into the BSF, as required by the policy.
Debt Policy	<p>This Policy guides the use of General Fund revenue to pay debt service. Debt should be used to finance essential capital assets with a useful life of six years or more. City operations, maintenance, or capital equipment with less than a six-year useful life should be funded with pay-as-you-go financing.</p> <p>The ratio of total debt service payments (including voter approved debt) shall not exceed 15% of General Fund revenues, and the ratio for non-voter approved debt, alone, shall not exceed 6%.</p>	Compliant: The 2022-23 Proposed Budget complies with this Policy, inasmuch as proposed debt will result in a total debt ratio of 4.74% and a non-voter approved debt ratio of 2.96%.

**City Reserves:** The City maintains its reserves in a number of funds, made up of the Reserve Fund (consisting of the Contingency Reserve and the Emergency Reserve), the Budget Stabilization Fund, and the Reserve for Mid-Year Adjustment account in the Unappropriated Balance. The chart below outlines the Proposed Budget's reserves, as compared to the actual allocations in the 2021-22 fiscal year:

Fund	FY 2021-22 Actual*	Mayor's Proposed 2022-23 Budget
<b>Reserve Fund</b>		
• <i>Contingency Reserve</i>	\$440.7M	\$260.8M
• <i>Emergency Reserve</i>	\$206.3M	\$205.2M
<b>RESERVE FUND TOTAL</b>	<b>\$647M</b>	<b>\$465.9M</b>
<i>Reserve Fund % of GF Revenues</i>	8.62%	6.25%
<b>Budget Stabilization Fund (BSF)</b>		
• BSF Deposit	\$0	\$64.3M
<b>BSF BALANCE</b>	<b>\$119.3M</b>	<b>\$184M</b>
<b>Unappropriated Balance (UB)</b>		
• <i>Reserve for Mid-Year Adjustments</i>	\$14.9M	\$10M
• <b>UB RESERVES TOTAL</b>	<b>\$14.9M</b>	<b>\$10M</b>
<b>TOTAL RESERVES</b>	<b>\$781.2M</b>	<b>\$659.9M</b>
<i>Total Reserves % of GF Revenue</i>	10.4%	8.8%

\*Numbers as of July 1, 2021

Pursuant to the BSF policy, the Proposed Budget includes a \$64.3M transfer to the BSF. The appropriation is required as the cumulative growth of the seven economically sensitive General Fund tax revenues is 8.79 percent, 5.19 percent above the 20-year average, requiring the City to make the maximum contribution of one-quarter of the value of these revenues above the average.

## **Revenues**

**Revenue Outlook:** Over the past two fiscal years, the COVID-19 pandemic and the regulations established to protect public health greatly disrupted individuals, businesses, and the overall economy. In 2020, unemployment within the City increased from 4.7 percent in February 2020, immediately prior to the establishment of public health restrictions, to 19.1 percent three months later. The March 2022 unemployment rate has returned to pre-pandemic levels at 4.9 percent, and the economy appears to be in a steady recovery. While the economy appears to have improved in some sectors, the pandemic's significant and immediate impact on the travel, entertainment, leisure, and hospitality sectors may result in a longer period of recovery. In 2021-22, tourism in the County dropped 48.5 percent from 2018-19 levels, and at this time, the County has recovered only half of the leisure and hospitality industry jobs.

Rising inflation and interest rates as well as global uncertainties increase the risk of a recession within the next year. Given the various unknowns in terms of future pandemic outbreaks or an economic downturn, revenue projections in the 2022-23 Proposed Budget are based on current receipt trends, departmental analyses, and industry forecasts.



**2021-22 Revised Receipts:** Revised General Fund revenue for 2021-22 is now estimated at \$7.63B, representing an increase of \$123.8M (1.7 percent) above the adopted revenue of \$7.5B. Fiscal Years 2020-21 and 2021-22 include the receipt of \$639.5M in one-time American Rescue Plan relief funds, and 2021-22 receipts include an \$85.1M transfer from the Reserve Fund.

The following receipts positively impacted the Revised General Fund revenue for 2021-22:

- \$75.8M increase in estimated documentary transfer tax receipts
- \$101.3M net increase in sales tax, parking occupancy, and transient occupancy receipts
- \$17.9M net increase in utility users tax
- \$7M increase in interest earnings receipts
- \$19.1M net increase in annual business tax renewal revenue
- \$13M increase to ambulance billing fee adjustments and transport activity
- \$11M in one-time net revenue from Superbowl LVI reimbursements, surplus property sales, salvage receipts, escheatments, and the returned balance of Ardon settlement monies

Due to the pandemic's lagging impact on annually collected receipts, the following receipts were revised downward:

- \$15M in special fund reimbursements from changes in cost allocation plan rates, vacancies, salary assumptions, and revenue
- \$9M in gas tax overhead reimbursements due to decreased gas tax receipts
- \$12M in proprietary departments and sidewalk repair program reimbursements
- \$11.5M decrease in parking citation revenue
- \$7M decrease in receipts from vehicle application and drive permits, parking meters and operations, and off-street parking
- \$32.1M decrease in grant revenue from delayed Federal Emergency Management Agency (FEMA) application processing and receipts budgeted in advance of anticipated reimbursement
- \$43M net decrease in all property revenues due to lower than anticipated growth in assessed values, as reported by the County Assessor

**2022-23 Proposed General Fund Revenue:** The Proposed Budget estimates General Fund revenue of \$7.46B, which represents a 2.2 percent decrease from the revised receipts, including one-time American Rescue Plan relief funds. Excluding these relief funds, this year's Proposed Budget revenue growth is 6.8 percent above the current year's revised receipts, indicating continued recovery of the City's revenue.

Growth in the City's seven major taxes in 2022-23 from the revised 2021-22 estimate is 5.3 percent, compared to an estimated increase of 10.8 percent in 2021-22 relative to the previous year, while departmental receipts are anticipated to grow by \$48M. The Office of Finance projects above-average growth from revenues in non-cannabis business activities, sales taxes, transient occupancy taxes and parking occupancy taxes, average

growth in revenue from gas and communication utility user taxes, and below-average growth in revenue from cannabis-related business activities, property taxes, documentary transfer taxes, and electric utility user taxes.

Property Based Revenue (\$2.5B): The Proposed Budget assumes a net increase of 4.6 percent from the current year, reflecting a 4.8 percent growth in total assessed value for 2022-23. It should be noted that this growth is subject to change as the County Assessor has not yet released their 2022 forecast. In future fiscal years, the Proposed Budget forecasts that property taxes will increase by 4.7 percent in 2023-24 to \$2.6B, then rise by 4.7 percent in the two subsequent fiscal years and by 4.8 percent in the following year to reach \$3B in 2026-27. The dissolution of Community Redevelopment Agencies (CRA) beginning in 2011 triggered the subsequent redistribution of former tax increment revenue to various taxing entities, including the City. The City began receiving additional property tax payments (former tax increment revenues) beginning in June 2012, and the Proposed Budget anticipates that the City will receive \$153.8M in former CRA funds in 2022-23.

Documentary Transfer Tax (\$298.5M): The Proposed Budget for 2022-23 anticipates an increase of \$71.5M over the 2021-22 Adopted Budget and a decrease of \$4.3M over revised receipts in recognition of current forecasts. Revenues are expected to increase by roughly \$10M in each of the next four fiscal years. Note that this is the most volatile of City revenues as changes (growth or decline) are most pronounced when sales and prices move together.

Transient Occupancy Tax (TOT) (\$263.2M): The Proposed Budget estimates an increase of \$33.5M in TOT revenues compared to the 2021-22 revised receipts. This reflects a return to pre-pandemic growth, although TOT receipts are not projected to exceed 2018-19 revenue until 2026-27. The Proposed Budget assumes a 14.6 percent increase from hotel receipts (\$28.6M) and short-term rentals (\$4.9M).

Business Tax (\$786.9M): For 2022-23, the Proposed Budget anticipates net business tax revenues will increase by seven percent from 2021-22. This increase is due to above-average growth in tax renewal revenue from non-cannabis business, reflecting the recovery from the COVID-19 pandemic. The Proposed Budget assumes higher than average growth in cannabis-related business tax revenue, as growth from cannabis receipts in 2021-22 has been negligible relative to the prior year. Future years project a return to average growth for non-cannabis activity and decreasing growth for cannabis related activity.

Sales Tax (\$704.8M): The Proposed Budget estimates that sales tax revenue for 2022-23 will increase by \$39.3M (5.9 percent) from the 2021-22 Revised Budget amount of \$665.4M. The Proposed Budget assumes higher growth in sales tax receipts reflecting the recovery from the COVID-19 pandemic and a nominal impact from increased inflation. Proposed receipts are 21.2 percent above the pre-pandemic revenue realized in 2018-19.

Power Revenue Transfer: The transfer from the Power Revenue Fund is set as a percentage of prior-year gross operating power revenue, not to exceed net income. The



2022-23 transfer will be subject to the approval of the Board of Water and Power Commissioners. The amount included in the 2022-23 Proposed Budget is \$229.7M, which is a \$4.7M increase from the 2021-22 transfer amount of \$225M.

Charter Amendment J requires the Department of Water and Power (DWP) to submit its preliminary budget for the upcoming fiscal year to the City Council by March 31, to allow Council to consider the impacts of the DWP budget on the City. The Board of Water and Power Commissioners considered the 2022-23 Preliminary Budget on March 8, 2022. DWP's Preliminary Budget was transmitted to the City Council on March 10, 2022.

## **Fee Adjustments and Other Related Issues**

**Fees:** The following fee adjustments are included in the 2022-23 Proposed Budget:

- **Fire:** Proposed fee increases for Emergency Medical Ambulance Transport, which is revised annually, are estimated to generate \$1.4M in revenue.
- **Bureau of Engineering:** As part of Exhibit H of the 2021-22 Budget, the City Attorney is working with the Bureau of Engineering to update its list of 18 proposed fees. The adjusted fee amounts reflect a seven percent increase and are estimated to generate \$0.3M. The ordinance is currently in progress.
- **Transportation (DOT):** In October 2021, the Council approved Al Fresco Dining Program fees to be charged by DOT to review applications and issue permits to restaurants requesting long-term private use of on-street space for dining. The ordinance is anticipated to be approved by the end of 2021-22, and the estimated revenue in 2022-23 is \$0.2M.

**Fees – Not Full Cost Recovery:** The CAO's Supporting Information identifies a total of six licenses, fees, and permits that are not full cost recovery in the following departments:

- Animal Services (4)
- City Planning (1)
- Board of Public Works (1)

**Special Fund Subsidies – Not Fully Reimbursed:** The Special Fund Subsidy Policy states that the goal for special funds is to fully reimburse the General Fund for all direct expenditures and related costs provided to support their programs. There are a few special funds that do not fully reimburse related costs based on current proposed reimbursements, including the following:

- Solid Waste Resources Revenue Fund (\$64.1M)
- Stormwater Pollution Abatement Fund (\$20.5M)
- Citywide Recycling Trust Fund (\$18.5M)
- Planning Case Processing Special Fund (\$19.7M)
- Special Gas Tax Improvement Fund (\$31.1M)
- Zoo Enterprise Fund (\$20.7M)
- Recreation and Parks (\$21.6M)

**Other Efficiencies and Reductions:** The Proposed Budget includes over \$24.5M in efficiencies and reductions. Most of the savings from efficiencies are generated through a reduction in Police Sworn Overtime (\$-6.0M), Police Sworn Hiring Adjustments (\$-3.0M), Fire One-Time Salary Reductions (\$-3.5M), Fire Expense Account Reductions (\$-3.0M), and One-Time Salary Reductions (\$-2.2M). Other efficiencies come from reductions in Transportation Expense Account Reductions (\$-1.5M), Expense Account reductions (\$-1.4M), Transportation One-Time Salary Reductions (\$-1.3M), Street Services One-Time Salary Reductions (\$-1.0M), and Police Civilian Hiring Adjustments (\$-1.0M).

## **Adjustments to Positions and New Initiatives**

**Partially Funded/Unfunded Positions:** The Mayor's Proposed Budget includes 743 partially funded and unfunded positions; 561 have partial funding, while the remaining 182 are authorized without funding. In prior years, new positions were provided nine-months funding because it is assumed that the positions cannot be filled immediately on July 1. Generally, the Proposed Budget provides nine-months funding for new special funded positions and six-months funding for new General Fund positions.

**Changes in Authorized Positions:** The 2022-23 Proposed Budget adds a net 830 regular authority positions and deletes 40 resolution authority positions. This includes 169 regular authorities added to the Department of Recreation and Parks, 105 regular authorities (civilian) to the Police Department, 100 regular authorities to the Bureau of Street Services, 98 regular authorities to the Fire Department (86 sworn, 12 civilian), and 79 regular authorities to the Personnel Department. Resolution authorities are typically provided for programs with a limited duration and are reviewed annually. A majority of resolution authorities removed in the 2022-23 Proposed Budget are in the Department of Recreation and Parks, the Fire Department, the Bureau of Street Services, and the Police Department. Most of these resolution authorities were converted to regular authorities.

**Deletion of Filled Positions:** The 2022-23 Proposed Budget recommends the deletion of filled positions. It is anticipated that incumbents in these positions will be absorbed into other departmental vacancies; therefore, no layoffs are anticipated in 2022-23. A total of 48 filled positions are proposed for deletion (18 are resolution authorities and 30 are regular authority), as follows:

- Building and Safety: two Senior Structural Engineers and one Executive Administrative Assistant II;
- City Administrative Officer: one Project Coordinator and one Principal Project Coordinator;
- City Clerk: one Management Analyst;
- City Planning: one Architect, one Principal City Planner, one Senior City Planner, one Systems Analyst, two City Planners, five City Planning Associates, and three Systems Analysts;
- Community Investment for Families: one Senior Project Coordinator;

- Ethics Commission: one Special Investigator II;
- Fire: two Administrative Clerks;
- General Services: one Management Analyst;
- Housing: one Systems Programmer I,
- Police: two Senior Management Analyst IIs and two Senior Project Coordinators;
- Board of Public Works: one Senior Management Analyst I;
- Bureau of Sanitation: one Electric Pumping Plant Operator and one Labor Supervisor; and
- Bureau of Street Services: one Light Equipment Operator, two Tree Surgeons, one Street Services General Superintendent I, one Accounting Clerk, one Senior Carpenter, three Cement Finishers, one Plumber, four Heavy Duty Truck Operators, and one Street Services Supervisor II

**Newly Funded Initiatives:** Funding (\$19.4M) for new initiatives is included in the Proposed Budget throughout several departments, as follows:

*Animal Services*

- Community Cat Program Administration (\$0.1M)

*Building and Safety*

- Expanded Zoning Review Program (\$0.7M)
- Unauthorized Cannabis Business Enforcement (\$0.5M)
- Delivery Services in Financial Services Division (\$0.01M)
- Safety Engineer (\$0.1M)

*City Administrative Officer*

- Van Nuys Parking Lot Plan (\$1M)

*City Attorney*

- Tenant Anti-Harassment Implementation Support (\$0.1M)

*City Clerk*

- Neighborhood Council Elections (\$1M)
- Data Management Services (\$0.05M)
- Support for Neighborhood Empowerment and El Pueblo (\$0.04M)

*City Planning*

- Housing Element Implementation (\$0.5M)

*Civil, Human Rights and Equity Department*

- Security Services (\$0.1M)

*Community Investment for Families*

- Child Care Support (\$0.1M)
- Ending Family Poverty (\$0.1M)
- Kids First Program (\$0.7M)
- Office of Immigrant Affairs (\$0.4M)
- Citywide Language Access Program (\$1M)
- Office of Community Wealth (\$0.1M)
- Cost Accounting and Allocation Staff (\$0.1M)

*Cultural Affairs*

- NoHo Summer Concerts (\$0.05M)
- Gift of Reading (\$0.1M)

*Economic and Workforce Development*

- Office of Workplace Equity and Diversity (\$0.1M)
- Good Food Zone Pilot (\$0.3M)

*Housing*

- Tenant Anti-Harassment Implementation (\$1.2M)
- SB 2 Permanent Local Housing Allocation Support (\$0.1M)

*Information Technology Agency*

- Carbon Black Endpoint Protection (\$0.5M)

*Library*

- Black History Month (\$0.03M)
- Self-Checkout Machines (\$0.2M)

*Neighborhood Empowerment*

- Neighborhood Council Elections (\$0.5M)
- Neighborhood Council Dispute Resolution (\$0.05M)

*Personnel*

- Women's Management Academy Training (\$0.03M)

*Police*

- After-Action Implementation Plan (\$7.3M)
- Department Climate Study (\$0.3M)
- Diversity, Equity, and Inclusion Certificate Program (\$0.01M)

*Bureau of Contract Administration*

- Public Way Reservation System Program (\$0.1M)

*Bureau of Engineering*

- Standard Specifications for Public Works Construction (\$0.3M)
- Federal Infrastructure Bill Bridge Program (\$0.4M)
- Decarbonization of Existing and New City Buildings (\$0.1M)
- Public Right of Way Reservation Active Management (\$0.1M)

*Bureau of Street Services*

- Asphalt Plant Maintenance Crew (\$0.5M)
- Public Way Reservation System (\$0.05M)
- Skid Row Hydration Station Maintenance (\$0.1M)
- Automated Public Toilets (\$0.6M)

*Transportation*

- Public Right of Way Reservation System (\$0.1M)

*Zoo*

- Zoo Overnight Programs (\$0.1M)

**Targeted Local Hire:** The Targeted Local Hire (TLH) Program seeks to target and recruit individuals from vulnerable populations and help provide an alternate pathway into civil service employment. The TLH Program utilizes a six-month on-the-job training period to train employees to perform at the level of the entry-level civil service



classification into which they will eventually transition. TLH candidates will serve in one of the following eleven civil-service probationary classifications before transitioning to a civil service classification: Administrative Clerk, Animal Care Technician, Animal License Canvasser, Custodian, Delivery Driver, Garage Attendant, Gardener Caretaker, Maintenance Laborer, Street Services Worker, Tree Surgeon Assistant, or Warehouse and Tool-Room Worker.

