

Council File No. 24-0600

**Budget, Finance and Innovation Committee Discussing
the Mayor's Proposed Budget for 2024-25**

Your Budget, Finance and Innovation Committee reports as follows:

Your COMMITTEE UNANIMOUSLY RECOMMENDS that the City Council APPROVE the following recommendations from your Budget, Finance and Innovation Committee, which are submitted as changes to the Mayor's 2024-25 Proposed Budget, for adoption of the City's 2024-25 Budget.

Summary of the Mayor's Proposed Budget

The Mayor's Proposed Budget for 2024-25 totals \$12.8B, which is a \$0.26B (1.99 percent) decrease from the 2023-24 Adopted Budget. General Fund revenues for 2024-25 are projected to be \$7.99B, an increase of \$82.9M (one percent) from the 2023-24 Adopted Budget. The Proposed Budget projects slow tax revenue growth amid high inflation and significant increases in City expenses, including those resulting from new labor contracts, but includes a \$24.8M transfer to the Reserve Fund to meet five percent of the General Fund revenue and comply with the City's financial policies.

The Chief Legislative Analyst's (CLA) Overview of the Mayor's 2024-25 Proposed Budget reports the Mayor balances the General Fund budget as follows:

2023-24 Budgeted Revenue	\$7,903.34M
2024-25 Revenue Estimate	<u>\$7,986.26M</u>
Total Revenue Change	\$82.9M

2024-25 Expenditures to Maintain 2023-24 Service Levels

- **Obligatory Expenditure Changes (\$77.49M)**
- **Continuation of Existing Services (\$226.2M)**

Total Amount Available to Maintain Existing Services.....-\$220.76M

- **2024-25 Increased and New Services (\$34.87M)**
 - Animal Services - Animal Care Staffing Expansion (\$0.94M)
 - City Attorney - Department of Water and Power – Regulatory Compliance (\$0.51M)
 - City Attorney - Los Angeles World Airports Support (\$0.22M)
 - City Clerk - Neighborhood Council Elections (\$0.92M)
 - City Clerk - Small Department Support (\$0.15M)
 - Fire - CUPA Program Petroleum Refinery Safety (\$0.17M)
 - Finance - Productivity Tools (\$0.24M)
 - Personnel - Increased DWP Classification Support (\$0.35M)
 - Personnel - Increased DWP Examination Support (\$0.92M)
 - PW/Engineering - Additional Support for Airport Infrastructure Review (\$0.26M)
 - PW/Engineering - Construction Management for AHSC Grant Funded Projects (\$0.59M)
 - PW/Sanitation - Brownfields Program Support (\$0.20M)

- PW/Sanitation - My LA311 Replatform (\$0.53M)
- PW - Street Services - Asset Management and Advanced Planning Support (\$2.05M)
- Other Special Purpose Funds - Transfer to the Reserve Fund (\$24.85M)
- Other Increased and New Services (\$1.97M)

- **Efficiencies of Services in the Proposed 2024-25 Budget (-\$255.63M)**

- Various Departments - Elimination of Vacant Regular Authorities (-\$55.19M)
- Various Departments - Salary Savings Rate Increases (-\$7.12M)
- Various Departments - One-Time Salary Reductions (-\$5.74M)
- Police Department - Civilian Deployment Adjustment (-\$20.63M)
- Police Department - Sworn Deployment Adjustment (-\$57.55M)
- Capital - Municipal Facilities Reductions (-\$23.94M)
- Capital - Physical Plant Reductions (-\$15.15M)
- Various Departments - Ongoing Expense Account Reductions (-\$15.81M)
- Various Department - One-Time Expense Account Reductions (-\$36.24M)
- General Fund to Special Fund Realignments (-\$14.25M)
- Zoo Reductions (-\$3.41M)
- Innovation Fund Reduction (-\$0.6M)

NET SURPLUS/DEFICIT\$0

Discussion and Overall Issues in the 2024-25 Proposed Budget

The 2024-25 Proposed Budget anticipates a \$399.4M Reserve Fund, consisting of a \$219.6M Emergency Reserve and a \$179.8M Contingency Reserve. This equates to five percent of total General Fund revenues of \$7.99B.

Charter Amendment P, approved by the voters in March 2011, requires the establishment of an Emergency Reserve Account that contains no less than 2.75 percent of General Fund receipts and a separate Contingency Reserve Account within the Reserve Fund. Expenditures from the Contingency Reserve Account are limited by Charter Amendment P and may be used to cover shortfalls in City revenue or pay for unexpected expenses for programs approved in the current year budget.

The Budget Stabilization Fund (BSF) was created as part of the 2009-10 Adopted Budget to help reduce the impact on services during years of slow revenue growth or declining revenue. Under the City's BSF policy, if growth in the cumulative receipts from the seven major revenue sources exceeds the Average Annual Ongoing Growth Threshold (average ongoing annual growth over the prior 20 years), the Budget must include a deposit into the BSF. In addition, for every one-half percent that revenues exceed the Growth Threshold, five percent of the value of that excess revenue must be deposited into the BSF, not to exceed 25 percent of the growth. Similarly, when growth of these receipts falls short of the Average Annual Ongoing Growth Threshold, the Budget may include a withdrawal from the fund in the amount of five percent of the revenue shortfall for each one percent of growth below the Growth Threshold.

Pursuant to the City's BSF policy, a \$26M withdrawal is permitted from the BSF, as the cumulative growth of the major revenue sources fell three percent below the 20-year average from the 2023-24 Adopted Budget to the 2024-25 Proposed Budget. The Proposed Budget, however, does not include any BSF withdrawal.

Beginning on April 30, 2024 and extending over two weeks, the Budget, Finance and Innovation Committee held over 30 hours of public hearings to discuss the Mayor's Proposed Budget for 2024-25.

Chair Blumenfield opened the budget hearings by outlining the Committee's objectives over the course of the hearings, providing context regarding the City's fiscal outlook, and explaining that the Committee had designated one day for public comment. The hearings began with a presentation by the Mayor's Office, followed by an overview of the Proposed Budget presented by the City Administrative Officer (CAO), and closed with a presentation from the Neighborhood Council Budget Advocates. According to the Chair, the City's labor partners declined to make a presentation to the Committee. On the subsequent day, the Committee heard presentations from the City Employees' Retirement System, Fire and Police Pensions System, and the Harbor Department, which was followed by public comment.

Over the course of the budget hearings, the Chair and Members of the Budget, Finance and Innovation Committee discussed various aspects of the Mayor's Proposed Budget, posed a number of questions to staff, and requested more detailed reports on additional items, some of which would be addressed after the Committee concluded its review of the Proposed Budget. The CAO responded in writing with 231 memos to the Committee, and the CAO, Mayor, CLA, and department staff provided verbal responses to questions asked during the course of the hearings.

To initiate the budget hearings, the Chair asked the Mayor's Office to present an overview of the Mayor's \$12.8B Proposed Budget. The Mayor's Deputy Mayor of Finance and Senior Director of the City Budget discussed the objectives of the Proposed Budget, which included continued investments for homelessness and public safety, the preservation of critical core services, and compliance with the City's Financial Policies. The Mayor's staff also set objectives for future budgets, focusing on "de-duplicating" functions in Citywide departments, finding savings and opportunities for efficiency, and designing programs that make improvements over time. They also prioritized efforts to seek more State, federal, and philanthropic grant funds, to be managed by the CAO. The Mayor's staff closed their presentation by thanking the Mayor's Office, the Council, and City staff for their work on the Proposed Budget.

The CAO then presented an overview of the Proposed Budget. The CAO noted that slow revenue growth in 2023-24 was the result of weak consumer demand due to high inflation. The Proposed Budget assumes below-average growth as inflation continues to delay the stabilization of the post-pandemic economy. The CAO reported that despite slow revenue growth, the Proposed Budget fully funds the costs of recent labor agreements and pension obligations and does not layoff any current City employee. The CAO stated that the main

challenge of the Proposed Budget is increased obligatory spending coupled with slow revenue growth, which requires significant spending reductions, including the elimination of 2,139 vacant positions. The CAO expressed concern regarding ongoing overspending and low Reserve Fund balances, as well as continued General Fund subsidies for Special Fund programs.

The CAO also stated that while the Proposed Budget complies with the Reserve Fund, BSF, one-time revenue for one-time expenditures, and debt servicing policies, it does not comply with the Capital and Technology Investment Policy, nor the policy to achieve structural balance, and falls short of the 10 percent Reserve Fund goal. The CAO stated that the Four-Year Budget outlook projects budget deficits in the three fiscal years following 2024-25, due to compounding costs for employee compensation and benefits.

The Committee members asked the CAO and Mayor's Office a number of questions relative to the elimination of vacant positions, strategies to achieve structural balance and restore the City's reserves, City-subsidized fees and services, continued liabilities and risk, and strategic planning for upcoming events, such as the World Cup and 2028 Olympics.