As of March 31, 2022, 1,253 employees have been hired through the TLH Program since its inception in February 2017, including 216 employees in the current fiscal year. The top-hiring departments are as follows:

- Airports (150)
- General Services (69)
- Personnel (64)
- Police (113)
- Sanitation (151)
- Street Services (96)
- Recreation and Parks (165)
- Transportation (65)

## **Expenditures**

**Liability Claims:** \$87.4M is proposed for Liability Claims in 2022-23, which is level funding from the 2021-22 Adopted Budget. Of this amount, \$80M is from the General Fund and approximately \$7.4M is from various Special Funds. The Proposed Budget also sets aside Reserve for Extraordinary Liability (\$20M) in the Unappropriated Balance should liabilities exceed the budgeted allocation.

**Southern California Gas Company Franchise / Climate Equity Fund:** On January 19, 2022, the Council adopted an ordinance granting a franchise to the Southern California Gas Company (SoCalGas) to allow SoCalGas to operate a natural gas system in the City. As part of this new franchise, the Proposed Budget anticipates an increase in Street Damage Restoration Fees and Franchise Payments, and a one-time payment of \$10.6M in Climate Equity Funds, which will be paid by SoCalGas by May 30, 2022. An ordinance is necessary to establish a new Environmental Justice/Climate Equity Fund for the deposit of the Climate Equity Funds from SoCalGas.

The Proposed Budget allocates the Climate Equity Funds as follows:

- Air Purifier Giveaway Program (\$1.2M): One-time funding to distribute air purifiers to households in neighborhoods with a disproportionate level of air pollution.
- Air Quality Monitoring at Oil Drilling Sites (\$1.25M): One-time funding to install air quality monitoring at all 17 drill sites in the City.
- Climate Vulnerability Assessment and Oil and Gas Record Compliance Clearinghouse (\$0.75M): One-time funding to identify sites for cooling centers based on need and to inventory oil and gas compliance.



- Heat Mitigation Home Improvement Rebates (\$2M): One-time funding for rebates to incentivize the installation of new insulation, cool roofs, and other heat mitigation home improvements in low-income areas with high heat index scores.
- LA's Building Jobs Pilot (\$5M): One-time funding to launch a pilot to conduct building retrofit upgrades to reduce greenhouse gas emissions in five community-serving buildings and provide worker training and placement for displaced workers.
- Grants Officer (\$0.3M): Two-years funding is provided for one position to support the Climate Emergency Mobilization Office and the Office of Petroleum and Natural Gas.

The SoCalGas franchise term ends in 2034, with an option for an eight-year renewal term. If the SoCalGas franchise is renewed in 2034, a second one-time payment of \$10.5M in Climate Equity Funds will be paid to the City in 2035.

**Homelessness:** The Proposed Budget provides \$1.2B for homelessness-related programs, which is a 45.1 percent increase from the 2021-22 Adopted Budget. This includes \$237.4M in General Fund and \$917.7M in Special Funds. It should be noted that the Proposed Budget consolidates various line items in the Los Angeles Homeless Services Authority (LAHSA) section from previous years into four categories: Los Angeles Continuum of Care Administration, Shelter and Housing Interventions, Street Strategies, and Annual Homeless Point-in-Time Count.

The Proposed Budget provides new funding for the following homelessness-related programs and services:

- Disability and Homeless Services Analyst and Homeless Services Coordinator (\$0.1M): Six-months funding is provided for one Management Analyst (\$0.05M) to provide support for the department's disability and homelessness initiatives. Funding is continued for one Community Program Assistant I (\$0.06M) to connect people with disabilities facing homelessness with the City's temporary housing sites. Funding was added in the interim in 2021-22 and is continued and increased in 2022-23.
- Tenant Anti-Harassment Implementation (\$1.2M): Funding is added for four positions in the Housing Department to support the implementation of the Tenant Anti-Harassment Ordinance. Funding is provided by the Rent Stabilization Trust Fund.
- Tenant Anti-Harassment Implementation Support (\$0.1M): Funding is provided for one Deputy City Attorney II to provide administrative support to the Housing Department on matters resulting from the rent stabilization ordinance.
- CARE/CARE+ Administrative Program Support (\$1.1M) and Expansion of Second Shift Team (\$0.4M): New funding is added to provide administrative support to CARE teams and to form an additional CARE+ team on a second shift.
- Bureau of Sanitation CARE Vehicles Purchase (\$18.8M): New funding is provided in MICLA to purchase vehicles to support the CARE programs.

- Livability Service Division Yard Improvements (\$1.8M): New funding is provided in MICLA for four regional Livability Service Division facility improvements.
- HHAP 2 (\$55.6M) and HHAP 3 (\$28.7M): The funds will be used to support COVID-19 Homeless Roadmap Operations, A Bridge Home operations, outreach, public health services, hygiene facilities, programs for youths experiencing homelessness, and other services. The City will apply for the third round of HHAP funds in 2022-23.
- State Homekey Program Grant, Round 2 (\$254.8M): Funding is provided for the acquisition, rehabilitation, and operating costs for Project Homekey. It will be used for projects totaling 928 units and will be administered by LAHD.
- State/Federal Grants and Other Local Funds (\$45M): Funding from the HOME Investment Partnerships Program Fund and Housing Opportunities for Persons with AIDS Fund and other funding sources to gap finance the development of Non-Prop HHH units.

The Proposed Budget continues or increases funding for the following homelessness-related programs and services:

- Shelter Operations (\$3.9M): Domestic Violence shelter funding and expansion of shelter operations are consolidated under one line item and provided to Community Investment for Families Department.
- Solid Ground Program (\$1.6M): Increased funding is provided for Solid Ground Homelessness Prevention Program to provide prevention services at 16 FamilySource Centers Citywide.
- Los Angeles Regional Initiative for Social Enterprise (LA:RISE) (\$3M): Funding is continued for LA:RISE which provides job development activities for homeless individuals. There was a one-time increase in 2021-22 (\$3.9M) for this program, which now returns to level funding from 2020-21.
- Proposition HHH Contracts (\$0.5M): Funding is increased by \$0.3M due to projected need for contractual services in 2022-23.
- Comprehensive Cleaning and Rapid Engagement Program (CARE/CARE+) (\$44.6M): Various CARE/CARE+ line items from the previous year are consolidated to create one CARE/CARE+ line item. Continued funding is provided for these teams to keep the City's sidewalks and public areas safe, clean, and sanitary for public use.
- CIRCLE: 24/7 Homelessness Crisis Response Pilot (\$8M): Increased funding is provided to this program to enhance the pilot program that provides a community-based response to nonviolent emergencies involving people experiencing homelessness.
- Additional Homeless Services (\$55M): Reduced funding (\$-25M) is provided on a one-time basis to fund gaps in City's efforts to address the homeless crisis.
- Proposition HHH: Continued funding is provided for Prop HHH permanent supportive housing program projected expenditures in 2022-23 (\$332.1M). Additional Prop HHH funding is provided for the acquisition of Project Homekey 2.0 properties (\$83M).

- Homeless Housing, Assistance and Prevention Program (HHAP) (\$7.2M): HHAP is a one-time State grant. The funding reflects remaining grant funds, which will be used for administrative costs and youth goals.
- American Rescue Plan (ARP) – Homekey 2.0 Permanent Supportive Housing (\$58M): Funding is provided for the Homekey Program for property acquisitions, closing costs, due diligence, property management, and rehabilitation of Project Homekey 2.0.
- Community Development Block Grant (\$11.8M) and Community Development Block Grant – COVID-19 (\$10.5M): Funding is provided for the Homekey Program for property acquisitions, closing costs, due diligence, property management, and rehabilitation of Project Homekey 2.0.
- Emergency Solutions Grants – COVID-19 (\$2.1M): Funding is provided to support rapid rehousing assistance, homelessness prevention, hygiene services, and shelter and housing interventions to address the impacts of COVID-19.

Significant changes in the Proposed Budget for homelessness funding provided to LAHSA are as follows:

- Project Roomkey Navigation Services (\$0.5M): New funding is provided for navigation services for Project Roomkey.
- Safe Parking (\$1.1M): Reduced funding (\$-1.1M) for Safe Parking Program.
- Access Center – Weingart (\$0.4M): New funding is provided for an Access Center to be operated by Weingart Foundation.
- Homeless Engagement Teams (HET): Three months of funding for HET (\$2.7M) and funding for HET – Operation Healthy Streets (\$0.3M) is provided in the LAHSA budget. HETs provide outreach and engagement, increase diversion opportunities for people experiencing homelessness, and expand collaborations with stakeholders. The remaining nine months of funding for HETs is in the UB (\$8.1M).

It should be noted that funding for Homeless Coordinator Resources (\$-0.3M), Resource Enhancement Services and Enforcement Team (\$-0.3M), and the Unified Homeless Response Center (\$-0.4M) are continued and included in the Police Department's base budget.

The following homelessness-related programs and services were not continued in the Proposed Budget as funding was provided on a one-time basis:

- Homeless Prevention and Eviction Defense (\$-10.1M): Funding was provided in the previous year on a one-time basis for support services to prevent families and individuals from eviction or becoming homeless.
- Los Angeles Accessory Dwelling Unit Accelerator (\$-2.6M): Funding was provided previous year on a one-time basis to pair housing insecure low-income older adults with homeowners willing to rent their ADUs.
- Affordable Housing (\$-20M): One-time funding was provided in the previous year by the American Rescue Plan – HOME Investment Partnerships Program Fund.

- ARP – Homeless Prevention and Eviction Defense (\$-19.9M): One-time funding was provided in the previous year by the American Rescue Plan – HOME Investment Partnerships Program Fund.
- Homeless Services (\$-60M): One-time funding was provided in the previous year by the American Rescue Plan – HOME Investment Partnerships Program Fund.

Additionally, it should be noted that the funding allocated for the Homekey 2.0 Permanent Supportive Housing (\$49.6M) is a Reserve Fund loan that was approved in 2021-22 to fund Homekey 2.0 sites. This loan is expected to be repaid upon receipt of FEMA reimbursement for HHAP and State COVID-19 Emergency Homeless Grant.

**Accessible Housing Program:** A total of \$212.4M is proposed in the Proposed Budget for the Accessible Housing Program, which includes a \$24.2M (10.2 percent) decrease from the 2021-22 budget. Relative to the class action lawsuit, *Independent Living Center of Southern California v. the City of Los Angeles, et al*, the Settlement Agreement, approved in 2016, requires the City to invest \$200M over ten years for Program implementation and the production of 4,000 accessible rental housing units. In 2019, the City entered into a Voluntary Compliance Agreement (VCA) with the U.S. Department of Housing and Urban Development to produce 4,031 accessible rental housing units within 10 years by retrofitting 3,100 existing units and financing new units. Funding in 2022-23 will produce 731 accessible units toward the City's 4,000 unit goal.

The Proposed Budget allocates \$26.4M from the General Fund, \$46.5M in Special Funds (Proposition HHH funds), and \$139.5M in funding from Other Funds (subsidies from other sources including low income housing tax credits, federal, state, and county funds) to satisfy the terms of the related Settlement Agreement.

The Proposed Budget includes funding to the Housing Department and the Office of the City Attorney for administrative costs to implement the requirements of the Settlement Agreement (\$9.9M), and funding in the Special Purpose Fund Appropriations for costs associated with retrofits and relocation assistance to tenants of occupied units (\$1.9M), system upgrades to meet data collection and reporting requirements (\$1.8M), and a Chief Architect (\$4M).

## **Proposed Policy and Ordinance Changes**

**Exhibit H – Required Ordinance Changes and Other Budgetary Actions:** Exhibit H outlines actions necessary to be taken by the Council and Mayor in order to implement the Proposed Budget. In past years, the Proposed Budget has also included instructions in Exhibit H and proposals on policy matters for which Council has already taken action, or that may require further refinement and discussion in a Council Policy Committee and full Council prior to endorsement.

Notable instructions in Exhibit H of the 2022-23 Proposed Budget include the following instructions and requests for Ordinance changes to implement the Proposed Budget:



- Authorize the issuance of an amount not-to-exceed \$2B in Tax and Revenue Anticipation Notes to address short-term cash flow needs and to make the full annual contribution payments to LACERS and Los Angeles Fire and Police Pensions Fund.
- Establish a new Environmental Justice/Climate Equity Fund for the receipt and use of Climate Equity Funds from the Southern California Gas Company Franchise. The funds would be used for mitigation measures in low-income neighborhoods or populations that suffer disproportionately from climate impacts.

Exhibit H also includes a number of instructions and requests to report on several issues, including: an evaluation of the cost and feasibility of extending the Mayfair and the Grand Project Roomkey sites through July 31, 2022 and August 1, 2022, respectively, a policy and cost allocation framework for making departments more accountable for employment related litigation payouts, a delineation of responsibilities between the Department of Neighborhood Empowerment and City Attorney's Office as it relates to resolving Neighborhood Council disputes, and a plan on the potential use of funding in the Unappropriated Balance for Graffiti Abatement, including metrics that describe the impact on service relative to Fiscal Year 2021-22 levels. Additionally, an instruction is included for the Housing Department to report on recommendations for appropriations from the Housing Impact Trust Fund for the following programs: 1) \$2M for an Accessory Dwelling Unit program that would provide funding for low income Angelenos to build or upgrade an accessory dwelling unit, and 2) \$5M to support the expansion of the existing Moderate-Income Purchase Assistance (MIPA) program which provides loans to first-time homebuyers.

## **State Issues**

**State Funding:** The State initiated its budgeting process for 2022-2023 with the release of the Governor's initial budget proposal in January 2022, which includes funding for housing and homelessness, mental health, COVID response, drought and wildfire response, and clean energy, among other priorities. The Governor signed the Early Action Package of five bills that includes an additional two weeks of supplemental paid sick leave, funding for increased COVID testing capacity, enhancement and expansion of vaccine programs, funding for healthcare related to COVID, and additional economic relief for small businesses, including additional funding for the Small Business COVID-19 Relief Grant Program.

The Governor's May Revise is expected to be released in mid-May. Legislators are proposing a number of significant funding allocations as well, including a climate package that could be relevant for cities. It should be noted that the State expects a significant surplus of revenues for 2022-2023, which is currently estimated at \$18 billion and growing. Due to the provisional nature of the proposed State budget for 2022-2023 at this time, staff will need to monitor developments in Sacramento and report to Council as new information becomes available.



## **Summary of Proposed Departmental and Other Changes**

### **Notable Proposed Changes to Departmental Budgets**

It should be noted that the below summaries highlight new programs and services, and the majority of priority programs and services from prior years are continued and further detailed in the Proposed Budget.

**Animal Services:** The Department of Animal Services' total budget is increased by \$1.2M from 2021-22 level to \$26.9M. The Proposed Budget continues funding and staffing for a variety of the Department's programs and services, including:

- Animal License Canvassing Program (\$0.2M): Funding and resolution authority for six positions are continued to conduct door-to-door canvassing and licensing enforcement.
- Animal Care Staffing Support (\$0.4M): Continues funding and adds regular authority for six positions to support shelter operations.

Notable changes proposed for the Department's budget include:

- Shelter Operations Support (\$0.2M): Six-months funding and resolution authority for six positions are added to provide administrative support for shelter operations.
- Community Cat Program Administration (\$0.1M): Six-months funding and resolution authority for two positions are added to administer the program.

**Building and Safety:** The Department of Building and Safety's total budget is increased by \$6.7M from 2021-22 levels to \$139.6M. Notable changes proposed for the Department's budget include:

- Metro Backroom Plan Check – SB 8 and SB 9 (\$0.1M): Nine-months funding and resolution authority for three positions are added to streamline the housing development application review process for zoning compliance, resulting from the passage of Senate Bills 8 and 9.
- Expanded Zoning Review Program (\$0.7M): Nine-months funding and resolution authority for ten positions are added to prepare zoning reviews for all incoming ministerial projects as part of the overall Zoning Review and Entitlement Review Program.
- Cannabis Business Case Management (\$0.3M): Continue funding and resolution authority for two positions to provide case management services for cannabis businesses in the City.
- Unauthorized Cannabis Business Enforcement (\$0.5M): One-time funding is added for enforcement services related to unauthorized cannabis businesses.
- Delivery Services in Financial Services Division (\$0.01M): Six-months funding and resolution authority for one position are added to provide dedicated delivery services to the Department's office locations throughout the City.
- Safety Engineer (\$0.1M): Six-months funding and resolution authority for one position are added to provide occupational safety and health programmatic support for Department inspectors and field personnel.

- Permit and Engineering Bureau Administrative Support (\$0.1M): Nine-months funding and resolution authority for one position are added to provide administrative and analytical support for the Permit and Engineering Bureau.

**Cannabis Regulation:** The Department of Cannabis Regulation's total budget is increased by \$2.3M from 2021-22 levels to \$7.6M. Funding is added for the following positions that were approved in 2021-22:

- Compliance Unit (\$0.6M): Resolution authority for five positions is continued to coordinate inspections and issue notices to correct, in order to ensure cannabis businesses comply with all relevant City regulations.
- Environmental and State Annual Licensing Compliance (\$0.7M): Resolution authority for seven positions is continued to facilitate the compliance of cannabis businesses with the California Environmental Quality Act and annual state licensing requirements.
- Finance, Operations, and Administrative Support (\$0.9M): Resolution authority for eight positions is continued to manage the Department's contracts and grants and provide administrative support services.
- Outreach Coordinator and Community Liaison (\$0.1M): Resolution authority for one position is continued to coordinate informational outreach to Social Equity Program applicants and public noticing requirements for cannabis businesses.
- Hearing Officers (\$0.1M): One-time funding is added for Hearing Officers for illegal cannabis enforcement.

**City Administrative Officer:** The Office of the City Administrative Officer's total budget is increased by \$4.7M from 2021-22 levels to \$22.6M. Notable changes proposed for the Department's budget include:

- Citywide Procurement Oversight Expansion (\$1.9M): The Proposed Budget transfers oversight of Citywide Procurement from the General Services Department (GSD) to the CAO. Three regular and five resolution authorities are transferred from GSD. Six-months funding and resolution authority for six positions are added to standardize and modernize Citywide procurement processes and expenditures, for a total of 14 positions for this function.
- Equity, Performance Management, and Innovation (\$1.7M): Funding and regular authority for 11 positions are added to incorporate a vision of equity in all City services, including budgeting and capital planning. These positions were approved during 2021-22. Funding and regular authority for one position are added, and is offset by a resolution authority for one position that is not continued.
- Van Nuys Parking Lot Plan (\$1M): One-time funding is added to conduct studies, outreach, and market analysis on the best use of the parking lots and potentially on a Request for Proposals for the development of the parking lots for the Van Nuys Parking Lot Plan.
- Administrative and Accounting Support (\$0.1M): Funding and regular authority for two positions are added to provide administrative and accounting support. These positions were approved during 2021-22.

- 2028 Olympic and Paralympic Games Planning (\$0.1M): Six-months funding and resolution authority for one position are added to provide overall support for the City's efforts to host the 2028 Olympic and Paralympic Games. This position will be reimbursed by LA28.
- Attorney Conflicts Panel Support (\$0.05M): Six-months funding and regular authority for one position are added to provide administrative, contractual, and financial oversight of the Attorney Conflicts Panel Program.

**City Attorney:** The Office of the City Attorney's total budget is increased by \$3.5M from 2021-22 levels to \$157.8M. The Proposed Budget provides continued funding and staffing for a variety of the Office's programs and services, including:

- Cannabis Enforcement and Regulation (\$1.7M): Funding and resolution authority for seven Deputy City Attorney II positions are continued to increase enforcement and prosecution against illegal cannabis businesses, as well as additional resolution authorities for four positions to support the Department of Cannabis Regulation.
- Citywide Nuisance Abatement Program (\$0.5M): Funding and resolution authority for three positions are continued to address criminal activity related to gangs, guns, and narcotics-related criminal activity on private property.
- Mental Competency Caseload Support (\$0.5M): Funding and resolution authority for four positions are continued to provide legal support for mental competency cases within the Mental Health Court of the Los Angeles Superior Court.
- Neighborhood Prosecutor Program Support (\$0.9M): Continued funding and regular authority for six positions are added to combat criminal activity by addressing the underlying issues of chronic offenders.
- Risk Management Division (\$0.9M): Funding and resolution authority for six positions is continued to address litigation against the City through the development of proactive risk management programs and corrective action procedures.
- Police Litigation Division (\$0.5M) and Expansion (\$0.3M): Funding and resolution authority for three positions are continued and six-months funding and resolution authority for three positions are added to support workload related to the enactment of state legislation and disclosure of records involving discharge of fire arm and use of force resulting in significant bodily injury or death by a peace officer.
- Employment Litigation Division Expansion (\$0.2M): Six-months funding and resolution authority for three positions are continued to provide support for employment litigation.

Notable changes proposed for the Office's budget include:

- Administrative Citation Enforcement Support (\$0.2M): Funding and resolution authority for two positions approved in 2021-22 are added to manage Administrative Citation Enforcement hearings, appeals, and related tasks associated with the SafePass LA Program.

- Employment Litigation Division Expansion (\$0.3M): Six-months funding and resolution authority for three positions are added to provide support for employment litigation.
- Bureau of Sanitation Legal Support Expansion (\$0.1M): Nine-months funding and resolution authority for one position are added to provide additional support for the Bureau of Sanitation's legal needs.
- 2028 Olympic and Paralympic Games Planning (\$0.1M): Nine-months funding and resolution authority for one position are added to provide legal support for the City's effort to host the 2028 Olympic and Paralympic Games and facilitate the various agreements that must be executed between the City and LA28 in advance of the Olympics.
- Tenant Anti-Harassment Implementation Support (\$0.1M): Six-months funding and resolution authority for one position are added to provide administrative support to the Housing Department on matters resulting from the rent stabilization ordinance.

**City Clerk:** The Office of the City Clerk's total budget is increased by \$0.6M from 2021-22 levels to \$16.4M. Funding is added for the following positions that were approved in 2021-22:

- Planning and Land Use Management Committee Support (\$0.1M): Resolution authority for one position is continued to support the Planning and Land Use Management Committee.
- Public Records Act Assistance (\$0.04M): Resolution authority for one position is continued to administer Public Records Act requests and the Public Comment Portal and oversee the general departmental email account.
- Neighborhood Council Funding Support (\$0.05M): Resolution authority for one position is continued to monitor, review, and validate Neighborhood Council expenditures.

Notable changes proposed for the Department's budget include:

- November 2022 Election – Departmental Expenses (\$2.3M): One-time funding is added to perform work related to the November 2022 General Election, including printing and mailing Voter Information Pamphlets for City measures and operating an election day call center.
- County Election Expenses – November 2022 General Election (\$10M): Funding is included in the Unappropriated Balance for the November 2022 General Election to be consolidated with the elections administered by the Los Angeles County Registrar-Recorder/County Clerk. Funding is based on an estimate of up to five ballot measures, three Citywide offices runoffs, and two City Council District offices runoffs.
- Neighborhood Council Elections (\$1M): One-time funding is added to conduct at-poll and vote-by-mail 2023 Neighborhood Council Board Member Elections. The Office of the City Clerk will administer the elections, and the Department of Neighborhood Empowerment will conduct outreach activities.

- Technical Research Services (\$0.07M): Funding is increased to provide assistance and technical expertise to perform property, business, and assessment data preparation and verification for five merchant-based Business Improvement Districts.
- Data Management Services (\$0.05M): Six-months funding and resolution authority for one position are added to develop an electronic repository for City records.
- Support for Neighborhood Empowerment and El Pueblo (\$0.04M): Six-months funding and resolution authority for one position are added to provide administrative support to the Department of Neighborhood Empowerment and El Pueblo.

**City Planning:** The Department of City Planning's total budget is increased by \$0.6M from 2021-22 levels to \$60.2M. Notable changes proposed for the Department's budget include:

- Oil Regulation (\$0.2M): Funding and resolution authority for one position are continued, and funding is added and resolution authority for two positions is continued to manage policy and case processing work associated with oil regulation and oil drilling programs.
- Oil Regulation Additional Support (\$0.2M): Six-months funding and resolution authority for four positions are added to provide case processing services related to oil regulation and oil drilling programs.
- Housing Element Implementation (\$0.5M): Six-months funding and resolution authority for nine positions are added for the implementation of the Housing Element.
- Wildlife Study and Rim of the Valley (\$0.4M): Funding and resolution authority for two positions are continued for the Wildlife Corridor Rim of the Valley Program. Funding is added and resolution authority for two positions is continued to complete the Wildlife Pilot Study.
- 710 Corridor – El Sereno Neighborhood (\$0.2M): Funding and resolution authority for two positions are continued to create a housing development plan along the 710 Freeway Corridor in the El Sereno neighborhood.
- East San Fernando Valley Transit Plans (\$0.3M): Funding and resolution authority for three positions are continued to develop a new Transit Oriented Communities Incentive Program plan for communities along the East San Fernando Valley light rail project.
- Entitlement Review Program (\$1.2M): Six-months funding and resolution authority for 10 positions are added, and funding and resolution authority for seven positions are added to review all incoming discretionary projects, route incoming projects through the Building and Safety zoning review function, and confirm required entitlements for a project and work with applicants to file necessary land use entitlement applications as part of the overall Zoning Review and Entitlement Review Program.
- Valley Projects (\$0.3M): Funding and resolution authority for three positions are continued to expedite processing services at the Valley Project Planning Division. Three vacant positions are not continued.



- Grants Management and Administrative Support (\$0.1M): Six-months funding and resolution authority for one position are added to oversee grant management, reporting, revenue, and staffing expenditures.

**Civil, Human Rights and Equity Department:** The Civil, Human Rights and Equity Department's total budget is increased by \$0.6M compared to 2021-22 to \$3.9M. Notable changes proposed for the Department's budget include:

- L.A. REPAIR (\$0.2M): Funding is added and resolution authority for two positions is continued to develop, administer, and implement the L.A. REPAIR participatory budgeting program. These positions were added in 2021-22.
- Administrative Support (\$0.1M): Six-months funding and resolution authority for one position are added to provide administrative support for the Department.
- Expanded Operations Team (\$0.1M): Six-months funding and resolution authority for one Community Affairs Advocate are added to assist with legislative tasks. One-time funding is added in the Salaries, as-needed account for Student Professional Workers to assist with legislative support and equity empowerment programming activities.
- Security Services (\$0.1M): One-time contractual services funding is added for security services at the Department's main office.

**Community Investment for Families Department:** The Community Investment for Families Department's total budget is increased by \$5.3M from 2021-22 levels to \$19.6M. Notable changes proposed for the Department's budget include:

- Citywide Language Access Program (\$1M): One-time funding is added for the language access program.
- Kids First Program (\$0.7M): One-time funding is added for contractual services to provide students and their families with basic needs assistance, mental health support, financial wellness, and educational support.
- Office of Immigrant Affairs (\$0.4M): Six-months funding and resolution authority for four positions are added to support the implementation of inclusive initiatives to advance immigrant integration.
- Office of Community Wealth (\$0.1M): Six-months funding and resolution authority for two positions are added to support the Office of Community Wealth.
- Ending Family Poverty (\$0.1M): Six-months funding and resolution authority for two positions are added to develop a strategic action plan to end family and childhood poverty by 2035.
- Capital Projects and Service Payback Program Support (\$0.1M): Six-months funding and resolution authority for two positions are added to support the Capital Projects and Service Repayment Program.
- Child Care Support (\$0.1M): Six-months funding and resolution for two positions are added to develop a Citywide strategy for providing child care resources and leverage other funding to support the expansion of current programs.



**Controller:** The Office of the City Controller's total budget is increased by \$1.9M from 2021-22 levels to \$21.4M. Notable changes proposed for the Department's budget include:

- Accounting and Disbursement of City Funds Support (\$0.04M): Six-months funding and resolution authority for one position are added to provide additional support for the Accounting and Disbursement of City Funds Division.
- Upgrade of the City's Financial Management System (\$0.8M): One-time funding is added to augment and optimize the upgrade of the City's Financial Management System.
- Human Resources and Payroll Project (\$0.6M): Funding and resolution authority for four positions are continued to support the Human Resources and Payroll System Project.
- Payroll System Project Support (\$0.2M): Funding and resolution authority for one position are continued to support the City's current payroll system (PaySR) while the City transitions to the replacement payroll system.
- Human Resources and Payroll Project Additional Support (\$0.3M): Six-months funding and resolution authority for four positions are added to support the Human Resources and Payroll System Project.

**Economic and Workforce Development Department:** The Economic and Workforce Development's total budget is decreased by \$0.7M from 2021-22 levels to \$23.2M. The Proposed Budget continues and provides new funding for various Departmental programs and services, including:

- Office of Workplace Equity and Diversity (\$0.07M): Six-months funding and resolution authority for two positions are added to staff the new Office of Workplace Equity and Diversity.
- Good Food Zone Pilot (\$0.3M): One-time funding is added for a pilot program to attract food-centered community economic development initiatives into food deserts in the Pacoima and Sylmar communities.

The Proposed Budget also continues funding and staffing for a variety of priority programs and services, including:

- Los Angeles Regional Initiative for Social Enterprise (LA:RISE) (\$3M): One-time funding is continued to provide employment to job seekers with a history of homelessness.
- YouthSource Centers, HireLA, and Cash for College (\$2M): Funding and resolution authority for 17 positions are continued to support youth workforce development services.
- Day Laborer Program (\$1.1M): One-time funding is continued to provide assistance to businesses and individuals seeking temporary day labor.
- Youth Employment Program (\$2.8M): Funding is provided in the General City Purposes budget for paid summer employment experience for youth between the ages of 14 and 21.