The Neighborhood Council Budget Advocates then made their presentation on the Proposed Budget, which addressed a wide range of issues including concerns about inadequate City services resulting from the elimination of vacant positions and recommendations to improve the City's fiscal management, reform ethics practices regarding lobbying, update civic labor negotiations, modernize City technology, and enhance the City hiring processes. The Neighborhood Council Budget Advocates supported funding increases for the Personnel, Information Technology Agency, and Emergency Management departments, as well as for the annual Neighborhood Council Budget Day. Members thanked the Budget Advocates for their analysis of the budget and role in the City's budgeting process.

Budget, Finance and Innovation Committee Hearings

On May 1, 2024, City Departments began their discussions before the Committee on all aspects of the 2024-25 Proposed Budget.

During the hearing for the Los Angeles City Employees' Retirement System (LACERS), the General Manager discussed the status of the pensions' assets, new strategic plan, and performance measurements. The Committee asked LACERS about the details of the department's diversity goals, volatility in the market, and how LACERS is preparing for stabilization. The Committee also asked about the General Fund contribution and the one-time true-up amount. Finally, the Committee inquired about the new economic and demographic assumptions made in 2023 that impacted inflation and payroll growth rates.

The Los Angeles Fire and Police Pensions (LAFPP) provided a brief presentation on the Department's performance and the decrease in the City's General Fund contribution rate. The Committee did not have questions for LAFPP.

The Harbor Department then provided a broad overview of its forthcoming budget, which is managed by the Board of Harbor Commissioners. The Department reported several City services are funded by the Department, primarily in the Fire Department, Department of Recreation and Parks, and Office of the City Attorney. The Committee received confirmation from the Department that several positions in Council-controlled Departments proposed for deletion are fully funded by the Department. The Committee asked about additional opportunities to fund positions in non-proprietary departments using Harbor Department funds rather than the General Fund.

The Director of the Office of Finance/City Treasurer began her hearing by expressing that the deletion of vacant positions in the Proposed Budget will affect the Office's customer service, audits, and treasury divisions. The Committee asked questions related to the status of the LATAX replacement project, the use of United to House LA (Measure ULA) funds, and the impacts to customer service counters as a result of the deletion of vacant positions.

The City Ethics Commission's Executive Director thanked the CAO and Mayor's Office for the Proposed Budget, which regularizes eight positions that were previously authorized through resolution. The Executive Director expressed a need for additional auditors to address the anticipated workload associated with the upcoming election.

The General Manager of the Department of Building and Safety responded to questions related to the impacts that the elimination of vacant positions will have on response times to complaints and inspections. The General Manager noted the difficulty of predicting changes to response times, and noted that the Department has as-needed positions to assist with any backlogs of code enforcement cases. The General Manager also noted that the Department intends to conduct a comprehensive study of code enforcement operation, and will prioritize cases that are either a public nuisance or life-safety complaints. The Committee asked questions regarding code enforcement in communities that struggle with environmental justice issues, alternative models and systems for processing nuisance abatement cases, enforcement of illegal cannabis businesses, and the Department's code writing functions. The Committee also discussed issues related to residential and affordable housing construction in the City, including the cost of development and the need for additional efforts to streamline the permitting process.

In her hearing with the Committee, the City Attorney provided an overview of the Office and emphasized that while the staffing has remained level, the workload has increased. She highlighted increases in the number of cases and claims handled by the Civil Litigation, Criminal, Real Estate, and Public Rights Branches. The City Attorney requested the Office's current salary savings rate of three percent be continued in order to fill much-needed vacancies and lower outside counsel costs. The City Attorney also expressed the need for funding for the Aeon/JusticeNexus criminal case management system replacement project. The Committee members discussed the feasibility of adding positions to support the Fire Department's Board of Rights; ways to address and accelerate resolution of nuisance abatement issues; the status of the City Attorney's Office review of various community plans; and how the City Attorney collaborates with departments to mitigate some of the City's risk for liability claims.

The Controller's hearing began with an overview of the Office's operations and the importance of retaining the positions proposed for elimination, particularly those in financial analysis and reporting, accounting operations, audit services, and management services. The Controller requested the restoration of all the deleted positions and funding for positions that the Controller had identified as the highest priority. The Controller also requested to maintain the current salary savings rate of 4.6 percent. The Committee discussed the impacts that the staff reductions would have on the Controller's operations, including its payroll functions with the implementation of WorkDay, the new human resources and payroll system.

The General Manager of the Information Technology Agency then came before the Committee. The General Manager noted that the Proposed Budget deletes 69 positions in the Department and voiced concern about the City's information technology infrastructure. The Department outlined three main requests, including the restoration of 12 Communications Electricians to prevent and respond to outages, adding an Assistant General Manager to manage ongoing projects, and a Payroll Supervisor, with suggested offsets. The Committee requested budget memos related to these requests.

The General Manager of the Economic and Workforce Development Department (EWDD) stated that 96 percent of EWDD's positions are special funded. EWDD stated that the proposed deletions of grant-funded positions could jeopardize the City's ability to meet fiduciary and legal obligations. EWDD requested the restoration of four currently filled financial management and program positions and positions funded over 70 percent by special funds. The Committee discussed opportunities to repurpose special funds; revenue generating positions; various department programs, including Jobs and Economic Development Zones, the Day Laborer Program, and Good Food Zones; departmental legal obligations; and potential grant compliance issues.

The Interim Police Chief came before the Committee and thanked the City for the budget allocation included in the Proposed Budget, while noting the need for additional funds for vehicle parts in order to maintain the Police vehicle fleet, the need for additional civilian overtime funding to fill critical roles, particularly Police Service Representatives (PSRs), building maintenance funding, and Municipal Improvement Corporation of Los Angeles (MICLA) funding for an additional police helicopter. The Committee asked the Interim Chief about sworn hiring and the ability of the Department to hire to attrition in the next fiscal year. The Interim Chief noted that they have been receiving approximately 1,200 applications per month, which historically has netted classes of approximately 60 recruits at the end of the hiring process. This is significantly more than the Department has been able to hire per class in recent years. The Committee then asked about PSR staffing and the need for additional resources to ensure that 911 calls are answered quickly. The Committee also discussed pending recruitment and retention incentives for critical civilian classifications.

The Committee discussed a number of additional issues with the Interim Chief, including the success of the Bounce Program, the Community Safety Partnership Program, the

feasibility of placing A Bridge Home overtime into the Department's overtime sworn account instead of maintaining it as a separate budget allocation, funding for Affinity Groups, and issues related to contracted security services.

The Fire Chief began her presentation with an overview of her letter to the Committee, which included a list of requested additions to the Departmental budget totaling \$34M. The Committee asked a number of questions on these requests, including additional funding for Advanced Provider Response Units and other fire resources. The Chair asked which request was the highest priority for the Department, and the Chief noted it was the 159 requested sworn positions. The Chief noted that the Department's staffing has not grown in recent years, while the workload has increased, stretching sworn resources. The Committee also discussed the establishment of a Wildland Fire Hand crew, which was funded in the 2022-23 and 2023-24 Adopted Budgets, but were not continued in the Mayor's 2024-25 Proposed Budget. The Committee then discussed a number of other issues, including the replacement cycle for turnout gear, information technology funding needs, equipment and apparatus maintenance and staffing needs, additional Variable Staffing Overtime funding and its uses, and the dispatch staffing needs of the department.

The Department of Recreation and Parks' hearing began with a discussion of the potential service impacts resulting from the Proposed Budget, including reduced summer programming, and efforts to re-establish and grow the Community School Park Program. Committee members also discussed the staffing needs for the Verdugo Hills pool, the implications of the anticipated sunset of the Proposition K program, and the use of the Targeted Local Hire program for the Department's staffing needs. Members also inquired about youth programming, the use of 2028 Olympics funding, recent changes to the tee-time reservation system, and the work of the Forestry Division.

During his discussion with the Committee, the Director of City Planning responded to questions relative to the Department's planned implementation of the new zoning ordinance, the status of the planning counter at the South Los Angeles Development Services Center, the progress of updating the community plans, and planning concerns in the Watts community. The Committee also asked about how the elimination of vacant positions would affect Department services, specifically constituent and public counter services. The Committee and Director also engaged in a discussion regarding the implementation of the new zoning ordinance and how the reallocation of staff for this purpose will affect other services. The Committee also asked questions concerning the Department's use of virtual and public counters, and the services provided at these counters.

The Personnel Department's hearing began with a discussion on the impacts of eliminated positions, noting that positions were eliminated in various divisions, including in examinations and hiring, which will result in slower processes Citywide. The General Manager noted that while positions are vacant, there may be employees who have taken on the responsibilities of vacant positions and are currently receiving acting pay. Therefore, if the vacant position is deleted, it would result in a reduction in pay for those employees. The General Manager also noted the elimination of positions for civilian and public safety

recruitment amid increases in applications for those positions in the current fiscal year. The Committee also discussed the process to establish new classifications and the City's hiring process.

The General Manager of the Department on Disability reported on the Department's current challenges to meet accessibility compliance and continue to provide harm reduction and HIV prevention services across the City. The Committee members asked about the impacts of funding and staff reductions for the HIV and Homelessness Programs and discussed the option of using Opioid Settlement funds to restore funding for the program. The Committee also discussed the need to decentralize accessibility work across departments and increase collaboration for the Americans with Disabilities Act (ADA) compliance efforts.

During the Department of Aging's hearing, the General Manager stated that the Proposed Budget eliminated critical positions and reduced funding for key programs, such as the Rapid Response Senior Meals Program and Evidence Based Programs. The Department also voiced concerns regarding challenges to maintain staffing in the Department, as well as the impacts of failing to increase services for vulnerable populations. The Committee inquired about outreach to the Asian American and Pacific Islander community; options for continuing the delivery of meals to older adults, whether home-delivered or provided in congregate settings; and a cross-departmental position to provide emergency management services to older adults.

The President of the Board of Public Works began her hearing by discussing the Board's eliminated positions in the Proposed Budget and her requests for the restoration of accounting positions. The Committee inquired about the response time for the Board to pay City contractors, resources needed to complete the amortization study to end oil extraction within the City, and staffing needs for seeking and administering grants. The Committee also discussed the CleanLA Program and potential redundancies with other cleaning programs across the City.

The Director of the Bureau of Street Services then reported on the impact of recent weather events on the Bureau's workload and the elimination of positions across all core Bureau functions, including the elimination of numerous filled positions. The Committee discussed the impact of staffing reductions on the Bureau's ability to deliver grant-funded projects and future grant acquisitions, staffing needs for sidewalk repair work and construction of access ramps, and the impacts of the recently-approved Measure HLA on the Pavement Preservation Program. The Committee also inquired about the Bureau's capacity for urban forestry management, including the current tree trim cycle and removal of dead trees and stumps.

During his discussion with the Committee, the Director of the Bureau of Street Lighting noted that all of the Bureau's vacancies are deleted in the Proposed Budget and expressed a need for additional funding for the new asset management system and power bill payments. The discussion centered around the effects of copper wire theft, streetlight fortification, aging infrastructure, and the inability of the Street Lighting Maintenance

Assessment Fund to fund Bureau activities. The Committee requested memos on a street lighting improvement plan related to the Mayfair Hotel, the tunnel lighting pilot program, and eliminated positions.

The Committee began the Bureau of Sanitation's hearing with a discussion on the impacts of eliminated positions within the Proposed Budget, including a fleet manager, Livability Services Divisions, and staffing for cybersecurity of critical water infrastructure. The Bureau's Director answered questions on CARE+ team deployments, hiring of Refuse Collection Truck Operators, and technical corrections to the Proposed Budget. The Committee also discussed a Sewer Service Charge rate increase that is assumed in the Proposed Budget and impacts if the rate is not adjusted.

The City Engineer began the Bureau of Engineering's hearing discussing the capital projects currently managed by the Bureau, plans for prioritization of projects, and positions eliminated in the Proposed Budget. Committee members discussed the Building Decarbonization Master Plan, updates to street design standards, projects along the Los Angeles River, and potential restoration of revenue-generating positions within the Bureau. Members also discussed possible changes to the Sidewalk Repair Program and obligations under the Willits Settlement Agreement.

The Director of the Bureau of Contract Administration expressed appreciation for the resources provided in the Proposed Budget, which will allow the Bureau to continue its work on inspection, ensuring worker protections, and contractor payment processing. The Bureau requested the restoration of seven positions that are fully funded by proprietary departments and one filled position that has historically been funded by Sewer Construction and Maintenance Funds. The Committee requested budget memos on the Bureau's requests.

Following opening remarks by the Chair, the General Manager of the Department of Transportation provided an overview of the impact of the Proposed Budget on multiple program areas, and highlighted project delivery, field and parking enforcement services, and traffic safety. The Committee discussed the Proposed Budget's elimination of filled and vacant positions, including Traffic Officer and Active Transportation positions. The Committee also discussed the Proposition A, Proposition C, Measure M, and Measure R special funds. The Committee inquired about the Residential Speed Hump Program, the Paint and Sign Maintenance Program, and resource needs for the 2028 Olympics.

The General Manager of the Department of General Services (GSD) opened his hearing by discussing the vacant positions that were deleted in the Proposed Budget. The General Manager also discussed the inclusion of two filled positions in the deleted positions list and requested that funding for these positions be restored. The General Manager discussed the other impacts of the Proposed Budget on GSD, including the ability to address deferred maintenance at City facilities, overtime funding, and the vehicle fleet out of service rate. The Committee thanked the General Manager for the work of the Department and asked a number of questions about the deleted positions, hiring hall funding, and the ability of GSD to provide maintenance on EWDD-owned properties.

The Department of Cultural Affairs' hearing began with a discussion of the Department's efforts to raise funds from the private sector and the need to improve engagement with "Friends of" groups. Members also inquired about the service level impacts from the Proposed Budget, the resources needed for the Charles Mingus and Watts Towers Campus, and the status of the ordinance that would increase fees.

The Library Department highlighted the various social services offered by the Department and their use of the Targeted Local Hire program. The hearing continued with a discussion of the Department's five-year facilities plan and the resources needed for its completion. Members also inquired about the roof replacement project at the San Pedro branch library and if ADA projects are included in the five-year facilities plan.

The General Manager of the Community Investment for Families Department (CIFD) opened her hearing by expressing gratitude for the resources provided in the Proposed Budget, which will maintain operations across the FamilySource System, but expressed the need for more positions to address the Department's expanded programs and contracts. The General Manager requested additional staff to support the administration of the Consolidated Plan, as well as increased funding for the Opportunity L.A. Child Savings Account Program and the Domestic Violence and Human Trafficking Shelter Operations program, which will be significantly impacted by anticipated federal funding cuts to the Victims of Crime Act. In addition, the General Manager requested a status update on a funding request for the RepresentLA program. The Committee asked questions about the Department's work with the Measure ULA short-term rental assistance and the Kid's First and CalKIDS programs, and requested budget memos related to their questions and the Department's requests.

The General Manager of the Housing Department (LAHD) presented an overview of the Department's increasing workload and noted concerns with the potential loss of positions. The Committee and Office of the Mayor discussed the need to pause future Measure ULA expenditures beyond the current \$150 million spending plan until there is resolution of the pending litigation and State ballot measure that could invalidate the Measure. There was also a discussion on the need to meet legal obligations under the Accessible Housing Program.

The Department responded to inquiries on the USC Street Medicine Program, Los Angeles Homeless Services Authority (LAHSA) payment process, Handyworker Program, and Community Development Block Grant-funded programs that provide direct service delivery. This was followed by a discussion and follow up request on the enforcement of the Home Sharing Ordinance; establishing a Residential Hotel Ordinance Taskforce; Measure ULA expenditures; Senate Bill 2 funding for Homekey 3.0 projects; housing projects in the pipeline that will require rental assistance; costs associated with the Skid Row Housing Trust properties; preservation efforts; and funding for the acquisition of 710 freeway properties. LAHD answered questions on tenant protections, affordable housing preservation efforts, code enforcement inspections, and monitoring of troubled assets.

LAHSA's Chief Executive Officer started her hearing with an overview of changes at the agency and proposed new tools to measure and evaluate the performance of contracts. The Committee inquired about how LAHSA will withhold funding until program benchmarks are achieved. The Committee also asked about funding available for housing navigation and if additional funding is needed to increase efficiency, and how LAHSA will align all of its outreach services to achieve the maximum output on housing placements in the City. The Committee requested reports on the impacts of moving all outreach funding to the Unappropriated Balance (UB); on LAHSA staff positions, including a differentiation of administrative and program staff; and on LAHSA's underspending of City funds.

The Committee then entered into a lengthy discussion of the L.A. Alliance settlement and preparation for the upcoming audit mandated by the federal court. The Committee asked if the funding provided to LAHSA for CARE and CARE+ support teams is also included in Bureau of Sanitation's proposed budget. The Committee requested reports on time-limited subsidies, outreach teams in other cities in the County of Los Angeles, protocols for monitoring contracts, and an alternative to the CARE/CARE+ notification system.

The Committee then asked LAHSA what it would take to equip service providers to improve performance. The Committee also inquired about LAHSA's overall administrative services percentage and if LAHSA participates in the Targeted Local Hire program or other City-run equity programs. In addition, the Committee asked about the implications of not increasing funding for Continuum of Care planning and the feasibility for LAHSA to operate a year-round Augmented Winter Shelter program with the funding provided in the Proposed Budget.

The City Clerk began her hearing by addressing concerns related to the elimination of vacant positions and how that will affect elections administration, records management, fiscal operations, interpretation services, and the administration of business improvement districts (BIDs). The City Clerk indicated that the Office is currently understaffed, which has affected administrative processing times for City contracts. The Committee and City Clerk also engaged in a discussion on the priorities related to the administration of the Inside Safe Program and how it has impacted the Office's other programs and services. The Committee asked about funding in the Proposed Budget for the City Clerk's translation and interpretation services, passport services, and the BID Trust Fund's fee structure and whether the cost for administering the BID program is at full cost recovery.

The General Manager of the Zoo discussed her request to restore one deleted position to resolve a classification issue as recommended by the Personnel Department. The Committee then asked the Department about their work with the youth population and programing offered to communities who are geographically distant from the Zoo. The General Manager proceeded to share information about the Conservation Council and their participation in Summer Night Lights and the Library's Discover & Go program.