- Healthy Neighborhood Market Program (\$0.5M): Provides funding in the Unappropriated Balance to expand the program and build capacity of markets as successful healthy food retailers in food deserts.

**Finance:** The Office of Finance's total budget is increased by \$0.2M from 2021-22 levels to \$44.4M. Notable changes proposed for the Office's budget include:

- Assistant Director of Citywide and External Operations (\$0.1M): Six-months funding and resolution authority for one position are added to support the Department's efforts to restructure its internal operations.
- Citywide Revenue Management Division (\$0.3M): Six-months funding and resolution authority for six positions are added to support the establishment of a Citywide Revenue Management Division.
- Systems Division Reconfiguration (\$0.4M): Six-months funding and regular authority for eight positions are added to provide additional support and reconfigure the Department's Systems Division.
- Cannabis Audit Unit (\$0.4M): Funding and resolution authority for four positions are continued to perform annual audits of cannabis businesses.
- Secure Cash Acceptance Operation Expansion (\$0.1M): Continue funding and resolution authority for two positions to process licenses and business tax payments for cannabis businesses. These positions were approved in 2021-22.

**Fire Department:** The Proposed Budget provides \$781.6M in the Fire Department's operating budget, an increase of \$35.3M from the 2021-22 Adopted Budget. The Unappropriated Balance includes an additional \$0.9M for Cardiac Monitors, and \$3M for Mutual Aid Overtime. MICLA financing (\$26.6M) is also included for the purchase of a replacement helicopter, replacement fire vehicles and for Phase II of the Fire Voice Radio System Upgrade. Notable changes proposed to the Fire budget include:

- One-Time Salary Reduction (\$-3.5M): A one-time reduction to Salaries Sworn (\$-3M) and Salaries General (\$-0.5M) to reflect savings generated by positions filled in-lieu, maintaining vacancies and anticipated attrition.
- 2017 Staffing for Adequate Fire and Emergency Response (SAFER) Grant (\$3.8M): Funding is continued and regular authority is provided for 21 Firefighter IIIs to staff a Light Force at Fire Station 38 in Wilmington. The 2017 SAFER Grant previously funded a portion of these positions over a three-year term which expired on January 6, 2022.
- 2016 SAFER Grant (\$8.7M): Funding is continued and regular authority is provided for 48 Firefighter IIIs for the restoration of four engine companies (Lincoln Heights, Echo Park, Reseda and Mission Hills). These positions were previously funded by the 2016 SAFER Grant, which expired on January 21, 2021.
- Oil Well Inspection Unit (\$0.6M): Funding and regular authority is provided for three Fire Inspector Is and one Fire Captain I to staff the Oil Well Inspection Unit.
- Brush Unit Administrative Support (\$0.03M): Six-months funding and resolution authority for one Senior Administrative Clerk are added to address call loads and customer service needs for brush clearance appeals and contract support. This position will be reimbursed through brush removal fees.

- Advanced Provider Response Unit (\$1.6M): Funding and regular authority are provided for six Firefighter IIIs and six EMS Advanced Providers to staff six Advanced Provider Response Units throughout the City.
- Therapeutic Van Transport Pilot Program (\$2M): One-time funding is added in the Department's contractual services account for the implementation of the Therapeutic Van Transport Pilot Program.
- Firefighter Recruit Training (\$19.2M): Funding is allocated to train and hire 260 Firefighters in four new academy classes at the Valley Recruit Training Academy.
- Security Services for the Hotchkiss Training Center (\$0.1M): Funding is increased in the contractual services account for additional security services at this location.
- Self-Contained Breathing Apparatus Replacement (\$18M): Funding is included in the Unappropriated Balance for the purchase of Self-Contained Breathing Apparatus. This funding is a reappropriation of 2021-22 funds allocated for this purpose that have not been spent.
- Fleet Maintenance Staffing (\$0.1M): Nine-months funding and regular authority are added for one Machinist and one Truck Operator to support Fleet Maintenance by fabricating custom replacement parts and delivery of goods and supplies for emergency apparatus.
- Technology Support (\$0.1M): Funding and regular authority for one Programmer Analyst III and one Systems Programmer II approved during 2021-22 is provided.
- Additional Administrative Support (\$0.1M): Funding and resolution authority are continued for one Administrative Clerk and one Accounting Clerk that were funded during 2021-22. These positions support the Brush Clearance Unit and the Fire Prevention Bureau.
- Equity and Inclusion Staffing (\$0.7M): Nine-months funding and resolution authority are added for one Fire Battalion Chief, one Personnel Analyst and one Management Analyst and six-months funding for one Chief Special Investigator, one Fire assistant Chief and two Fire Captain IIs are added to mediate conflict, implement a strategic diversity and inclusion plan, and handle other diversity and inclusion efforts.
- Early Intervention Treatment Program (\$0.3M): Funding and resolution authority are added for one Fire Captain I for the Early Intervention Treatment Program - Injury Prevention Unit. One time funding is also added in the Contractual Services Account for a certified athletic trainer to develop corrective plans and methods to address and minimize workplace injuries.
- Fire Share of Unrestricted Revenue: Based on the Fire Department's budget allocation, the Department's share of unrestricted revenue will increase from 14.6 percent in 2021-22 (\$928M of \$6.3B) to 15.5 percent (\$967M of \$6.2B) in 2022-23. While the percentage does not appear significant, each one percent equates to approximately \$62M. Unrestricted revenues are General Fund receipts which may be used for any municipal purpose.

**General Services:** The Proposed Budget provides \$259.3M in the General Services Department's operating budget, an increase of \$5.9M from the 2021-22 Adopted Budget. A number of budgetary programs are continued from previous years and 43 positions that

were previously provided through resolution authority are regularized. Notable changes and increases to services proposed for the Department's budget include:

- Restoration of Services (\$2M): Funding in the Salaries Construction Projects, Salaries, As-Needed, Construction Materials and Petroleum Products accounts that was reduced in 2021-22 is restored.
- Increased Custodial Services (\$0.6M): Six-months funding and resolution authority are added for 21 Custodians and three Senior Custodian Is, as well as funding in the Overtime General and Uniform accounts is provided to increase services at City facilities.
- Custodial Services at Libraries (\$0.9M): Funding in the Contractual Services account is increased to provide additional day porter services to the Library Department. Funding is reimbursed by the Library Department.
- Parking Services and Sustainability Support (\$0.1M): Funding and one resolution authority are added to support the delivery of electric vehicle chargers and sustainability initiatives. This position was approved during 2021-22.
- Citywide Parking Support (\$0.4M): Funding and regular authority are added for six Parking Attendant Is, one Parking Attendant II, one Senior Parking Attendant II and one Accounting Clerk to support parking services at various City lots.
- Security and Facility Management Support (\$0.1M): Six-months funding and resolution authority are added for one Senior Management Analyst I to manage security-related facility improvement projects.
- Electric Vehicle Charger Infrastructure Support (\$0.2M): Funding is added and resolution authority is continued for two Equipment Specialist Is to facilitate the installation of Electric Vehicle chargers for the City's fleet. This position was approved in 2021-22.
- Fleet Maintenance for Additional Equipment (\$0.2M): Six-months funding and resolution authority for two Equipment Mechanics and one Heavy Duty Equipment Mechanic are added to support new vehicles and equipment added to the City's fleet.
- Bureau of Sanitation Fleet Support (\$0.2M): Six-months funding and resolution authority for two Equipment Mechanics and one Auto Body Builder/Repairer are added to support new vehicles and equipment added to the Sanitation fleet.
- Emergency Preparedness (\$0.04M): Six-months funding and resolution authority for one Senior Storekeeper are added to manage emergency stockpile items.
- Supervision and Warehouse Support (\$0.2M): Six-months funding and resolution authority for one Stores Supervisor, one Principal Storekeeper, one Senior Storekeeper and one Warehouse and Toolroom Worker I are added to manage inventory and workplace safety.
- Citywide Procurement Oversight Transfer (\$-0.4M): Funding and regular authority for one PRIMA Program Manager and two Management Analysts within the Office of Procurement are deleted, as the Procurement Oversight Function will be transferred to the City Administrative Officer on July 1, 2022.



**Housing Department:** The Housing Department's total budget is increased by \$3.3M from 2021-22 levels to \$80M. The Proposed Budget continues and provides new funding for various Departmental programs and services, including:

- Tenant Anti-Harassment Implementation (\$1.2M): Six-months funding (\$0.2M) and resolution for four positions are added to support the implementation of the Tenant Anti-Harassment Ordinance. One-time funding (\$0.5M) is added in the Contractual Services Account for a Citywide outreach campaign and a rent registry data and technology upgrade (\$0.5M).
- SB 2 Permanent Local Housing Allocation (PLHA) Support (\$0.1M): Nine-months funding and resolution authority for one position are added to oversee the SB 2 PLHA grant housing programs.
- Outreach Services (\$0.4M): One-time funding is continued for printing and binding of outreach and educational activities related to the Rent Stabilization Ordinance.
- Underwriting Support for the Proposition HHH Program (\$1.1M): Funding and resolution authority for nine positions are continued to support the development of affordable and permanent supportive housing.
- Accessible Housing Program Expansion (\$0.5M): Six-months funding and resolution authority for 10 positions are added to meet the deadlines associated with the Independent Living Center of Southern California Settlement Agreement and Voluntary Compliance Agreement with the U.S. Department of Housing and Urban Development.
- Accessory Dwelling Unit (ADU) Accelerator Program (\$0.1M): Funding is added and resolution authority for one position is continued to oversee the Accessory Dwelling Unit Accelerator Program. This position was approved in 2021-22.
- ADU and Homeownership Programming Support (\$0.06M): Six-months funding and resolution authority for one position are added to support ADUs and homeownership.
- Continuum of Care Administration (\$3.5M), Shelter and Housing Interventions (\$14.1M), and Street Strategies (\$13.4M): Funding is added in the General City Purposes budget for Los Angeles Homeless Services Authority (LAHSA) contracts to carry out services and programs for persons experiencing homelessness.

**Information Technology Agency:** The Information Technology Agency's total budget is decreased by \$17.1M from 2021-22 levels to \$98.8M. The Proposed Budget continues funding and staffing for various ongoing technology projects, including staffing to support the launch of the Human Resources and Payroll Project, staffing to support the 3-1-1 Call Center and development and support of various public safety software applications and communications equipment. Notable changes proposed for the Agency's budget include:

- Regional Alliance Marketplace for Procurement (\$0.5M): Funding is added for additional licenses for the expansions of the Los Angeles Regional Alliance Marketplace for Procurement (LARAMP), which replaced the City's Business Assistance Virtual Network.
- Network Obsolete Equipment Replacement (\$2.2M): One-time funding is added to replace obsolete routers and switches that are part of the network infrastructure that supports the operations of various City departments.



- Carbon Black Endpoint Protection (\$0.5M): Funding is added to fund licenses for the Carbon Black endpoint cyber security software.

**Library:** The Charter-mandated appropriation to the Library Department is increased by \$9.9M for a total allocation of \$227M in 2022-23. The Proposed Budget provides funding and staffing in the Library Department for a number of services, including:

- Library Books and Materials (\$1M): Funding is added in the Library Materials Account to purchase new library books and materials to meet the needs of the public and improve service to neighborhoods.
- Reimbursements for Sidewalk Repairs (\$2M): One-time funding is added to reimburse the actual costs for sidewalk repairs at libraries pursuant to the Settlement Agreement relative to the class action lawsuit, *Willits v. City of Los Angeles*.
- Engagement and Learning Services Staff Enhancement (\$0.2M): Nine-months funding and regular authority for three positions are added for increased coverage at literacy centers.
- Library Experience Office Staff Enhancement (\$0.6M): Nine-months funding and regular authority for 14 positions are added to engage patrons needing housing, mental health, primary care, and substance abuse services while encouraging safe behavior at libraries.
- Security Cameras and Badge Access (\$3M): One-time funding is added for security cameras, badge access, and equipment at all Library locations.
- Alterations and Improvements (\$1M): One-time funding is added to fund various alternations and improvement projects at branch libraries.
- Self-Checkout Machines (\$0.2M): One-time funding is added to purchase 10 machines at various locations.
- Information Technology Infrastructure Enhancement (\$3.4M): Funding is added to provide software, licenses, annual maintenance agreements, and expense items to maintain and upgrade the Library's technology infrastructure and ensure network security. Adds one-time funding in the Contractual Services Account for upgrades to data center and communications rooms at all Library locations.
- Direct Cost Contingency Fund (\$2M): One-time funding is added to the Various Special-Library Account as a contingency for direct costs that the Library may incur during the fiscal year.

Additionally, the Department will reimburse the General Fund a total of \$55.2M for pensions, health, and Medicare benefits.

**Neighborhood Empowerment:** The Department of Neighborhood Empowerment's total budget is increased by \$0.6M from 2021-22 levels to \$3.6M. Notable changes proposed for the Department's budget include:

- Neighborhood Council Elections (\$0.5M): One-time funding is added for the joint administration of the 2023 Neighborhood Council Board Member Elections with the Office of the City Clerk. The Department will conduct outreach activities and the Office of the City Clerk will administer the elections.

- Neighborhood Council Dispute Resolution (\$0.05M): Six-months funding and resolution authority for one Senior Management Analyst I are added to oversee investigations of conflicts, allegations of harassment, potential workplace violence, grievances, and other issues between Neighborhood Council board members and to coordinate action plans with existing City agencies to resolve disputes.

**Personnel:** The Personnel Department's total budget is increased by \$4M from 2021-22 levels to \$74M. The Proposed Budget continues and provides new funding for various Departmental programs and services, including:

- Expand Background Investigations (\$0.2M): Six-months funding and resolution authority for five positions are added to expand support of public safety background investigations.
- Additional Public Safety Recruitment (\$0.2M): One-time funding is added for additional public safety recruitment.
- Department of Water and Power (DWP) Classification support (\$0.2M): Funding and resolution authority for three positions are added to support the Classification Division. All costs will be reimbursed by DWP.
- Increased Testing Support (\$0.1M): Six-months funding and resolution authority for two positions are added to provide additional testing support.
- Third-Party Administrator Quality Control (\$0.1M): Adds funding and continues resolution authority for one Senior Workers' Compensation Analyst to provide quality control of workers' compensation claims for Police, Fire, City Attorney, and Personnel.
- Workers' Compensation Analysts (\$0.3M): Adds funding and continues resolution authority for three positions to support the Workers' Compensation Division.
- Women's Management Academy Training (\$0.03M): One-time funding is added to support the development of a City management curriculum and provide leadership development resources to a cohort of City employees.
- Human Resources and Payroll Project Enhanced Support (\$0.8M): Adds nine-months funding and continues resolution authority for 10 positions to enhance support for the HRP Project.
- Human Resources and Payroll Project Support (\$0.3M): Adds funding and continues resolution authority for three positions to support the HRP Project.

The Proposed Budget also continues funding and staffing for a variety of priority programs and services, including:

- Background Investigations (\$0.6M): Continues funding and adds regular authority for six positions to support public safety background investigations.
- Examining Support (\$0.6M): Continues funding and adds regular authority for nine positions to process candidate applications and Civil Service examinations.
- Anytime/Anywhere Testing (\$0.6M): Continues funding and adds regular authority for five positions to provide Anytime/Anywhere Testing.
- Employee Selection and Examining (\$0.8M): Continues funding and adds regular authority for 10 positions to process candidate applications and Civil Service examinations.

- Workplace Investigation Support (\$0.4M): Continues funding and resolution authority for three positions and continues one-time funding in the Office and Administrative Account for MyVoiceLA licensing costs.
- Human Resources and Payroll (HRP) Project (\$0.3M): Funding and resolution authority for two positions are continued for the implementation of the HRP system, and continue one-time funding for licensing costs of the Personnel Electronic Record Keeping System.