During his discussion with the Committee, the General Manager of El Pueblo discussed the loss of revenue they have experienced due to the Bridge Home site located in one of their parking lots. The General Manager also discussed the impacts of the proposed cuts to

their utilities and special events allocations. The Committee then asked if any conversation with the Department of Water and Power (DWP) had taken place to address the rising cost in utilities and any discounts that might be available to them as a facility that offers educational services to students. The Committee also inquired about the Master Plan and the use of the Trust Fund.

The Ratepayer Advocate at the Office of Public Accountability (OPA) stated during the hearing that it will be a transition year for both OPA and DWP, as leadership in both departments will be changing. The Ratepayer Advocate stated that due to OPA's costs being fully reimbursed by DWP, there are no benefits to the proposed cuts. The Committee requested a report on the restoration of all deleted positions that are fully funded by DWP and asked about the status of Project Powerhouse and if the project will continue. The Committee also requested a special report on the implications of addressing the Low Income/Lifeline Water and Power discount rates. The Committee inquired about challenges to hiring and the skillsets required for positions, as well as compensation ranges for other municipally-operated utility agencies, and whether the compensation for DWP's executives and staff are competitive.

The Committee began the Department of Animal Services' budget hearing with a discussion of the Spay and Neuter program and the Citywide Cat program. The General Manager of the Department expressed concern about the current value of the spay and neuter vouchers, as many veterinarians are not accepting the vouchers, creating challenges for pet owners to find participating locations for redemption. The Committee inquired about procedural changes to the programs that would make them more effective, the implications of eliminating the graveyard shift, and the status of repurposing the bird aviary space at the Harbor Shelter.

During his discussion with the Committee, the Executive Director of the City Tourism Department expressed his satisfaction with the Mayor's Proposed Budget. The Committee discussed ongoing efforts to promote City-owned tourism assets. No budget memos or reports were requested.

The Committee began its hearing of the Department of Neighborhood Empowerment by inquiring about the Department's work with other Departments to cross-promote Neighborhood Councils (NCs) and the status of any work done with the Civil and Human Rights and Equity Department to evaluate the composition of NCs. The Committee asked about the Department's efforts to encourage more diverse NC membership and the feasibility of providing child care for NC meetings that take place at libraries. The Committee also discussed NC funding and the implications of not allowing unused NC funding to rollover.

The General Manager of the Civil and Human Rights and Equity Department expressed concerns about the rising rates of hate crimes across the nation and the potential for more incidents to occur during the general election. The General Manager also emphasized the importance of accountability for discrimination complaints and the efforts and accomplishments of the Department's discrimination enforcement division. The

Department requested increased funding for Contractual Services and as-needed salaries, as well as four positions to support ongoing discrimination enforcement efforts. The Committee asked questions about the Department's collaboration with the Police and Fire Departments to ensure diversity, equity, and inclusion considerations in their recruiting and promotions.

The Department of Cannabis Regulation's hearing began with the Executive Director noting the need for continued funding for the Social Equity Program, including the Business, Licensing, and Compliance Program, which provides educational, business, and legal services for Social Equity applicants. The Committee and Executive Director also engaged in a discussion regarding the City's enforcement efforts against unlicensed cannabis businesses, and whether additional resources are needed to help address complaints against these unlicensed businesses.

The Youth Development Department's hearing focused on the need for the implementation of the Citywide youth development strategic plan.

The General Manager of the Emergency Management Department (EMD) opened her hearing by highlighting the Department's work and ongoing staffing issues. The General Manager then requested funding and authority to maintain all existing vacant positions. While discussing the Department's capacity to staff the Emergency Operations Center for 24-hour operations, the General Manager noted that longer activations are not possible at current staffing levels. The Committee also asked about the need for a homelessness-related position in the EMD and other needs in the Department, including a second Assistant General Manager.

The Committee began its hearing of the CAO's departmental budget with a discussion regarding the process for restoring vacant positions that have been eliminated in the Proposed Budget. The CAO noted that the deletion of vacant positions was proposed in order to address the City's structural deficit over the next three fiscal years. The Committee asked for clarification on the operations of various programs that are coordinated by both the CAO and other City Departments, including the Affordable Housing Liaison Unit, Street Medicine Team, and the Climate Impact Team. The Committee also asked for more information regarding the Climate Action Adaptation Plan and the Office's request for budgetary support for the Los Angeles World Airports.

The CAO then provided an overview of the City's Reserve Fund and noted that the proposed balance will be \$399M, or five percent of General Fund revenue, which complies with the City's Reserve Fund Policy. The CAO noted that the Reserve Fund will help cover revenue shortfalls and anticipated over-expenditures for the current fiscal year. The Committee asked questions regarding potential risks associated with increased spending, including a conversation about departmental over-spending and increased liabilities. The CAO also expressed concern related to the City's structural deficit over the next three fiscal years, the need to maintain the proposed structural reductions, and the importance of increasing the Reserve Fund.

The CAO began the UB Fund hearing by indicating that the Proposed Budget allocates \$320M into the UB, which is a 7.9 percent increase relative to the prior fiscal year. The Committee and CAO engaged in a discussion regarding several allocations in the UB, including the funding for Department Payroll Reconciliation, Unarmed Crisis Response, the Hazardous Materials Response Program, CleanLA, and the Los Angeles County Metro contract.

The CAO then proceeded with an overview of the City's MICLA program, through which the City issues non-voter approved debt. The Proposed Budget recommends a \$213.3M allocation for debt service payments on previously approved MICLA issuances, which is \$11.4M more than the previous fiscal year. The Committee asked questions related to the impacts of increased interest rates for the MICLA program and whether the cost of borrowing has increased over the last several years. The Committee also discussed several funding allocations in the MICLA program, including the renovations for the Warner Grand Theater, Old Fire Station No. 53, and vehicle replacements for the Fire Department.

The CAO followed with an overview of the City's Capital and Technology Improvement Expenditure Program (CTIEP), and indicated that the Proposed Budget includes \$398M in funding for the program, which is \$175M less than the previous fiscal year. The CAO noted that this funding allocation does not meet the City's Capital and Technology Improvement Policy of 1.5 percent, and would require an additional allocation of \$44.7M from the General Fund to comply with the policy. The Chair highlighted concerns with the increase in costs for the construction of curb ramps, street resurfacing programs, and the City's legal obligations. The Committee asked how the City has incorporated decarbonization and greenhouse gas reduction goals into the Proposed Budget, as well as future years. The Committee also discussed various issues within the CTIEP, including Departments' adoption and migration to asset and facilities management technologies, nuisance abatement at City-owned properties, concerns with LA River segment projects, the Bridewell Armory Youth Arts Center, the Costello Pool project, and the Seventh Street Streetscape project.

The Committee stated that Tax and Revenue Anticipation Notes (TRAN) is an important fiscal tool for the City. The Committee did not have any questions for the CAO concerning the TRAN.

The Committee proposed a change on Item 12 in Exhibit H instructing the Chief Legislative Analyst, Department of City Planning, the Fire Department, Bureau of Engineering, and the City Attorney's Office to develop an implementation plan for Measure HLA. The Committee also asked for a change to Item 13 to include the expansion of childcare services and CIFI to the instruction. The Committee inquired about the Grants Application and Support unit in the CAO as well as the number of positions and funding needed for operations.

The General City Purposes (GCP) hearing started with a presentation by the Mayor's Office on the proposed Inside Safe program budget followed by a presentation on the Homeless Budget by the CAO. The Committee engaged in a lengthy discussion about the

Inside Safe program and the L.A. Alliance Settlement. The Committee asked about the Inside Safe policy on repopulation and plans to use the Homeless Emergency funding to fulfill the L.A. Alliance Settlement requirements. The Committee also inquired about the Mayor's plan to use \$60 million for Inside Safe service provision and whether that amount will be decreased if the County provides reimbursement for these services, as agreed upon in the L.A. Alliance Settlement.

The Committee also requested a report on the total expenditures of the Homeless Emergency Account in Fiscal Year 2023-24, excluding the acquisition of Mayfair Hotel, as well as a report on current funding obligations in the Homeless Emergency Account for Fiscal Year 2024-25. The Committee inquired about additional motel-related costs that are anticipated to be covered by the proposed, new \$80 million allocation to the Homeless Emergency Account and funding needed to cover any damage mitigation related to the Inside Safe program. Additionally, the Committee asked whether there are plans to acquire more interim housing units and how the City will fund interim housing beds if rates are increased. The Committee inquired about City-funded permanent supportive housing that can be counted towards the L.A. Alliance Settlement, and discussed how the Homeless Budget could potentially be impacted by the L.A. Alliance Settlement audit.

Furthermore, the Committee asked for reports on a series of City-funded programs including: storage for personal belongings, housing navigation, rapid rehousing, and shelter and housing intervention. The Committee also requested reports on funding to secure master lease agreements, assessing privately owned land for interim housing, a decrease in HIV program funding in the homeless budget, and funding for undocumented people experiencing homelessness.

More broadly, the Committee asked how the proposed Homeless Budget advances a unified approach to homelessness. The Committee asked if the Proposed Budget anticipates and funds the expansion of the CIRCLE – 24/7 Homelessness Crisis Response program and how the CAO can maintain a website detailing current homelessness programs and spending.