**Police Department:** The Proposed Budget provides \$1.9B in the Police Department's operating budget, an increase of \$149.3M from the 2021-22 Adopted Budget. MICLA financing (\$16.8M) is also included for the purchase of a replacement police helicopter and various non-patrol vehicles. Notable changes proposed to the Police budget include:

- Reduced Sworn Hiring (\$-29.1M): The Proposed Budget reduces funding in the Sworn Salaries Account to reflect savings from starting 2022-23 with 9,470 filled sworn positions versus 9,706 positions funded in the base budget.
- Sworn Hiring Plan (\$35.1M): The Proposed Budget includes funding in the Sworn Salaries Account to hire to a force of 9,735 officers. This funding consists of \$28.6M in Sworn Salaries and \$6.5M in various expenses.
- Accumulated Overtime (\$2M): Increased funding is provided to fund cost of living increases, higher payouts, and additional officers retiring.
- Sworn Overtime (\$36.5M): One-time funding is added for a variety of overtime expenses, including cost-of-living adjustments, increased court overtime, and the cash out of up to 200 hours of banked overtime.
- Restoration of One-Time Expense Funding (\$26.2M): Funding that was reduced on a one-time basis in 2021-22 in the following accounts is restored: Overtime Sworn (\$20.2M), Firearms Ammunition Other Device (\$0.1M), Uniforms (\$0.2M), and Transportation Equipment (\$5.7M).
- After-Action Implementation Plan (\$7.3M): Funding and resolution authority are provided for a number of positions in the Department to implement changes and policies recommended by the After-Action Reports drafted in response to the Department's actions during the George Floyd Protests in the summer of 2020. This includes:
  - Resolution authority and nine-months funding for one Management Analyst and one Police Officer II for the Diversity, Equity, and Inclusion Group;
  - Resolution authority and nine-months funding for one Police Officer II for the Public Engagement Unit;
  - Resolution authority and nine-months funding for one Police Sergeant I and 10 Police Officer IIs to establish a Mobile Field Force Less Lethal Cadre;
  - Resolution authority and nine-months funding for one Police Sergeant I and two Police Officer IIs to create a Hydra Training Cadre;
  - Resolution authority and nine-months funding for four Crime and Intelligence Analyst Is for the Community safety Operations Center;
  - \$0.2M in Overtime Sworn funding to provide field jail operations training;
  - \$3.4M in Overtime Sworn funding to provide an 8-hour Mobile Field Force training course;

- One time funding for less lethal ammunition to support the Less Lethal Cadres;
- Funding in the Office and Administrative account for 80 cell phones and subscriptions for Bureau Shadow Teams;
- \$0.1M in one-time funding for trauma and EMT kits and protective eye wear; and
- \$1.5M in contractual services funding for technology to track and analyze department resources.
- Grayshift GreyKey License (\$0.02M): Funding is provided for an annual software license that allows investigators to conduct court-approved analysis of locked cell phones.
- Specialized Investigations Staff Support (\$1.3M): Funding and regular authority are provided for 13 positions to support technical investigations, forensic science and security service operations.
- Technical Investigation Division Photography Unit (\$0.05M): Six-months funding and resolution authority are provided for one Photographer I to respond to and document crime scenes and traffic collisions.
- Specialized Investigation Position (\$0.07M): Six-months funding and resolution authority are provided for one Senior Forensic Print Specialist in the Technical Investigation Division.
- National Integrated Ballistic Information Network (\$0.2M): One-time funding is provided for the purchase of the BrassTrax instrument to analyze firearms and fired cartridge cases.
- Mental Evaluation Unit Expansion (\$0.6M): Six-months funding and resolution authority for 12 Police Officer IIs are provided to expand the Systemwide Mental Assessment Response Teams (SMART) deployed throughout the City.
- Replacement Helicopter: \$7.4M in MICLA financing is provided for the purchase of one Airbus H125 Helicopter to replace an aging patrol helicopter.
- Contract Security Guard Services (\$1M): One time funding is provided in the Contractual Services Account to fund increased costs for security guard services across the City.
- Metropolitan Transportation Authority (\$78.6M): The Proposed Budget continues funding and resolution authority for 125 positions in alignment with staffing levels approved by the MTA for the sixth year of a contract to provide policing for critical MTA infrastructure, bus and rail lines within the City. The costs associated with these services are offset by revenue received from MTA.
- Call Redirection to Ensure Suicide Safety (CRESS) (\$1M): Funding is included in the Department's Contractual Services Account to continue this program in partnership with the Didi Hirsch Suicide Prevention Center.
- Focused Sworn Recruitment (\$0.1M): Funding is provided for focused recruitment of African American, Asian/Pacific Islander and female police officer candidates.
- Less Lethal Recertification (\$0.4M): Funding is provided from the Supplemental Law Enforcement Services Fund for the recertification of 4,875 officers.
- Vehicle Replacement Program (\$3.4M): Funding in the Transportation Equipment Account is provided for the purchase of a minimum of 50 Black and White patrol

vehicles. This is in addition to funding in the base budget, which includes \$12.6M that will allow for the purchase of a minimum of 130 Black and White patrol vehicles, 43 Black and White Slick top vehicles and 30 motorcycles. MICLA financing (\$8.1M) is authorized for the replacement of two Specialized Utility, 97 Dual Purpose and 48 Undercover Vehicles. An additional \$1.3M in MICLA financing is included to replace one Total Containment Vehicle.

- Electric Vehicle Purchase and Lease Payments (\$4M): Funding is allocated for the lease of 103 electric vehicles for non-emergency use. Funding is also included for the lease turn-in purchase of 100 electric vehicles and the purchase of 10 new electric vehicles.
- Department Support Staff (\$0.3M): Six-months funding and resolution authority are added for three positions to support Department operations.
- Body-Worn Video Auto-Tagging (\$0.4M): One-time funding is provided for the implementation of an Auto-Tagging feature on the web application that hosts the Department's Body Worn Video Program.
- Emergency Command Control Communications Systems (\$0.1M): Six-months funding and resolution authority are added for one Senior Communications Engineer to support the Communications Engineering Section.
- Cellebrite Annual License (\$0.1M): Funding for an annual license for cellphone unlocking software is provided.
- Land Mobile Radio (LMR) Support (\$0.4M): One-time funding is added to implement a new 700/800MHz trunked radio system for the Department.
- Managed Mainframe Services (\$3.5M): Funding is transferred from the Information Technology Agency for managed services to transfer the Department's applications from the City's mainframe to an offsite location.
- Community Safety Partnership (\$0.7M): Six-months funding and resolution authority for five Police Officer IIs are added to create the Community Engagement Response Team to support the various Community Safety Partnership Teams.
- Community Assessment Survey (\$0.1M): One-time funding is allocated to conduct community assessment and public safety surveys necessary to convene a new Community Safety Partnership Team for Algin Sutton Park.
- Department Climate Study (\$0.3M): One-time funding is added to the Contractual Services Account to conduct an independent study that will evaluate existing personnel practices, current work environment, and internal operations to identify areas of improvement.
- Diversity, Equity, and Inclusion Certificate Program (\$0.01M): Funding is allocated for employees to attend the Diversity and Inclusion for Organizational Excellence Program.
- Police Share of Unrestricted Revenue: Based on the Police Department's budget allocation, the Department's share of unrestricted revenue will increase from 44.5 percent in 2021-22 (\$2.8B of \$6.3B) to 46.2 percent (\$2.9B of \$6.2B) in 2022-23. While the percentage does not appear significant, each one percent equates to approximately \$62M. Unrestricted revenues are General Fund receipts which may be used for any municipal purpose.



**Public Works Board:** The Board of Public Works' total budget is reduced by \$7.5M from 2021-22 levels to \$29.3M, due to the elimination of one-time expense funding in the 2021-22 Adopted Budget. Notable changes proposed for the Department's budget include:

- Clean and Green Program (\$1.9M): One-time funding is added to the Contractual Services Account to expand the Clean and Green Program under the Office of Community Beautification to increase clean-up work Citywide.
- Climate Emergency Mobilization Consulting Services (\$0.5M): One-time funding is added to the Contractual Services Account for the development of a climate emergency strategic plan.
- Tree Planting and Community Engagement (\$0.04M): Six-months funding and resolution authority are added for one Environmental Specialist I to support the City Forest Officer in tree planting and community engagement work.
- Climate Emergency Mobilization Office – Increased Support (\$0.1M): Six-months funding and resolution authority are added for one Senior Management Analyst I to administer grants and legislative requests for the Board's Climate Emergency Mobilization Office.
- PrimeGov Customization of Programming (\$0.1M): One-time funding is added to the Contractual Services Account for a contract with PrimeGov for the publishing of Board agendas and minutes, recording of votes, and hosting of audio and video files of public Board meetings.

**Public Works Contract Administration:** The Bureau of Contract Administration's total budget is increased by \$2.1M from 2021-22 levels to \$47.3M. Notable changes proposed for the Department's budget include:

- Wastewater Program (\$1M): Six-months funding and resolution authority are added for 11 positions to provide inspection and labor compliance services for sewer-related contracts.
- Additional Services to the Harbor Department (\$0.2M): Nine-months funding and resolution authority are added for two positions to provide inspection and labor compliance services for major projects at the Harbor Department.
- Additional Support to the Complete Streets Program (\$0.1M): Funding and resolution authority are added for one Senior Construction Inspector to provide inspection services for the Complete Streets Program.
- Office of Wage Standards – Investigation (\$0.1M): Six-months funding and resolution authority are added for one Senior Management Analyst I to provide case management and supervisory support in the Bureau's Office of Wage Standards.
- Transportation Grant Annual Work Program Supervision (\$0.1M): Six-months funding and resolution authority are added for one Principal Construction Inspector to provide inspection services for the Transportation Grant Annual Work Program.
- Public Way Reservation System (\$0.1M): Six-months funding and resolution authority are added for one Senior Construction Inspector to support the Public Way Reservation System.

- Interim Housing Inspection (\$0.1M): Six-months funding and resolution authority are added for two Construction Inspectors to provide inspection services at interim housing projects.

**Public Works Engineering:** The Bureau of Engineering's total budget is increased by \$5.1M from 2021-22 levels to \$110M. Notable changes proposed for the Department's budget include:

- Revocable Permits (\$0.1M): Six-months funding and resolution authority are added for one Civil Engineer to support an increase in permitting for telecommunication companies required for the installation of 600 above ground facilities.
- Housing Development Case Management (\$0.05M): Six-months funding and resolution authority are added for one Civil Engineering Associate II to provide case management services for housing development activities.
- Acceleration of Housing Development Permits (\$0.1M): Six-months funding and resolution authority are added for two Civil Engineering Associate IIs to streamline the permitting and approval process for housing developments and to create priority processing incentives for affordable housing developments.
- West LA Public Counter Services (\$0.1M): Nine-months funding and regular authority are added for one Civil Engineer to oversee the Public Counter and Permits Section for the West LA District Office.
- DWP U-Permit Processing (\$0.3M): Nine-months funding and resolution authority are added for three positions to expedite U-Permit applications submitted by DWP.
- Hydraulic Lab Research (\$0.1M): One-time funding is added to the Office and Administrative Account to replace lab test pumps at the Hydraulic Research Lab.
- Specialized Engineering Design (\$0.1M): Nine-months funding and resolution authority are added for one Engineering Designer I to develop and maintain computer aided drafting and design as-built templates and standards for the Emergency Sewer Rehabilitation Program.
- Engineering Support for Construction Management (\$0.2M): Nine-months funding and resolution authority are added for three Civil Engineering Associate IIs to provide construction management services on wastewater capital projects.
- Engineering Design Services (\$0.1M): Nine-months funding and resolution authority are added for one Civil Engineer to provide design engineering services on sewer rehabilitation projects.
- Safe Clean Water Implementation (\$0.2M): Nine-months funding and resolution authority are added for two positions to manage construction of Safe Clean Water municipal and regional projects.
- State Route 710 Mobility Improvement Projects (\$0.5M): Six-months funding (\$0.1M) and resolution authority are added for one Senior Civil Engineer to oversee and manage State Route 710 North Mobility Improvement Projects. The Proposed Budget also adds funding (\$0.4M) and continues resolution authority for three positions to perform development and design services for these projects.

- Affordable Housing and Sustainable Communities (AHSC) Grant Projects Support (\$0.4M): Six-months funding and resolution authority are added for six positions to provide design and survey activities for AHSC Grant projects.
- Standard Specifications for Public Works Construction (\$0.3M): One-time funding is added to hire a consultant to evaluate and compare the Standard Specifications for Public Works Construction used by the City against Caltrans' standard specifications in order to comply with federal regulations.
- Federal Infrastructure Bill Bridge Program (\$0.4M): Nine-months funding (\$0.1M) and resolution authority are added for one Civil Engineer to identify bridges in need of repair or replacement for federal grant opportunities, prepare grant applications, oversee consultants, and manage grant funds. The Proposed Budget also adds one-time funding (\$0.3M) to the Contractual Services Account for documentation and grant application support services.
- Recreation and Parks Project Implementation (\$0.1M): Six-months funding and resolution authority are added for one Architect to perform architectural design for Department of Recreation and Parks (RAP) projects. The Proposed Budget also adds resolution authority for two positions to provide additional engineering support for RAP projects, which will be funded through interim appropriations from RAP.
- Construction Support for Sixth Street PARC Project (\$0.1M): Six-months funding and resolution authority are added for two positions to provide construction management support for the Sixth Street Viaduct Park, Arts, and River Connectivity (PARC) Improvements Project.
- Decarbonization of Existing and New City Buildings (\$0.1M): Six-months funding and resolution authority are added for two positions to develop a plan to decarbonize City facilities and a tracking and reporting mechanism to monitor the City's progress.
- Financial Management and Data Analytics Program (\$0.1M): Six-months funding and resolution authority are added for one Deputy City Engineer I to oversee the Financial Management and Data Analytics Program.
- Public Right of Way Reservation Active Management (\$0.1M): Six-months funding and resolution authority are added for two positions to establish a pilot program to actively manage all street, lane, and sidewalk closures within certain pilot areas to coordinate construction work in the public right-of-way.

**Public Works Sanitation:** The Bureau of Sanitation's total budget is increased by \$42.9M from 2021-22 levels to \$388M. In addition to the continuation of the CARE/CARE+ Program positions added on an interim basis in 2021-22, notable changes proposed for the Department's budget include:

- Expense Funding (\$5M): One-time funding is restored.
- Measure W – Fund and Operations Support (\$0.4M): Nine-months funding and resolution authority for four positions are added to provide fund management, operations, and maintenance support of stormwater projects.

- Measure W – Safe, Clean Water Program Regional Projects (\$0.3M): Nine-months funding and resolution authority are added for four positions to support regional project development and coordination of stormwater projects.
- Low Impact Development Plan Check Services Expansion (\$0.4M): One-time funding is added to the Overtime General Account to address a backlog of low impact development plan checks.
- Water Recycling Expansion (\$1.1M): Nine-months funding and resolution authority for 14 positions are added to support water recycling activities within the Clean Water Program.
- Hyperion Resiliency (\$2.5M): Nine-months funding and resolution authority for 31 positions are added to improve resiliency at the Hyperion Water Reclamation Plant.
- Clean Water Support Services (\$0.2M): Nine-months funding and resolution authority for three positions are added to provide support to the Clean Water Program.
- Additional Staffing for Collections Program (\$0.5M): Six-months funding and resolution authority for 17 positions are added to shift existing work to a new classification in order to achieve hiring goals.
- Illegal Dumping and Bulky Item Pick-Up (\$1.6M): Nine-months funding and resolution authority for 26 positions are added to expand the Multi-Family Bulky Item collection program and to service unreported bulky items from high-density areas.
- CARE+ Second Shift Team (\$0.4M): Six-months funding and resolution authority for 11 positions are added to form an additional CARE+ team on a second shift.
- Climate Action Program Staff (\$0.1M): Six-months funding and resolution authority for two positions are added to prepare annual municipal and community-wide greenhouse gas inventories, develop a criteria air pollutant inventory, and support development of a climate budgeting pilot.
- Watershed Protection Support (\$0.1M): One-time funding is added to the Contractual Services and Office and Administrative Accounts for technical support and equipment.