The Committee then moved to a discussion on the management of the Homeless Emergency Account and requested a report with various options on how Council can authorize Homeless Emergency Account funding. The Committee discussed a spectrum of options ranging from the least restrictive to the most restrictive option of authorizing proposed funding to the Inside Safe program. Options included moving some or all of the funds to the UB, moving some or all funds to a reserve account with a refill or auto-refill option, or reallocating all funds to other homelessness programs or other critical gaps in City services. The Committee agreed that the allocation of funding should consider various factors, including the completion of the L.A. Alliance Settlement audit and achieving L.A. Alliance Settlement goals, Inside Safe goals and continued obligations, and requirements of the Independent Living Settlement.

The GCP hearing on the Homeless Budget concluded with a discussion concerning the \$17 million in the Additional Homeless Services line item. The Committee considered referring

the item to the Housing and Homelessness Committee and requested the development of an expenditure plan, as well as a report on how this funding was expended in previous years.

The CAO then provided an overview of the GCP budget. Members discussed various GCP allocations, including those for Council Community Projects, the LA's BEST program, Crisis Response Teams, Community Safety, Community Engagement, the Green Workforce Sustainability Plan, Infrastructure Planning, Open Data and Digital Services, Opioid Settlement funding, the Clean and Green program, Summer Night Lights, Gang Reduction and Youth Development, International Engagement, Equity and Inclusion, the Angeleno Connect program, Innovative Technologies, and the Office of Re-Integration and Re-Entry. The Committee also inquired about various funding allocations in the GCP account for homelessness-related programs, including the Inside Safe Initiative, CIRCLE – 24/7 Homelessness Crisis Response, Shelter and Housing Interventions, Street Strategies, and Additional Homeless Services. The Committee also asked about the positions that are funded for the various programs in the GCP and whether those positions are currently vacant.

After completion of the department hearings, the Committee considered 231 memos prepared by the CAO, which addressed questions raised by the Committee throughout the hearings. The Committee members discussed the recommendations in the CAO memos, outlined their funding priorities, and instructed the CLA to report with recommendations to amend the Proposed Budget.

Budget, Finance and Innovation Committee Recommendations

On May 15, 2024, the CLA presented to your Budget, Finance and Innovation Committee a report outlining recommended changes to the Mayor's Proposed Budget for 2024-25. The proposed changes were in response to discussions during budget hearings, letters received from departments and Councilmembers, CAO memos, specific directions from the Committee, public comment, and instructions to the CLA's Office to evaluate areas of concern and provide recommendations to address those issues.

The CLA reported that increased obligatory funding and slow revenue growth provided very few discretionary funds for consideration. However, the CLA recommendations included net expenditure changes of \$43.2M, made possible by the identification of a net \$50.63M in additional revenue, plus reductions to various accounts. The CLA's recommendations also increased the Reserve Fund by \$7.5M for a total Reserve Fund of \$406.8M, maintained the BSF at \$202.4M, and increased the Reserve for Mid-Year Adjustments by \$30M to \$60M. The CLA's recommendations also included changes to departmental budgets to recognize the use of special funds, reductions based on anticipated savings, and other adjustments.

The CLA's recommendations focused on the Committee's goals of providing adequate resources to meet the City's legal obligations, support public safety, and improve accessibility. The CLA prioritized the restoration of funding and positions for departments that were the most impacted by funding reductions and position deletions, while

maintaining a “no-layoff” budget. The CLA recommended that the City continue to exercise caution and fiscal restraint, as the City’s reserves remain below pre-pandemic levels and outlooks predict that the City will not achieve structural balance until 2028-29.

In response to direction from the Budget, Finance and Innovation Committee, the CLA recommended a number of changes to the Proposed Budget, including:

- Funding for mandatory programs and expenses, such as the Stormwater Pollution Abatement Fund, Accessible Housing Fund, and Fire Department radios.
- Restoring funding and position authority for deleted, filled positions in the Bureau of Street Services to maintain a no-layoff Budget.
- Providing funding to the Community Investment for Families Department to offset the loss of State and federal funds for Domestic Violence Shelter operations.
- Restoring funding and position authorities for the Department of Recreation and Parks and the Housing Department.
- Increasing funding for the spay/neuter voucher program and Citywide Cat Program.
- Adding resolution authority and funding to expand Fire Department Advanced Provider Response Unit Coverage.
- Restoring positions in the Department of General Services and Fire Department to ensure proper maintenance of helicopters and emergency vehicles.
- Increasing funding for children and youth programs.
- Increasing funding for cultural programming.
- Setting aside funding for liability claims.

The CLA’s report also recommended policy options for Council to have increased oversight of the Homelessness Emergency and Inside Safe Reserve Accounts, including requiring the Council’s approval of monthly expenditure reports from the CAO to authorize the funding. The CLA recommended that these reports include the status of previous allocations, amounts available and expended, programmatic metrics, services provided, past expenditures, and how the proposed allocation will meet the City’s legal obligations. The CLA also offered Council the option of requesting a report from the City Attorney on amending the Administrative Code to require Council approval of an expenditure plan prior to the use of the Homelessness Emergency Account funds.

The Committee proposed additional reporting requirements to authorize Inside Safe program funding to include: detailed information on the number and locations of the operations; how locations were chosen; the number of participants placed in interim housing; exits from the program; costs for each operation, including the cost of services per individual and nightly room rates; use of City department resources; community engagement efforts; and programs to prevent repopulation. The Committee inquired about the CAO’s capacity to provide the additional reporting and requested a report on how their work would be funded. The Committee also requested the City Attorney to prepare an ordinance to amend the Administrative Code regarding the Council’s authority to limit actions taken under the Homelessness Emergency Declaration. The Committee voted unanimously to approve the recommendations from the CLA and Committee.

The CLA's report also provided policy recommendations to revise the Measure ULA Budget and appropriations schedule. The CLA recommended that ULA revenue allocations be based on cash-on-hand, rather than cash-on-hand and revenue projections, to mitigate risk from the ongoing litigation and upcoming ballot measure that may invalidate Measure ULA. The CLA also recommended consideration of program guidelines to support victims of domestic violence and the City's accessibility goals and legal obligations, such as the L.A. Alliance Settlement.

The Committee also discussed reallocating a portion of the funding for Gang Reduction and Youth Development to the UB and requiring a report from the Department to include details regarding previous expenditures, crime statistics, and future expenditure plans to authorize the funding. The Committee adopted the amendment with a three-two vote.

During the hearing, the Committee discussed the feasibility of restoring funding and position authority for ten positions in the Fire Department's Supply and Fleet Maintenance Division for vehicle and apparatus maintenance. The Committee also discussed the restoration of resolution authority without funding for positions in the Controller's Office and the Bureau of Engineering, and funding for special funded positions at EWDD to support administrative fiscal positions. The Committee engaged in a lengthy discussion regarding funding for Additional Homeless Services in the GCP to clarify how those funds were meant to be used and allocated to each Council District.


Your Budget, Finance and Innovation Committee unanimously approved the CLA's recommended changes to the Mayor's Proposed Budget, as amended.

A complete list of the amendments is attached to this report.

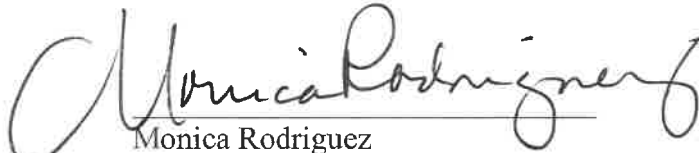
Respectfully submitted,




Bob Blumenfeld, Chair
Budget, Finance and Innovation Committee




Marqueece Harris-Dawson
Councilmember, 8th District



Monica Rodriguez
Councilmember, 7th District



Tim McOske
Councilmember, 15th District



Katy Yaroslavy
Councilmember, 5th District

That the Council, subject to the Approval of the Mayor (recommendations 1-134, 157-175, Exhibit H1 - H8,) only:

Policy Considerations

Homeless Emergency Account

1. Authorize the rollover of current FY 2023-24 funding within the existing Homelessness Emergency Account and Inside Safe Reserve Account.
 - a. Add a Nondepartmental Footnote to approve and allocate \$80 million in the Mayor's FY 2024-25 Proposed Budget to the Inside Safe Reserve Account to provide ongoing support for the Inside Safe program. The Inside Safe Reserve Account will be administered by the Mayor's Office pursuant to monthly funding allocations approved by Council. The CAO will provide monthly recommendations for funding allocations consistent with the program at the direction of the Mayor's Office. As part of that report, the CAO Expenditure Report will include status of previous allocations, amount available and expended, programmatic metrics, services provided, past expenditures and how the proposed allocation will meet the City's legal obligations. This language rescinds and replaces controlling fund language in the 2023-24 adopted budget and C.F. 23-0600-S114 effective at the beginning of the new fiscal year.
 - b. Instruct the CAO, with the assistance of the Mayor's Office and the CLA, to submit written monthly reports on Inside Safe, building off the matrix featured in C.F. 23-1194, that includes: detailing the number of operations, the location of the operation, how locations were chosen, the number of participants placed in interim housing and hotels, the exits from the program include to where, cost associated with each operation, cost for nightly room rate for each location, cost of services per individual, all department resources used, what community engagement is done, and the programs implemented to prevent repopulation. The first report should also include data on all operations since the beginning of Inside Safe, and should note what sources of funds are being used to pay for CAO staff work related to the creation of these reports.
 - c. Additional clarity on this funding availability and expenditure policy can be achieved by amending the Declaration of Local Housing and Homeless Emergency which is approved by the Council.
 - d. Request the City Attorney to Amend Los Angeles Administrative Code Section 8.33(d)(iv) to add the following language: **“(iv) Order any action relative to the procurement of construction contracts, service provider contracts, supplies, and equipment for homelessness facilities to safeguard life, health or property caused by the emergency. The City Council may adopt a resolution that imposes limits on any action taken under this subsection.**