**Public Works Street Lighting:** The Bureau of Street Lighting's total budget is increased by \$2.2M from 2021-22 levels to \$43.4M. Notable changes proposed for the Bureau's budget include:

- Electric Vehicle Charge Stations Project Enhancement (\$0.1M): Six-months funding and resolution authority are added for three positions to install and maintain electric vehicle charging stations on existing street light poles.
- Co-Location Small Cell Communication Support (\$0.1M): One-time funding is added to the Overtime General Account for the design and construction of co-location small cell sites. Funding will be reimbursed by telecommunication companies.
- Copper Wire Theft Replacement Program Enhancement (\$0.5M): Six-months funding (\$0.2M) and resolution authority are added for four positions to enhance the replacement of stolen copper wire from streetlights. One-time funding is also



added to the Overtime General (\$0.1M) and Operating Supplies (\$0.2M) Accounts to support this expansion of the program.

- Computer Systems Increased Support (\$0.05M): Six-months funding and resolution authority are added for one Systems Programmer I to evaluate and manage the Bureau's information technology and security policies.
- Office of Digital Inclusion Support (\$0.3M): Six-months funding (\$0.04M) and resolution authority are added for one Management Analyst to support new programs that expand broadband services to low-income communities. One-time funding (\$0.3M) is also added to the Contractual Services Account for this work.

The Proposed Budget also continues funding and staffing for a variety of priority programs and services, including:

- Accelerated High Voltage Conversion Program (\$1.9M): One-time funding is continued to support the High Voltage Conversion Program, which reduces energy consumption by streetlights and increases the safety of the circuits.
- Copper Wire Theft Replacement Program (\$4.7M): Funding (\$2.2M) and resolution authority are continued for 16 positions to replace copper wire stolen from streetlights and lighting facilities and to reinforce pull boxes. One-time funding is also continued in the Hiring Hall Salaries (\$0.3M), Hiring Hall Benefits (\$0.2M), Overtime General (\$0.6M), Contractual Services (\$0.2M) and Street Lighting Supplies (\$1.3M) Accounts.

**Public Works Street Services:** The Bureau of Street Services' total budget is increased by \$20.1M from 2021-22 levels to \$225.4M. Notable changes proposed for the Bureau's budget include:

- Restoration of One-Time Reductions (\$10.1M): Funding in the Overtime General, Contractual Services, Construction Expense, Operating Supplies and Uniforms accounts that were reduced on a one-time basis in 2021-22 is restored.
- Pavement Preservation Resources (\$6M): One-time funding is added to the Overtime General (\$0.7M), Contractual Services (\$0.4M), and Construction Expense (\$4.9M) Accounts to provide additional resources to the Pavement Preservation Program. These costs will be front-funded by the Special Gas Tax Improvement Fund and fully reimbursed by Metro.
- Asphalt Plant Maintenance Crew (\$0.5M): Nine-months funding (\$0.4M) and resolution authority is added for seven positions for one dedicated Asphalt Plant Maintenance Crew for Asphalt Plant One. One-time funding (\$0.1M) is also added for various expenses.
- Construction Capacity for Capital Projects: Resolution authority without funding is added for 46 positions for the construction of projects funded by outside sources, including grant funding.
- Public Way Reservation System (\$0.1M): Six-months funding and resolution authority are added for one Civil Engineering Associate II to implement a pilot program to actively manage all street, lane, and sidewalk closures within certain pilot areas to coordinate construction work in the public right-of-way.

- Skid Row Hydration Station Maintenance (\$0.1M): Six-months funding and resolution authority are added for one Plumber to maintain six hydration stations in the Skid Row area.
- Automated Public Toilets (\$0.6M): One-time funding is added to the Contractual Services Account for the operation and maintenance of the 14 automated public toilets located throughout the City.

The Proposed Budget also continues funding and staffing for a variety of priority programs and services, including:

- Failed Street Reconstruction (\$13.6M): Funding (\$2.3M) and resolution authority are continued for 27 positions and funding (\$0.1M) is added and resolution authority continued for one position to staff two Failed Streets Reconstruction crews. One-time funding is also continued for various accounts including the Overtime General (\$3.5M), Construction Expense (\$6M), Contractual Services (\$1.2M), and Operating Supplies (\$0.4M) Accounts.
- Citywide Sidewalk and Park Vending and Outreach (\$2.2M): Funding (\$1.7M) and resolution authority are continued for 18 positions to process and issue vending permits and enforce the City's Sidewalk and Park Vending Ordinance. One-time funding is continued in the Overtime General Account (\$0.1M) and for \$0.4M in various expenses. Partial funding is provided by the Sidewalk and Park Vending Trust Fund (\$0.2M).
- Risk and Liability Mitigation Program (\$1.2M): Funding (\$0.9M) and resolution authority are continued for 11 positions to perform spot repairs of streets, bike lanes, and sidewalks to mitigate known hazardous conditions. One-time funding is continued in the Overtime General (\$0.1M) Account and for \$0.3M in various expenses.

**Recreation and Parks:** The Department of Recreation and Park's total budget is increased by \$3.1M from 2021-22 levels to \$301.8M. Notable changes proposed for the Department's budget include:

- Salary Savings Rate Adjustment (\$-5.5M): The Department's salary savings rate is increased by five percent, from 0.5 percent to 5.5 percent to reflect anticipated levels of attrition and vacancies.
- One-Time Salary Reduction (\$-6M): Funding is reduced in the Salaries General Account on a one-time basis to reflect savings generated by positions filled in-lieu, maintaining vacancies, and anticipated attrition.
- New and Expanded Facilities (\$2.2M): Funding and regular authority for five positions are added to support various new and expanded facilities based on the scheduled opening dates.
- Summer Play LA - Summer Camp (\$3M): Funding is added to provide subsidized summer camp programs for 72 recreation centers, serving communities of low socioeconomic backgrounds, for nine weeks during the Los Angeles Unified School District summer break.

- Adaptive Program Expansion (\$0.1M): Six-months funding and resolution authority for three positions are added to expand adaptive programming and establish administrative support for Youth Sports Partnership Agreement with LA2028.
- Security Camera Maintenance and Repair (\$0.2M): Contractual funding is provided to perform quarterly maintenance and repair of the Department's security camera systems at 12 additional facilities.

Additionally, the Department will reimburse the General Fund a total of \$64.7M for pensions, health, and Medicare benefits. It should also be noted that the Capital and Technology Improvement Expenditure Program includes funding for various Recreation and Parks facilities.

**Transportation:** The Department of Transportation's total budget is reduced by \$2.5M compared to 2021-22 to \$202.4M. Notable changes proposed for the Department's budget include:

- Metro Annual Work Program – Transit Speed Improvements (\$0.4M): Nine-months funding and resolution authority for five positions are added to support work related to the Transit Speed Improvement Project as part of the Metro Annual Work Plan. Funding is provided by the Measure M Local Return Fund and the costs will be fully reimbursed by Metro.
- DWP Project Design and Construction Support (\$0.7M): Nine-months funding and resolution authority for eight positions are added to support the construction and design of DWP and infrastructure improvement projects. All costs will be fully reimbursed by DWP.

Additionally, the Proposed Budget includes increased services for the following:

- Nine-months funding (\$0.5M) and resolution authority for six positions to manage and inspect grant-funded capital projects.
- Nine-months funding (\$0.6M) and resolution authority for nine positions to provide support of parking facilities and meters.
- Nine-months funding (\$0.2M) and resolution authority for four positions to support the Failed Streets Reconstruction Program.
- Nine-months funding (\$0.1M) and resolution authority for one position to support the Public Right of Way Reservation System.

**Youth Development:** The Youth Development Department's total budget is increased by \$0.3M from 2021-22 levels to \$1.4M. The Proposed Budget continues and provides new funding for various Departmental programs and services, including:

- Management and Administration (\$0.3M): Continues funding and resolution authority for three positions to create a roadmap for long-term youth program planning, create standards for youth development programming, develop policies and procedures to hold City programs accountable for meeting standards and ensuring alignment with roadmap goals, and assist with the coordination of all youth programs run by all City departments.

- Program Support (\$0.4M): Continue funding and resolution authority for three positions to provide program support for the Department. Funding and resolution authority for one position are added to coordinate youth programs provided by City departments, assess the effectiveness of youth programs, and implement the Department's Strategic Plan.
- Administrative Support (\$0.1M): Six-months funding and resolution authority for one position and one-time contractual services funding are added for administrative and information technology support.
- Expansion of Services (\$0.4M): Six-months funding and resolution authority for two positions are added to support the implementation of core Youth Development Services.

**Zoo:** The Zoo Department's total budget is increased by \$2.8M from 2021-22 levels to \$27.7M. Notable changes and increases to services proposed for the Department's budget include:

- Flamingo Mingle Encounter (\$0.2M): One-time funding is added to restart this program at the Zoo.
- Animal General Care Support (\$0.5M): Funding and regular authority for seven positions are continued to support the Animal General Care Program.
- Animal Care Staffing (\$0.1M): Six-months funding and resolution authority for three positions are continued to provide support for the animal care division.
- Welfare Data Analyst (\$0.04M): Six-months funding and resolution authority for one Data Analyst I are added to create and maintain the animal welfare database. Funding is provided by the Zoo Enterprise Trust Fund.
- Zoo Overnight Programs (\$0.07M): Six-months funding and resolution authority for one Zoo Curator of Education I are added to staff the Zoo overnight programs. Funding is provided by the Zoo Enterprise Trust Fund.

## **Proposed Changes to Major Programs/Initiatives**

**Vision Zero Initiative:** The concept of the Vision Zero Initiative is to achieve the goal of zero traffic fatalities in the City by 2025, prioritizing safety over faster traffic flows when planning and reconstructing roads. The Proposed Budget appropriates \$38.6M across multiple City departments for activities that support the Vision Zero Initiative. The \$27M reduction in Vision Zero funding compared to the 2021-22 Adopted Budget is largely attributed to MICLA Funding (\$30M) for the Transportation Traffic Safety Signal Project, which has not yet been expended. The remaining Vision Zero Programs are largely continued at the same or higher levels. It should be noted that additional pedestrian safety funding is included in other programs.

**Street Improvement:** Funding (\$212M) is provided for street improvement programs to help maintain and improve 6,500 centerline miles (23,000 lane miles) of streets throughout the City. Funding is provided as follows:



Program	Adopted 2021-2022 Funding	Proposed 2022-23 Funding
Pavement Preservation	\$140,228,110	\$160,892,172
Failed Streets Reconstruction	\$24,894,086	\$24,437,124
Complete Streets	\$9,389,585	\$12,863,250
Pavement Preservation – Access Ramps	N/A	\$9,679,109
Bicycle Lane Repair and Maintenance	\$4,149,717	\$4,149,717
<b>Total</b>	<b>\$178,661,498</b>	<b>\$212,021,372</b>

**Sidewalk Repair Program:** On April 1, 2015, the City Council and the Mayor approved a Settlement Agreement in the class action lawsuit *Mark Willits, et al. v. the City of Los Angeles*. Court approval of this Settlement Agreement was finalized in spring 2017. This will be the sixth year of the compliance period established by the Settlement. The terms of the Settlement Agreement include an annual commitment by the City for 30 years to projects that improve sidewalk ADA access and remove barriers.

The Proposed Budget appropriates \$35.7M to the Sidewalk Repair Program, which includes \$17.8M from the General Fund; \$4.3M in Measure R Local Return Funds for the construction of access ramps; \$12M in SB 1 funding for contractual services and engineering consulting services; \$1.1M from the Sidewalk Repair Fund; and, \$0.5M from Proprietary Departments to fund repairs to sidewalks and pedestrian facilities adjacent to their properties. In compliance with the terms of the Settlement Agreement, the Proposed Budget includes at least \$7.1M for the Access Request Program and \$5M for curb ramp installation.

### **Proposed Changes to Major Funds**

**Sewer Construction and Maintenance Fund:** The Sewer Construction and Maintenance (SCM) Fund funds the Clean Water Program, which provides wastewater collection, treatment, reuse and disposal services for the City. The SCM is partially-funded through a Sewer Service Charge, which is paid by all properties using the City's sewer system.

The Proposed Budget for the SCM Fund is \$1.2B (a 7.2 percent increase from 2021-22) and includes \$354.9M in SCM Funds that are allocated to various departments, offices, and bureaus to cover the cost of Clean Water Program-related activities.

The Proposed Budget recognizes \$8.3M in revenue from recycled water sales to DWP due in part to the increased production of treated recycled water at the Donald C. Tillman Water Reclamation Plant and Hyperion Water Reclamation Plant.

The General Fund completed payments in 2021-22 to reimburse the SCM Fund for the over-payment of costs paid to the Bureaus of Sanitation, Contract Administration, and Engineering from 2015 to 2021.

The Proposed Budget for the SCM includes the Clean Water Capital and Technology Improvement Expenditure Program (\$369M) and the related capital labor and expense costs (\$120.2M). The Proposed Budget also includes the costs of operating and maintaining the Clean Water System (\$423M), the payment of debt service on Wastewater System Revenue Bonds (\$248.5M), a 45-day operating reserve (\$51.6M), and various expenses (\$7.2M).

**Solid Waste Resources Revenue Fund:** The Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee (Solid Waste Fee) is imposed on all single-family dwellings in the City and upon certain multiple-unit dwellings for which the City provides refuse collection services. All receipts from the Solid Waste Fee are deposited into the Solid Waste Resources Revenue Fund (SWRRF) and are used for all costs associated with the collection, disposal and recycling of solid waste. The Solid Waste Fee has not been adjusted since 2009 and fees are no longer at cost recovery and require a General Fund Subsidy (\$64.1M). The Bureau of Sanitation is working on a rate study to determine the fee level necessary to cover the cost of these services. The 2022-23 Proposed Budget for the SWRRF totals \$338.7M.

The Proposed Budget includes:

- Solid Waste Lifeline Program: The Proposed Budget provides \$6.3M in General City Purposes (GCP) funds to reimburse SWRRF for costs attributed to the Lifeline Rate Program.
- Solid Waste Fee Reimbursement: The Proposed Budget provides \$3.4M in the GCP to reimburse SWRRF for costs associated with refuse collection and disposal services for other City departments and special events.
- Solid Waste Tip Fees & Material Recovery Facilities (MRF) Fees: Solid waste tip fees (or landfill disposal fees) and MRF fees for residential collection will increase by \$22M to \$113M in 2022-23, which includes \$10.4M to process organics as required under SB 1383. This increase is also driven by global market conditions, which have increased the costs to process and market the City's recyclables.
- Departmental Appropriations: \$172.8M from the Fund is provided to various City departments, offices and bureaus for the cost of solid waste related activities.

**Stormwater Pollution Abatement Fund:** The Proposed Budget includes \$34.2M in the Stormwater Pollution Abatement (SPA) Fund.

The SPA charge is a fee imposed on all properties in the City based on stormwater runoff and pollutant loading associated with property size and land use. SPA funds are used to treat and abate stormwater per guidelines provided by the U.S. Environmental Protection Agency.

The State's Regional Water Quality Control Board, Los Angeles Region (Regional Board) regulates the treatment and abatement of stormwater through a National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Permit. The City's NPDES MS4 permit authorizes the City to discharge stormwater into U.S. waters. The SPA charge has not been adjusted since 1993. The existing SPA charge

of \$1.92 per month for a typical single-family home is insufficient to cover the costs of meeting NPDES MS4 Permit requirements. Since 2021-22, the City has used its SPA funds to support the City's flood control program, enforcement against illicit discharge activities, stormwater education, and non-capital expenses associated with maintaining its NPDES MS4 permit.

The Proposed Budget for the SPA Fund includes \$25.3M for various City departments, offices, and bureaus for the cost of stormwater related activities.

**Measure W Local Return Fund:** The Proposed Budget includes \$36.4M in the Los Angeles Region Safe, Clean Water Program (Measure W) Local Return Fund.