Measure to House LA (ULA) / House LA Fund

2. The House LA Ballot Measure establishes specific percentages of revenues received under the measure for affordable housing programs, homelessness prevention programs and administration. A Citizens Oversight Committee is created to ensure House LA funds are implemented consistent with the ballot measure. The Proposed Budget does not comply with the annual percentages of funding required by the ballot measure. Further, the Proposed Budget allocates cash on hand as well as prospective revenues to be received during 2024-25. Because of the volatile nature of these revenues (recall that \$600,000,000 was anticipated in 2023-24 and less than half of that will be received), there is a risk of over expending funds in any given year. The Citizens Oversight Committee has previously requested that the proposed allocations comply with the percentages established in the ballot measure.

To address these issues, instruct the Los Angeles Housing Department to prepare a revised Budget and appropriation schedule as follows: (1) Pursuant to the request of the Citizens Oversight Committee, prepare a “true up” of revenues received in 2023-24 to ensure compliance with the guidelines of the ballot measure; (2) Establish a 2024-25 Expenditure Plan based on cash on hand as of June 30, 2024; (3) Present the Expenditure Plan to the Citizens Oversight Committee for review and approval; (4) Consider program guidelines that support victims of domestic violence, and the City's accessibility goals and legal obligations, such as the LA Alliance Settlement; and (5) After action by the Citizens Oversight Committee, transmit the Expenditure Plan to Council for approval.

Revenue Changes

Licenses, Permits, Fees and Fines

3. Recognize additional Capital Improvement project reimbursements from other agencies for 2023-24 (\$288,000) and 2024-25 (\$1,000,000).
\$1,288,000
4. Recognize City Attorney reimbursements for DWP regulatory compliance support services inadvertently omitted for 2024-25.
\$750,000
5. Increase 2023-24 receipts to City Planning for services provided to the Airports.
\$50,000
6. Increase receipts for the Fire Department for Brush Removals due to lower than anticipated refunds in 2023-24
\$700,000

7. Increase receipts for the General Services Department, as follows:
 - a. Increase 2023-24 receipts from the sale of surplus properties
\$1,415,000
 - b. Add 2023-24 receipts for helicopter flight reimbursements
\$122,000
8. Recognize additional 2023-24 Housing receipts for Home Investment Partnership related costs.
\$315,000
9. Increase Police reimbursements for expenditures and law enforcement revenues for 2024-25 that were inadvertently omitted.
\$1,579,000
10. Recognize additional Escheatment receipts for Police for 2023-24 (\$1,359,000) and 2024-25 (\$603,000).
\$1,962,000
11. Reduce 2024-25 PW-Bureau of Engineering Cost Reimbursement from the Library to correct an error in the Proposed Budget (-\$1,000,000), partially offset by an increase in revenue for services provided to DWP by the PW-Bureau of Street Services (\$500,000). These revenues are related to sidewalk repair.
(\$500,000)
12. Increase PW Engineering receipts to reflect additional 2024-25 reimbursements for Services to Airports (\$407,000) and Services to DWP (\$1,346,000).
\$1,753,000
13. Reduce 2023-24 (-\$3,050,000) and 2024-25 (-\$1,000,000) PW-Sanitation receipts to reflect decreased Developer Plan Review Fees and add a new appropriation within the Fund for the Ballona Creek Total Maximum Daily Load Project.
(\$4,050,000)

14. Increase 2023-24 PW Street Lighting receipts to reflect additional related cost reimbursements.

\$185,000
15. Recognize 2024-25 related cost reimbursements for PW-Bureau of Street Services generated by the restoration of filled positions proposed for elimination in the Proposed Budget.

\$9,620,000
16. Add 2024-25 reimbursements to the Department of Transportation for services provided to DWP which were inadvertently omitted from the revenue outlook (\$3,116,000). Also, realign \$335,000 in escheatment receipts from 2023-24 to 2024-25, for no net change.

\$3,116,000
17. Recognize the allocation of Transfer of Floor Area receipts to be utilized for homelessness services in eligible areas. This will offset the General Fund appropriation in the Proposed Budget, pursuant to Council File No. 14-1411-S5.

\$3,421,000

Prior Year Unexpended Funds

18. Recognize additional reversions from the 2023-24 Budget.

\$2,857,000

Property Tax

19. Increase 2024-25 receipts based on the County Assessor's latest projections on growth in assessed valued. The County is projecting a 4.75 percent increase compared to the 4.6 percent in the Proposed Budget.

\$3,860,000

Special Parking Revenue Fund

20. Increase 2024-25 receipts for the closeout of Metro lease of the Mangrove property and the operation of the Mangrove parking lot.

\$1,425,000

Transient Occupancy Tax

21. Increase receipts for 2023-24 (\$1,675,000) and 2024-25 (\$3,185,000) based on current collections and recent forecasts.

\$4,860,000

Utility Users' Tax

22. Increase electric utility users' tax based on the most recent projections of anticipated revenue receipts for 2023-24 (\$3,000,000) and 2024-25 (\$11,100,000).
\$14,100,000
23. Increase gas utility users' tax for 2023-24 (\$500,000) and 2024-25 (\$1,300,000) based on an earlier than anticipated resolution to prior year litigation.
\$1,800,000

Expenditure Changes

Animal Services

24. Increase funding in the Animal Sterilization Trust Fund (\$1,703,618) for the spay/neuter voucher program. The increase will be partially offset by a reduction in the Canine Enrichment budget (\$353,000) as 15 months was inadvertently provided in the Proposed Budget due to the reappropriation of funding from FY 2023-2024.
\$1,350,618
25. Increase funding for the Citywide Cat Program.
\$900,000

Animal Services and the Unappropriated Balance

26. Create a new line item in the Unappropriated Balance and set aside funding for the spay/neuter voucher program, pending consideration of the Animal Services Department report on voucher value adjustments (Council File No. 23-0452).
\$1,500,000

Building and Safety

27. Increase funding in Contractual Services for the Cannabis Padlock Program.
\$200,000

Capital Finance Administration Fund

28. Maintain the 2024-25 Commercial Paper Program at current 2023-24 levels.
(\$1,000,000)

Cannabis Regulation

29. Restore resolution authority and nine-months funding for one Administrative Clerk (\$36,818 direct cost/\$25,480 indirect cost) to support illegal cannabis enforcement.
\$62,298

30. Increase funding in Contractual Services for the Social Equity Program’s Business, Licensing, and Compliance Assistance Program.
- \$1,000,000

City Administrative Officer

31. Add funding in Contractual Services for environmental and outreach consultants to develop the Climate Action and Adaptation Plan, pursuant to Council File No. 22-1566.
- \$1,500,000

City Attorney

32. Add funding to the Contractual Services Account for the Aeon/Justice Nexus Project.
- \$1,455,000

City Clerk

33. Reduce the General Fund appropriation to the Business Improvement District Trust Fund, inasmuch as savings are available to pay for expenditures in 2024-25.
- (\$2,000,000)
34. Restore regular authority and nine-months funding for one Senior Management Analyst II (\$124,205 direct cost/\$55,883 indirect cost) in the Elections Division.
- \$180,088
35. Restore regular authority and nine-months funding for one Records Management Officer (\$110,536 direct cost/\$51,127 indirect cost) in the Records Management Division.
- \$161,663
36. Restore regular authority and nine-months funding for one Senior Management Analyst I (\$87,053 direct cost/\$42,957 indirect cost) in the Administrative Services Division to assist with fiscal operations.
- \$130,010
37. Increase funding in Contractual Services for closed captioning services in Spanish for all City Council and Committee meetings.
- \$30,000

38. Increase funding in Contractual Services for interpretation and translation services for all City Council and Committee meetings.

\$80,000

Community Investment for Families

39. Add Contractual Services funding for RepresentLA for immigrant legal services.

\$1,000,000

40. Add Contractual Services funding to create a Victims of Crime Act Reserve Fund.

\$6,500,000

Community Investment for Families and Unappropriated Balance

41. Create a new line item and set aside funding for an expansion of Domestic Violence and Human Trafficking Shelter Operations and instruct the Community Investment for Families Department to report on the status of domestic violence funding and the capacity for enhanced contractor support.

\$2,000,000

Disability

42. Add resolution authority and nine-months funding (\$94,000 direct cost/\$45,000 indirect cost) for one Senior Management Analyst for the ADA Compliance Program.

\$139,000

43. Add resolution authority and six-months funding (\$58,000 direct cost/\$28,000 indirect cost) for one Management Analyst to serve as the Deaf Services and Accessible Communications Analyst.

\$86,000

Economic and Workforce Development

44. Restore resolution authority and twelve-months funding (\$140,533 direct cost/\$74,196 indirect cost) for one Senior Management Analyst II for the Jobs and Economic Development Incentive (JEDI) Zones Program, which is eligible for partial funding (\$80,622) through the Community Development Trust Fund.

\$134,107

Ethics Commission

45. Add resolution authority and nine-months funding (\$119,378 direct cost/\$75,320 indirect cost) for two new Auditor IIs to perform Charter-mandated campaign audits.
- \$194,698

Fire

46. Provide funding in the Department's Contractual Services account for the third and final year of the contract with Motorola Solutions, Inc., to upgrade the Department's radio system and infrastructure.
- \$3,800,000
47. Add resolution authority and six-months funding for five EMS Advance Providers (\$387,987 direct cost/\$219,455 indirect cost) and Variable Staffing Overtime (\$540,901) for five Firefighter IIIs to expand Advance Provider Response Unit (ARPU) coverage to 7 days a week, 12 hours a day.
- \$1,148,343
48. Transfer \$10,000,000 from Salaries Sworn to Constant Staffing Overtime based on current expenditure rates, platoon duty deployment levels and fixed post positions required. Recognize savings in related costs from this transfer.
- (\$3,872,000)
49. Add funding in the Department's Contractual Services account for a Nexus Study to identify a funding stream from future citywide development that can be used for upgrades and expansion of fire facilities.
- \$550,000
50. Restore regular authority and nine-months funding for one Steel Metal Worker (\$76,583 direct cost/\$39,314 indirect cost).
- \$115,897

Fire and the Unappropriated Balance

51. Create a new line item and set aside funding (\$2,152,000) for the Fire Department Wildland Hand Crew Program, to be partially offset by a reappropriation of funds (\$943,000) in the 2023-24 Unappropriated Balance for the same program.
- \$1,182,000

General City Purposes

52. Increase funding for the LAHSA Continuum of Care Planning Program Grant Match by \$31,250 to receive a total of \$1,500,000 from the Department of Housing and Urban Development.
- \$31,250

General Services

53. Restore regular authority and nine-months funding for two Helicopter Mechanics (\$169,946 direct cost/\$84,466 indirect cost).
- \$254,412
54. Restore regular authority and nine-months funding for one Air Conditioning Mechanic, one Carpenter, and one Electrician for maintenance and repairs at homeless facilities (\$303,556 direct cost/\$117,444 indirect cost).
- \$421,000
55. Restore regular authority and nine-months funding for one Supply Service Manager I, one Senior Management Analyst II, one Management Analyst, and one Accounting Clerk to address various departmental priorities (\$368,474 direct cost/\$178,878 indirect cost).
- \$547,352
56. Restore regular authority and 12-months funding for one filled Senior Management Analyst I position responsible for procurement and one filled Mechanical Helper position that supports building maintenance efforts (\$185,649 direct cost/\$98,377 indirect cost).
- \$284,026
57. Reduce the Leasing Account to reflect anticipated expenditures.
- (\$330,000)

Housing

58. Add funding for overtime staffing for an after-hours team to implement a new pilot Home Sharing Ordinance Enforcement Program in one Community Plan Area.
- \$168,797

59. Accessible Housing Program:

- a. Add funding to the Accessible Housing Program (AcHP) to retrofit accessible units (\$6,000,000), to be funded in part by the Affordable Housing Trust Fund (\$1,000,000) and Housing Impact Trust Fund (\$3,000,000) and instruct LAHD, in consultation with CAO, to review the AcHP Program to ensure that there is sufficient funding to comply with the City's legal requirements.

\$2,000,000

- b. Restore position authority and funding for three Senior Management Analyst Is to support the Accessible Housing Program and delete position authority and funding for three Management Analyst Is to support the Accessible Housing Program (\$67,965 direct cost/\$23,645 indirect cost).

\$91,610

- c. Restore position authority and nine-months funding for one Rehabilitation Construction Specialist I and one Assistant Inspector IV (\$132,381 direct cost/\$71,398 indirect cost).

\$203,779

Information Technology Agency

60. Add Contractual Services funding for expanded tool licensing of the Monsido Website Auditor.

\$75,000

61. Add Contractual Services funding for two Adobe Acrobat Pro licenses per department.

\$22,000

62. Add Contractual Services funding for Userway Website Widget licenses to make websites easier to read for those with various disabilities.

\$55,000

63. Restore resolution authority and nine-months funding (\$491,067 direct cost/\$246,870 indirect cost) for six Communications Electricians.

\$737,937

Personnel

64. Restore regular authority and 12-months funding for one Nurse Manager and two Personnel Records Supervisors (\$160,046 direct cost/\$151,016 indirect cost).
\$311,062
65. Restore regular authority and 12-months funding for one Personnel Records Director I (\$112,548 direct cost/\$81,950 indirect cost) to be partially funded by the Workforce Investment and Opportunity Act Fund (\$154,548).
\$39,950
66. Restore regular authority and 12-months funding for one Personnel Records Supervisor (\$43,588 direct cost/\$45,127 indirect cost) for Client Services to be partially funded by the Systematic Code Enforcement Fund, Rent Stabilization Fund, HOME Investment Partnership Program Fund, Housing Impact Trust Fund, Municipal Housing Finance Fund, and Community Development Trust Fund (\$86,941).
\$1,774
67. Restore regular authority and 12-months funding for one Systems Programmer I and one Senior Personnel Analyst II (\$161,155 direct cost/\$129,757 indirect cost).
\$290,912
68. Delete regular authority and funding for one Physician I, two Senior Administrative Clerks and two Personnel Analysts (-\$313,078 direct cost/- \$332,958 indirect cost).
(\$646,036)
69. Add funding to Contractual Services for the recruitment program.
\$400,000

Police

70. Sworn Deployment Adjustment: Reduce funding in the Salaries Sworn Account to reflect savings from starting 2024-25 with 8,809 filled sworn positions versus the 8,878 estimated in the proposed budget (-\$9,569,346 direct cost/- \$3,705,251 indirect cost).
(\$13,274,597)
71. Sworn Attrition: Reduce funding in the Salaries Sworn Account to reflect the attrition of an additional 63 officers, bringing the total estimated attrition to 650 (-\$2,304,862 direct cost/- \$892,443 indirect cost).
(\$3,197,305)

72. Add funding to buy down overtime banked by Police Service Representatives.
\$250,000
73. Recognize the use of additional Forfeited Assets Trust Funds and make necessary modifications to Schedule 3 and realignment of the Proposed Budget for the payment of eligible expenses.
(\$612,135)

Public Works – Board

74. CleanLA Program:
- a. Reduce the appropriation for CleanLA as department savings are available as an offset for the 2024-25 Proposed Budget.
(\$2,600,000)
 - b. Transfer the remaining \$2,600,000 in 2024-25 funding to the Unappropriated Balance pending further review of the program, duplication of effort and potential efficiencies.
\$-0-
 - c. Reappropriate funding in the 2023-24 Unappropriated Balance to support the program cost in the 2024-25 Unappropriated Balance.
(\$1,500,000)
75. Restore regular authority and nine-months funding for one Senior Management Analyst II (\$112,29 direct cost / \$51,740 indirect cost) for budget and administration support of the Board Offices.
\$164,038

Public Works – Engineering

76. Delete position authority and twelve-months funding for two Management Assistants and one Civil Engineering Associate II (-\$242,207 direct cost /-\$134,949 indirect cost) and add resolution authority and twelve-months funding for one Chief Financial Officer (\$197,545 direct cost /\$85,621 indirect cost) to oversee the Financial Management and Data Analysis division.
(\$93,990)

77. Delete position authority and twelve-months funding for one Architectural Associate II (-\$102,270 direct cost /-\$52,475 indirect cost) and restore regular authority and nine-months funding for one Architectural Associate III (\$85,347 direct cost /\$42,363 indirect cost) to support Building Decarbonization projects.
(\$27,035)
78. Delete resolution authority and nine-months funding for one Programmer/Analyst I (-\$64,637 direct cost /-\$39,382 indirect cost) and restore resolution authority and nine-months funding for one Programmer/Analyst III (direct cost \$78,464/indirect cost \$39,969) to support the BuildLA project.
\$14,414
79. Increase Contractual Services to update the street design manual.
\$300,000

Public Works – Sanitation

80. Restore 12-months funding and 14 positions (\$1,207,187 direct cost/\$656,511 indirect cost) in the Livability Services Division to maintain CARE/CARE+ operations and provide overtime (\$1,000,000) to address chronic vacancies.
\$2,863,698