On November 6, 2018, Los Angeles County voters approved Measure W, a parcel tax of 2.5 cents per square foot of impermeable surface to support the costs of stormwater related projects and activities. Measure W can be used to fund Enhanced Watershed Management Plan projects and the operation and maintenance of completed water quality improvement projects.

Forty percent of Measure W revenues are allocated to municipalities in the same proportion as the amount of revenues collected within each municipality. The City is expected to receive \$32M for 2022-23 in October 2022. Funding for eight new positions in the Bureau of Sanitation are included for fund management, regional project development, and operations and maintenance support in addition to two new positions in the Bureau of Engineering and one new position in the Board of Public Works for program support.

The Proposed Budget for the Measure W Local Return Fund includes:

- CTIEP Physical Plant: \$15M in funding is provided for ten water quality and water supply projects in the CTIEP - Physical Plant Budget.
- Departmental Appropriations: \$7.8M is provided to various City departments, offices, and bureaus for the cost of stormwater related activities.
- Feasibility Studies: \$1.5M is provided for feasibility studies of water quality projects to be submitted for funding consideration as part of the Measure W Regional Call for Projects.
- Regional Project Development & Revolving Funds: \$0.2M for the initial development of regional water quality projects is included in the Proposed Budget to be used as a revolving fund for potential match or front-funding requirements for regional funding.

**Street Damage Restoration Fund:** The Street Damage Restoration Fund receives revenues from the Street Damage Restoration Fee (SDRF). The SDRF was established in 1998 to reimburse the City for damage to City streets caused by excavations or other work performed by entities required to obtain a permit to excavate in a public street. SDRF funds may be used for the maintenance, resurfacing, repair, and reconstruction of asphalt streets, and related staffing and support.



The Proposed Budget projects \$65M in revenue generated by the SDRF, which is a 25 percent increase from the estimated revenue in 2021-22 of \$52M. The projected revenue includes the implementation of the new natural gas pipeline franchise.

The Proposed Budget for the Street Damage Restoration Fund includes:

- Departmental Appropriations: \$50.2M from the Fund is provided to various City departments and bureaus for street maintenance, preservation, and repair related activities.
- Capital Improvement Expenditure Program (\$3.8M): Funds provided for six street projects and bicycle lane repair and maintenance.
- Cool Pavement/Sustainable Pavement Projects (\$4M).
- Failed Street Reconstruction (\$7.4M).
- Pavement Preservation – Access Ramps (\$9.7M).

**Proposition A Local Transit Assistance Fund:** The Proposed Budget appropriates \$297.7M, which represents a 0.51 percent increase from the 2021-22 Adopted Budget. Funding is increased for ongoing transit operations (\$181.6M). Consistent with the Transit Services Analysis (TSA) Study (C.F. 18-0244), the Proposition A Fund is experiencing some fiscal stress, which is reflected in a reduction of the projected reserve to \$5.8M in the Proposed Budget from \$65.6M in the 2021-22 Adopted Budget. Farebox revenue was projected at \$12M in the 2021-22 Adopted Budget, but due to the impact of the COVID-19 pandemic and policy discussions relative to providing free fare on transit, the Proposed Budget assumes current level farebox revenue of \$545,000. Funding (\$13.5M) is also provided to replace fleet vehicles for the Senior Cityride Program. The Proposed Budget also increases funding (\$8.6M) for the operation of door-to-door transit service for seniors and disabled individuals through the Department of Aging's Senior Multipurpose Centers.

**Measure M Local Return Fund:** In November 2016, the voters in Los Angeles County approved an additional one-half cent sales tax within Los Angeles County, with an increase to one percent on July 1, 2039, with revenue to be used for certain transportation improvements.

The Proposed Budget anticipates \$82.3M in Measure M funding for various continued programs and the following new or increased programs:

- CTIEP – Physical Plant (\$15.2M): Funding is increased for the design and construction of various street and transportation projects.
- Electrical Vehicle Charging Infrastructure (\$1M): New funding is provided for the installation of electric vehicle charging stations.
- Median Island Maintenance (\$2M): Increased funding is provided for the maintenance of median islands Citywide.
- Vision Zero Program Evaluation (\$0.5M): New funding is provided for an independent evaluation of the Vision Zero Program by the City Controller and/or the City Administrative Officer to identify current successes and areas for



improvement including opportunities for funding and prioritization strategies for future projects.

- Vision Zero Treatment Maintenance (\$1M): New funding is provided to support the maintenance and/or replacement of striping and pavement markings, signage, and damaged bollards along priority corridors and High Injury Network locations.

Funding was not continued to pave alleys across the City, however, \$1M remains unspent from 2021-22.

**Measure R Local Traffic Relief and Rail Expansion Fund:** The Proposed Budget appropriates \$71.8M, a 19.8 percent increase from the 2021-22 Adopted Budget. Funding is continued for various projects, and new funding is provided for four CTIEP – Physical Plant (\$4.7M) projects and contractual services (\$0.2M) to develop a methodology to prioritize programs, projects, and resources that enhance the ways women, girls, and gender minorities travel and corresponding equity metrics. The Proposed Budget provides five percent of the estimated Measure R local return revenue for bicycle projects within the City, consistent with Council policy.

**Local Transportation Fund:** Funds from one-fourth of one percent of the sales tax are allocated annually on a per capita basis to develop bicycle and pedestrian facilities. Local agencies may either draw down these funds or place them in reserve. Funds must be spent within the fiscal year in which they have been allocated.

The Proposed Budget includes total revenues of \$4.2M, which reflects an 18.1 percent decrease from the 2021-22 Revenue Estimate. The Proposed Budget allocates the funding to Bike Path Maintenance & Refurbishment (\$0.5M), the Bikeways Program (\$1M), the Open Streets Program (\$1M), the San Fernando Road Bike Path Phase 3 Metrolink Local Match (\$0.5M), and the Speed Hump Program (\$1.2M).

**Special Parking Revenue Fund:** The Proposed Budget provides a transfer to the Reserve Fund of \$30.4M, which is \$6.9M more than the annual base-level surplus of \$23.5M. The transfer in 2021-22 was \$8.5M. Subsequent years assume the base transfer amount of \$23.5M. Overtime funding (\$1M) is increased for maintenance of City-owned parking facilities and meters, which streamlines the administrative process and the need to transfer funds during the year.

### **California Motor Vehicle Fuel (Gasoline) Tax:**

Special Gas Tax Improvement Fund: Monies are received from the State's Excise Tax on the sale of gasoline and from federal reimbursements from the Surface Transportation Program - Local. These monies provide funding to various departments and to the Physical Plant for eligible activities and projects.

For 2022-23, the gas tax funds (\$115.8M) are provided across departments for a variety of projects and programs, as well as special purpose fund appropriations. This funding represents a 1.7 percent reduction from the 2021-22 Adopted Budget.

*Road Maintenance and Rehabilitation Program (RMRA) Special Fund:* In April 2017, the Legislature enacted Senate Bill (SB) 1, also known as the Road Repair and Accountability Act, which increases per gallon fuel excise taxes, diesel fuel sales taxes and vehicle registration fees, and provides inflationary adjustments to fuel tax rates in future years. Funds are provided to cities and counties to address basic road maintenance, rehabilitation and critical safety needs on the state highway system and the local street and road system.

The Proposed Budget includes \$100M in RMRA funds, which represents a 14.5 percent increase from the 2021-22 Adopted Budget. New funding is provided for Automatic Traffic Surveillance and Control System Maintenance (\$0.9M), and contractual services for sidewalk repair (\$8.7M) and engineering consulting services for sidewalk repair work (\$3.3M). Funding is also increased for CTIEP projects (\$58.5M), for the design and construction of various street projects, flood control projects, and safety-related lighting projects; and Complete Streets (\$9.4M) for the reconstruction of failed streets and Vision Zero safety improvements for the Avalon Boulevard.

### **Proposed Changes to Non-Departmental Budgets/Programs**

**Human Resources Benefits and Workers' Compensation Fund:** The Human Resources Benefits and Workers' Compensation Fund (HRB) provides for direct payments, exclusive of personnel and administrative costs, for various human resources benefits provided to City employees. The Proposed Budget increases the appropriation for HRB programs by \$31M to \$805.3M, which is a four percent increase from the 2021-22 Adopted Budget.

The Proposed Budget includes various assumptions with regard to healthcare costs, the number of employees hired, and costs associated with Workers' Compensation. For 2022-23, \$231.6M would be appropriated to Workers' Compensation. This represents a \$19.2M increase (or nine percent) from the 2021-22 Adopted Budget total of \$212.5M. In addition to Workers' Compensation, increased costs included in the Proposed Budget for the HRB Fund result from an anticipated increase of two percent in health benefits rates in the Civilian Benefits (\$1.7M), Fire Health and Welfare (\$1.8M), and Police Health and Welfare (\$2.3M) Programs. In addition, the Proposed Budget anticipates a \$5.3M increase in Contractual Services costs.

**General City Purposes (GCP):** The Proposed Budget decreases GCP funding for program and services by \$68.3M to \$265.3M (20.5 percent), from 2021-22 Adopted Budget levels. In 2021-22, the GCP included one-time American Rescue Plan (ARP) funded programs, which is the primary reason for the decrease in funding for the GCP in the Proposed Budget. Notable changes proposed for the GCP include:

- Medicare Contributions (\$61M): Funding is increased by \$4.4M to reflect an increase in gross wage earnings.

- Congregate Meals for Seniors (\$0.8M): Funding of \$0.8M will provide 86,005 meals in 2022-23.
- Council Community Projects (\$8.8M): One-time funding is increased to fund community programs in various Council Districts.
- Clean Streets – Related Costs (\$0.3M): Funding is decreased by \$8.1M from the 2021-22 Adopted Budget that provided one-time funding to address reimbursement shortfalls in 2018-19 and 2019-20. Reimbursements for 2022-23 are included in the Bureau of Sanitation budget.
- Justice Fund (\$2M): Continued funding is provided for the Justice Fund for non-profit legal representation for undocumented, low-income individuals and families facing removal proceedings.
- Angelino Connect (\$0.3M): One-time funding is provided for vendor costs associated with establishing a mobile platform and debit card that allows City residents without a bank account to receive financial assistance, connect with City services, and access free financial literary information.
- CIRCLE: 24/7 Homelessness Crisis Response Pilot (\$8M): Funding is increased for a 24 hours per day, seven days per week, community-based response to non-violent emergencies involving people experiencing homelessness.
- Unified Homeless Response Center Data Project (\$0.6M): One-time funding is provided for an integrated platform to collect homelessness and encampment data.
- Youth Employment Program (\$2.8M): The Program provides paid summer employment experience to youth between ages 14 and 21. The 2021-22 Budget provided additional funding to double the number of participants. The 2022-23 funding will support service levels of prior years.
- Los Angeles Continuum of Care (CoC) Administration (\$3.5M): The Los Angeles Homeless Services Authority (LAHSA) is the lead agency for the Los Angeles CoC, a planning body that coordinates housing and services funding for homeless families and individuals. In prior fiscal years the administration of CoC-related programs was included in the GCP Homeless Shelter Program.
- Shelter and Housing Interventions (\$14.1M): LAHSA provides a variety of shelter and housing intervention services, including case management, counseling, and housing placement to participants. The programs were included in the GCP Homeless Shelter Program item in prior fiscal years.
- Street Strategies (\$13.4M): The City's street-based homelessness strategies are focused on conducting outreach, expanding hygiene, sanitation, and storage options for people living on the streets. This category consolidates City programs that were in the GCP Operation Healthy Streets and the Homeless Shelter Program in prior fiscal years. Partial funding for Homeless Engagement Teams (\$8.1M) are set aside in the Unappropriated Balance.
- Gang Reduction and Youth Development (GRYD) Office (\$35.1M): Funding is increased by \$11.9M from the prior fiscal year to restore one-time reductions and for expanded services.
- Global LA (\$0.5M): One-time funding is provided to attract international businesses to the City to create jobs and economic opportunities, with focus on underserved communities of color.

- Additional Homeless Services (\$55M): The 2021-22 Budget included one-time funding for homelessness services to fund gaps in the City's effort to address the homeless crisis. The 2022-23 Proposed Budget continues one-time funding at a reduced level.
- Climate Equity Fund Programs (\$10.5M): One-time funding is provided to support Citywide climate mitigation projects resulting from the implementation of the Southern California Gas Franchise.
- Summer Night Lights (SNL) (\$6.4M): The SNL program provides extended recreational, cultural, educational, and resource-based programming on designated days. An increase of \$2.4M from the prior year is provided on a one-time basis for anticipated increase in services.
- Young Ambassadors Program (\$0.2M): One-time funding is provided to expand the horizons of College Promise students.

One-time funding provided in 2021-22 is not continued for the following programs: Neighborhood Service Enhancements, LACERS/LAFPP audits, TransLatin@Coalition, Racial Equity Baseline Study, Marketing for Tourism and Hospitality, COVID-19 Memorial, LA Optimized, Los Angeles Accessory Dwelling Unit Accelerator, Business Attraction Plan for Olympics, Reparations Commission, Homeless Prevention and Eviction Defense, COVID-19 Emergency Response, Alternative Dispatch: Suicide Prevention Pilot; Harbor Jail Telehealth Portal, City Plants, Expansion of Local Composting Sites, and Zero Waste Transition Microgrants for Small Restaurants.

**Unappropriated Balance:** The Unappropriated Balance (UB) includes funds identified for specific purposes, including contingencies for accounts that may experience shortages to start-up funding for projects or programs that would need funding during the fiscal year, but are not fully developed at the time the budget is adopted. The 2022-23 Proposed Budget includes \$261.6M in the UB, which is a \$270M decrease relative to the 2021-22 Adopted Budget allocation of \$531.5M.

The 2022-23 Proposed Budget sets aside funding in the UB for various projects, including the following:

- Animal Sterilization Trust Fund (\$0.5M): Funding is set aside as a contingency for the Animal Services Department to provide funding for the Community Cat Program.
- California False Claims Act Settlement (\$4.3M): Funding is set aside from the \$10.5M settlement proceeds the City will receive from litigation matters related to wireless services (C.F. 22-0107) to pay settlement approved expenditures.
- Cardiac Monitors (\$0.9M): Funding is set aside for the purchase of replacement cardiac monitors for the Fire Department.
- County Election Expenses – November 2022 (\$10M): Funding is set aside for the November 2022 General Municipal Election. The funding is based on an estimate of up to five ballot measures, three Citywide offices runoffs, and two City Council District offices runoffs.



- Department Payroll Reconciliation (\$93M): Funding is set aside to reconcile department salary accounts during the fiscal year to account for non-pensionable adjustments, against revised employment levels and salary savings.
- Equipment, Expenses, and Alterations & Improvements (\$7.2M): Funding is set aside as a contingency to address necessary account adjustments.
- Fair Work Week (\$2M): Funding is set aside for costs to enforce the Fair Work Week Ordinance.
- FMS Training (\$1M): Funding is set aside for a Citywide training program on the Financial Management System. The upgraded system is expected to be deployed during 2022-23.
- Graffiti Abatement Strike Teams (\$1.7M): Funding is set aside for the Board of Public Works to contract graffiti abatement using strike teams. These funds are separate from the \$11.5M budgeted for graffiti abatement in the Board of Public Works budget.
- Ground Emergency Medical Transport QAF Program (\$6.7M): Funding is set aside for the quarterly payments and related contractual services costs.
- Healthy Neighborhood Market Program (\$0.5M): Funding is set aside for the Economic and Workforce Development Department to expand the Healthy Neighborhood Market Program that builds the capacity of neighborhood market owners, managers, and staff to grow their business in low-income communities.
- Horse Evacuation Trailers (\$0.2M): Funding is set aside for the Emergency Management Department to purchase trailers to be used for evacuating horses during an emergency.
- LAHSA Homeless Engagement Teams (\$8.1M): Funding is set aside for nine-months of funding for Homeless Engagement Teams (HETs) for outreach to unsheltered homeless individuals. The GCP Homeless Strategies Account includes the remaining three-months of funding for HETs (\$2.7M).
- Low Rise Development Planning and Design (\$0.5M): Funding is set aside for the development of low-rise design templates, code amendments, environmental analysis, construction methods, standard plans, promotion, outreach, and design guidelines for Accessory Dwelling Unit duplex, triplex, fourplex, and bungalow court residential development.
- Minimum Wage Outreach (\$0.2M): Funding is set aside for the Bureau of Contract Administration for outreach relative to the Minimum Wage Ordinance.
- Mutual Aid Overtime (\$3M): Funding is set aside for sworn overtime for the Fire Department for fire and disaster response needs outside of City boundaries.
- MyLA311 Replacement (\$1M): Funding is set aside for the Information Technology Agency to upgrade the MyLA311 to a cloud-based system. Additional funding (\$0.6M) is set aside in the Telecommunications and Public, Educational, and Government Development fund.
- Office of Public Accountability (\$1M): Funding is set aside for special studies, rate reviews, and administrative expenses. The Department of Water and Power will reimburse the City for these costs.
- Opioid Settlement (\$3.3M): Funding is set aside to use opioid settlement funds for eligible purposes.

- Outside Counsel including Workers' Compensation (\$1.5M): Funding is set aside for the City Attorney to retain outside counsel to assist in litigation and transactional matters. This funding is separate from the \$4.3M budgeted for law firms on the Attorney Conflicts Panel managed by the Office of the City Administrative Officer.
- Repayment for Allocation of FEMA Reimbursement (\$79.3M): Funding is set aside to repay the Reserve Fund and various other sources that provided front-funding or loans for pandemic-related projects.
- Reserve for Extraordinary Liability (\$20M): Funding is set aside as a reserve for liability payouts resulting from judgments or settlements.
- Reserve for Mid-Year Adjustments (\$10M): Funding is set aside to address shortfalls that may arise during 2022-23.
- Revenue Collections Software Support and Technology (\$0.7M): Funding is set aside for the Office of Finance to implement a new collections software and to complete the LATAX cloud migration that began in 2021-22.
- Social Equity Program (\$3M): Funding is set aside for the Department of Cannabis Regulation to support the Cannabis Social Equity Program.
- Tree Planting (\$2M): Funding is set aside for the Bureau of Street Services to plant and water additional trees in low canopy, low-income neighborhoods.

**Affordable Housing Trust Fund:** Established in 2000, the City's Affordable Housing Trust Fund (AHTF) finances the acquisition, rehabilitation, and construction of affordable housing throughout the City. The AHTF has historically been funded with various sources, including the Consolidated Plan's allocation of HOME and CDBG funds, redevelopment funds, and other state and federal resources.

\$33M in HOME and CDBG funds were allocated to the AHTF in the 2021-22 Consolidated Plan (PY 47). The 2022-23 Consolidated Plan (PY 48), which is pending approval, includes a total of \$40.9M in HOME and CDBG funds for the AHTF.

**Capital Finance Administration Fund:** The Capital Finance Administration Fund includes \$256.1M for the debt service cost for outstanding debt issuances to date. This amount is \$4.2M (1.7 percent) more than 2021-22 levels. In anticipation of the potential annual debt service payments associated with the Los Angeles Convention Center Expansion Project, \$34.1M is set aside in 2022-23.

**Capital and Technology Improvement Expenditure Program:** Existing policy recommends that the City annually budget 1.5 percent of General Fund revenue to fund capital or infrastructure improvements. For 2022-23, the General Fund revenues are projected to be \$7.5B, resulting in a 1.5 percent target totaling \$111.9M. The 2022-23 Proposed Budget provides \$53.2M from the General Fund for various municipal facilities projects in the Capital and Technology Improvement Expenditure Program (CTIEP). An additional \$17.9M in General Fund appropriations is provided for sidewalk repairs and \$30.5M for the Pavement Preservation Program. The total General Fund amount allocated for capital and infrastructure improvements is \$101.6M or 1.36 percent, which is below the 1.5 percent threshold as recommended by existing policy for the CTIEP.

Clean Water CTIEP: \$369M in CTIEP funding is included for Clean Water projects. The CTIEP is funded entirely from Clean Water System revenues, including the Sewer Service Charge (SSC) that gives a portion of the revenues to CTIEP. Current major capital projects include: construction of various collection system projects (\$94.8M); development of an Advanced Wastewater Purification Facility at the Donald C. Tillman Water Reclamation Plant in order to supply advanced treated recycled water to the Hansen Spreading Grounds (\$53.8M); and development of an Advanced Wastewater Purification Facility at the Hyperion Water Reclamation Plant (\$21.2M).

Municipal Facilities CTIEP: The total 2022-23 program cost for municipal facilities capital improvements is \$139.3M, consisting of \$27.3M in General Fund appropriations, \$3.1M in special fund appropriations, and \$108.9M in Municipal Improvement Corporation of Los Angeles (MICLA) for various projects.

Ongoing municipal facilities capital projects include: critical infrastructure repairs and improvements to address maintenance, health and safety issues (e.g., roof repair, lead paint removal, fire/life-safety system upgrades, etc.); maintenance of systems critical to support the operation of facilities operated by the Fire Department, Police Department, and Animal Services Department; capital repair and removal program for Underground Fuel Storage Tank, along with funding for remediation of contaminated soil and other hazard mitigations for City-owned facilities; the capital repair programs for the Figueroa Plaza Buildings, Public Works Building, Van Nuys Civic Center, El Pueblo, Zoo and Public Safety Facilities operated by the Department of Cultural Affairs.

In addition, the Proposed Budget provides funding for the following projects:

- Social Equity Investments – Funding to support the implementation of social equity objectives within disadvantaged communities of low opportunity
  - Engine Company 23 Junior Arts Center (\$3.3M)
  - Slauson Connect (\$3.5M)
  - Hollywood Recreation Center Phase II (\$1.1M)
  - North Hollywood Park Redesign (\$1.5M)
  - Reseda Roller Skating Rink and Ice Skating Facility (\$1.5M)
  - Whitsett Sports Field Restroom Upgrades (\$0.4M)
  - Sheldon Arleta Phase III C – Baseball Field and Picnic Area (\$1.1M)
  - Slauson and Wall Concrete Removal (\$2.6M)
  - Southeast Yard Demolition and Reconstruction (\$1M)
  - Sun Valley Youth Arts Center Studio Patio Conversion (\$0.5M)
  - Valley Plaza Park Pool Repairs (\$0.3M)
  - Van Nuys Ruth Bader Ginsburg Monument (\$0.1M)
  - Venice Public Parking Structure (\$11.6M)
  - Verdugo Hills Pool and Bathhouse Rehabilitation (\$1.3M)
  - Vision Theatre Equipment (\$0.7M)
  - Zoo Exhibit Shade Structure (\$0.7M)
  - Zoo Vision Plan Phase I (\$2M)

- Green Investment – Funding to support climate goals within Citywide and regional programs
  - Electric Vehicle Charger Infrastructure programs (\$5.1M)
  - Contaminated Soil Remediation and Underground Fuel Storage Tank Replacement programs (\$1.5M)
  - Asphalt Plant projects (\$8.9M)
  - Reseda Park Triangle (\$0.5M), Slauson and Wall Concrete Removal (\$2.6M), Sheldon Arleta (\$1.1M), Pio Pico Library (\$0.7M), and Taylor Yard G2 River Park projects (\$3.5M)
  - Municipal Building Energy and Water Management and Conservation program (\$2.5M)
- Childcare Facilities – Funding for renovation of childcare facilities to support childhood development programs, work opportunities for families, and encourage economic development at the local level
  - Algin Sutton Child Care Center (\$1.2M)
  - Glassell Park Child Care Center (\$1.2M)
  - Mason Child Care Center (\$1.1M)
- Homeless Support – Funding for development of regional Livability Services Divisions (Arlington, Donald C. Tillman, Harbor, and Slauson) to support regional deployment of Sanitation services to address the needs of the homeless population (\$1.8M)
- Public Safety Facilities Projects
  - Fire Department Operations Valley Bureau - Fire Station No. 39 Improvements (\$0.3M)
  - Fire Station No. 4 Remediation(\$1M)
  - North Central Animal Shelter Kennel Renovation (\$1.5M)
  - West Valley Police Station Infrastructure Improvements (\$1M)
- Space Optimization – Increased funding to develop required work space to support City operations, using City-owned space to avoid incurring ongoing cost of leased space (\$4.5M)

The Park and Recreational Sites and Facilities Fund will provide \$3.1M to complete various capital improvement projects at Department of Recreation and Parks facilities that have already been approved and are under construction with priority given to fund shortfalls for Proposition K projects.

Physical Plant CTIEP: The Proposed Budget includes \$117.8M in CTIEP funding for Physical Plant Projects. The Physical Plant CTIEP includes stormwater, street-related improvement, and street lighting projects. The Proposed Budget includes four flood control projects and ten water quality projects required by the Clean Water Act under the City Enhanced Watershed Management Program Funds, totaling \$21.7M from the Measure W Local Return Fund (\$15M) and the Road Maintenance and Rehabilitation Program Special (SB 1) Fund (\$6.7M). The street-related improvement projects total \$90.7M from the General Fund (\$18.9M), Special Gas Tax Improvement Fund (\$1.4M), SB 1 Fund (\$47.3M), Measure M Local Return Fund (\$14.6M), Street Damage Restoration Fee Fund (\$3.8M), and the Measure R Local Return Fund (\$4.7M). The street



lighting projects, including lighting at pedestrian crosswalks as part of the Vision Zero pedestrian safety program, totaling \$5.4M from the General Fund (\$0.4M), SB 1 Fund (\$4.4M), and the Measure M Local Return Fund (\$0.6M).

**Technology CTIEP:** On May 3, 2020, the City Council and Mayor adopted a revision to the City's Financial Policies, which added technology infrastructure as a component of the CTIEP, formerly known as the CIEP. The total 2022-23 program cost for technology projects is \$16M, consisting of \$6.7M in General Fund appropriations, \$4.2M in special fund appropriations, and \$5.2M in Municipal Improvement Corporation of Los Angeles (MICLA) funding for various projects. The Technology CTIEP includes technology infrastructure and major technology systems projects. The Proposed Budget includes the following technology projects: replacement of the Department of Building and Safety's Code Enforcement Inspection System (\$3.6M); upgrades to the Fire Department's radio system and replacement of all of the dispatch consoles at the primary and backup dispatch centers (\$4M); and replacement of obsolete network routers and switches that are part of the network infrastructure that provides internet access and supports the operations of various City departments (\$2.2M).

**MICLA Debt Issue:** The Capital Finance Administration Fund provides \$256.1M for debt service cost for outstanding issuances to date.

The Proposed Budget includes: \$87.3M in MICLA Capital Equipment financing for various items, including:

- Bureau of Sanitation Comprehensive Cleaning and Rapid Engagement (CARE) Vehicles Purchase (\$18.8M)
- Fire Department (Fire) Helicopter Replacement (\$2.6M)
- Fire Vehicle Replacement (\$20M)
- Police Helicopter Replacement (\$7.4M)
- Police Vehicle Replacement (\$9.4M)

The Proposed Budget also includes \$87.1M in debt financing for various capital improvements for several municipal facilities, including:

- Asphalt Plant I – Annex Site Improvements (\$8.6M)
- Citywide Infrastructure Improvements (\$0.7M)
- Electric Vehicle Charger Infrastructure (\$2.1M)
- Fuel Management System Upgrade Phase II (\$1.3M)
- Lankershim Art Center Improvements and Habitability Repairs (\$4M)
- Municipal Building Energy and Water Management and Conservation (\$0.9M)
- Reseda Roller Skating Rink and Ice Skating Facility (\$1.5M)
- Studio City Recreation Center – New Gymnasium (\$3.4M)
- Taylor Yard G2 River Park (\$3M)
- Venice Public Parking Structure (\$11.6M)
- Zoo Vision Plan Phase I (\$1.3M)

Additionally, debt financing is proposed for several projects at the Los Angeles Convention Center totaling \$21.8M.

**Tax and Revenue Anticipation Notes (TRANS):** The 2022-23 Proposed Budget includes funding totaling \$1.3B to pay debt service on TRANS issued to fund the City's annual required contributions to LACERS (\$647M, including interest) and Pensions (\$683.8M, including interest). In addition, \$13.5M in funding is included to pay interest on \$550M in temporary cash flow borrowing requested by the Controller to meet short-term cash flow needs occurring early in the fiscal year when certain revenues have not yet been received. The net savings to the City for early payment to the pension systems through the issuance of TRANS is approximately \$6.5M.

**Fire and Police Pension Fund (LAFPP):** The City's 2022-23 contribution to LAFPP is \$667.4M, a decrease of \$54.6M from the 2021-22 Adopted Budget contribution. The contribution rate, as a percentage of salary, is 41.84 percent compared to 45.89 percent in 2021-22. The reduction in contribution reflects a higher than expected rate of return, lower than expected Cost of Living Adjustment increases for retirees and beneficiaries, loss layers from June 2006 valuation being fully amortized, and lower health premium and subsidies. This decrease was partially offset by higher than expected salary increases for active members and amortizing the prior year's unfunded actuarial accrued liability over a smaller than expected payroll.

The Proposed Budget anticipates paying the entire LAFPP contribution in July 2022 through the issuance of tax and revenue anticipation notes. As a result, the pension fund is expected to gain additional interest earnings on the payment, which would reduce the required City contribution by approximately 3.16 percent. The LAFPP system's funded ratio, using actuarial value of assets, increased from 88.6 percent to 92.5 percent.

In 2020, the Board of Commissioners for LACERS and LAFPP adopted economic and demographic assumption changes to reduce the assumed investment rate of return from 7.25 percent to 7.00 percent. The 2021-22 investments return of zero percent reflects lower than anticipated returns based on unaudited returns to date.

**Los Angeles City Employees' Retirement System (LACERS):** The City's total 2022-23 contribution to LACERS is \$763.9M, a \$33.3M increase from the 2021-22 Adopted Budget contribution. This total includes \$128.9M in payments from Los Angeles World Airports (\$92.5M), Harbor (\$29M), LACERS (\$6.4M) and LAFPP (\$4.5M). The City's General Fund portion of the total amount to be paid to LACERS in 2022-23 is \$631.5M, a net \$30M General Fund increase over the 2021-22 required contribution. The City's increased contribution from 2021-22 is due to higher contribution rates and a larger City budgeted payroll, which are partially offset with a one-time true-up credit of \$66M to the General Fund based on actual covered payroll for the prior year.

The Proposed Budget anticipates paying the entire General Fund portion of the contribution in July 2022 through the use of tax and revenue anticipation notes, which will generate a 3.12 percent discount to the City (\$21.9M). Expressed as a percentage of the

City's budgeted payroll, the Tier 1 contribution rate has increased from 32.81 percent in 2021-22 to 33.93 percent in 2022-23; Tier 3 contribution as a percentage of salary has been increased from 30.16 percent to 31.35 percent. These rates include the enhanced benefit cost for Airport Peace Officers who remained in LACERS, which is borne exclusively by the Department of Airports. The final contribution obligation for all other agencies has been adjusted accordingly to apply the full cost to the Department of Airports.

In 2020, the Board of Commissioners for LACERS and LAFPP adopted economic and demographic assumption changes to reduce the assumed investment rate of return from 7.25 percent to 7.00 percent. The 2021-22 investments return of zero percent reflects lower than anticipated returns based on unaudited returns to date.

**City Ethics Commission – Matching Campaign Funds Trust Fund:** The Proposed Budget appropriates \$3.7M to the City Ethics Commission Public Matching Campaign Fund. The amount is a \$0.2M (5.9 percent) increase from 2021-22. The Proposed 2022-23 appropriation, combined with the projected cash balance from 2021-22, would provide a total fund balance of \$21.9M, which is more than the minimum required by Charter Section 471(c)(1). The Charter requires an annual appropriation of \$2M (1991 dollars) per fiscal year adjusted by the Consumer Price Index (CPI) (Los Angeles - Riverside - Orange County metropolitan area), unless special circumstances are met.