Public Works – Street Services

81. Restoration of 138 Filled Positions:
- a. Restore authority and partial funding for 124 resolution and 14 regular filled positions deleted in the Proposed Budget (\$10,788,696 direct cost/\$11,499,206 indirect cost).
\$22,287,902
 - b. Reduce the Street Damage Restoration Fund appropriation to the CTIEP and increase the appropriation to the Bureau of Street Services
(\$10,662,162)
 - c. Reduce the Measure R appropriation to the CTIEP and increase the appropriation to the Bureau of Street Services.
(\$4,996,017)
 - d. Reduce the Street Damage Restoration Fund appropriation to the CTIEP and increase the Reimbursement of General Fund Costs appropriation.
 - e. Recognize \$3,000,000 in 2023-24 revenue in the Street Damage Restoration Fee Fund and \$3,000,000 in 2024-25 revenue in the Street Damage Restoration Fee Fund and increase the Reimbursement of General Fund Costs appropriation.
 - f. Reduce the Measure R appropriation to the CTIEP and increase the Reimbursement of General Fund Costs appropriation.
 - g. Reduce the Road Maintenance and Rehabilitation Fund appropriation to the CTIEP and establish a Special Purpose Fund appropriation therein entitled “PPP Access Ramps” to support Access Ramp work conducted as part of the Pavement Preservation Program.
(\$1,436,545)
82. Restore regular authority and 12-months funding for one Accounting Clerk, one Fiscal Systems Specialist I, and two Management Analysts for General Administration and Support and for one Senior Administrative Clerk for the Bureau’s Maintaining Streets Program for General Administration and Support and for one Senior Administrative Clerk for the Bureau's Maintaining Streets Program (\$443,833 direct cost/\$238,885 indirect cost). Reduce funding within the Utility Expense Private Company (\$500,000) and Field Equipment Accounts (\$667,281).
(\$484,563)

Recreation and Parks

83. Restore resolution authority and nine-months funding (\$4,676,170 direct cost/\$2,627,868 indirect cost) for 79 positions, partially offset by department revenues and internal fund transfers (\$5,231,183).
- \$2,072,855
84. Add funding in Overtime General to address anticipated expenditures.
- \$1,300,000
85. Add funding (\$5,000,000) in the as-needed salaries account to address salary increases for part-time staff offset by \$1,000,000 in departmental revenues.
- \$4,000,000
86. Add funding for a community needs assessment to inform how the City should prioritize capital improvements and new projects.
- \$1,500,000

Transportation

87. Restore resolution authority and nine-months funding for one Geographic Information Systems Specialist, one Management Analyst, one Supervising Transportation Planner I, one Transportation Engineering Associate II, two Transportation Planning Associate IIs (\$346,515 direct cost/\$221,923 indirect cost) to support Active Transportation Program projects.
- \$568,438
88. Add funding in the Measure M line item for the Paint and Sign Maintenance program.
- \$1,000,000

Unappropriated Balance

89. Increase funding in the Reserve for Mid-Year Adjustments line item for liability claims.
- \$30,000,000
90. Reduce the allocation for the Public Provider Ground Emergency Transport Intergovernmental Transfer Program based on updated cost projections.
- (\$2,600,000)

91. Regarding the Departmental Payroll Reconciliation Line item:
- a. Reduce the Department Payroll Reconciliation line item by \$17,485,404 due to retroactive salary payments being made in 2023-24. It was originally anticipated that retroactive payments would occur during 2024-25. This will result in an increase in the General Fund transfer to the Reserve Fund, resulting in no net change to the budget.
\$-0-
 - b. Delete 2024-25 pension costs that were included in this line item as the salary increases will be paid in 2023-24.
(\$5,820,891)
92. Create a new line item in the Unappropriated Balance for the City's Charter reform efforts.
\$500,000

Youth Development

93. Add funding in the Contractual Services Account to support the annual Youth Expo and the Youth Civic Leadership Summit.
\$40,000
94. Restore resolution authority and nine-months funding (\$81,899 direct cost/\$41,164 indirect cost) for one Management Analyst to implement the three-year Citywide Youth Development Strategic Plan.
\$123,063

Other Changes

Building and Safety

95. Add position authority and funding for one Accounting Clerk, two Accountants, one Building Civil Engineer I, one Secretary, and one Administrative Clerk (\$469,106 direct cost/\$302,714 indirect cost) to be fully funded by the Building and Safety Permit Enterprise Fund and delete authority and funding for twenty half-time Administrative Clerks (-\$545,688) to partially offset these positions.

- a. Instruct the CAO to adjust the Building and Safety Permit Enterprise Fund, Reserve for Future Cost line item by \$226,132.

\$-0-

Building and Safety and City Attorney

96. Add resolution authority and nine-months funding for one Deputy City Attorney II (\$151,011 direct cost/\$97,447 indirect cost) to support code writing in the Department of Building and Safety, with funding to be provided by the Building and Safety Permit Enterprise Fund.

\$-0-

Capital and Technology Infrastructure Expenditure Program

97. Pavement Preservation Access Ramps: reduce the CTIEP appropriation to the Reserve for Capital Projects and establish new special purpose fund appropriations within the Street Damage Restoration Fee Fund (\$199,296), SB 1 (\$17,831,469), Measure R (\$10,131), and Measure M (\$125,508) for the construction of Pavement Preservation Program Access Ramps.

\$-0-

City Attorney

98. Restore regular authority and funding for one Legal Secretary III (\$87,904 direct cost/\$47,477 indirect cost) to be reimbursed by the Harbor Department.

\$-0-

City Clerk

99. Restore regular authority and twelve-months funding for one Principal Clerk (\$80,608 direct cost/\$44,939 indirect cost) in the Business Improvement District Division, with funding to be provided by the Business Improvement District Trust Fund.

\$-0-

Community Investment for Families

100. Reduce Contractual Services for the Kids First Program by \$200,000 and increase Contractual Services for Opportunity LA-Children's Savings Account Program by \$200,000.

\$-0-

101. Add resolution authority and twelve-months funding (\$64,528 direct cost /\$43,331 indirect cost) for one Senior Accountant I, two Accountants (\$111,868 direct cost/\$75,119 indirect cost), and one Senior Management Analyst I (\$92,224 direct cost/\$61,928 indirect cost) to help fulfill legal obligations associated with the administration of the Consolidated Plan to be offset by the Community Development Block Grant.

\$-0-

Cultural Affairs

102. Position Restoration:

- a. Restore regular authority and twelve-months funding (\$82,526 direct cost/\$91,108 indirect cost) for one Arts Manager I for the Public Works Improvements Arts Program.
- b. Restore resolution authority and nine-months funding (\$524,483 direct cost/\$579,030 indirect cost) for one Arts Center Director III, one Arts Center Director II, one Arts Center Director I, two Accountants, and four Performing Arts Program Coordinator Is (\$1,103,513).
- c. Delete position authority and funding (\$83,916 direct cost/\$46,089 indirect cost) for one Arts Manager II (\$130,005).
- d. Increase the Arts and Cultural Facilities and Services Trust Fund to recognize additional Transient Occupancy Tax receipts (\$245,000).
- e. Reduce the Arts and Cultural Facilities and Services Trust Fund, Reserve for Revenue Fluctuations line item (\$902,142).

\$-0-

Disability

103. Add resolution authority and nine-months funding (\$79,291 direct cost/\$96,116 indirect cost) for one Senior Project Coordinator to be housed at Department of Recreation and Parks to support CASp and ADA compliance, to be offset by CASp Certification and Training Fund (\$132,000) and Sidewalk Repair Fund (\$43,407).

\$-0-

Economic and Workforce Development

104. Restore resolution authority and twelve-months funding (\$1,263,112 direct cost/\$693,571 indirect cost) for one Senior Management Analyst I, seven Management Analysts, two Management Assistants, one Administrative Clerk, two Senior Project Assistants, and one Auditor II to be funded by various grants.

\$-0-

Finance

105. Transfer \$300,000 from Salaries General to Overtime General to assist with business permitting.

\$-0-

106. Delete funding and resolution authority for two Customer Service Specialist I positions (\$166,724 direct cost/\$91,793 indirect cost), reduce funding in Printing and Binding (\$2,094), and add resolution authority and twelve-months funding for one Chief Tax Compliance Officer I (\$180,812 direct cost/\$79,799 indirect cost) to manage the Contact Center in the Customer Support Division.

\$-0-

107. LATAX System Replacement – Funding Realignment:

- a. Add funding (\$1,204,801) in Contractual Services for the LATAX System replacement project.
- b. Reduce General Fund appropriation in Salaries General (\$498,511 direct cost/\$706,290 indirect cost) for two Tax Compliance Officer IIs, one Tax Compliance Officer III, and one Senior Management Analyst I, inasmuch as these positions will be funded from Measure ULA, pending approval by the Measure ULA Citizen Oversight Committee.

\$-0-

General City Purposes and the Unappropriated Balance

108. Transfer the Office of Gang Reduction and Youth Development (GRYD) increase for 2024-25 (\$12,920,869) from General City Purposes to the Unappropriated Balance, pending a report to the Public Safety Committee on how the funds were expended in FY 2023-24, including where program enhancements were deployed and expansion evaluation based on crime statistics and how the budget is proposed for programs in FY 2024-25.

\$-0-

General Services

109. Provide funding (\$200,000) in the Department's Contractual Services Account for the M5 Fleet Maintenance and Management Software Program and decrease the Schedule 29 – Innovation Fund allocation by the same amount to offset the cost.
- \$-0-
110. Reappropriate unencumbered 2023-24 CTIEP funds (\$233,000) to the 2024-25 CTIEP for maintenance costs for the following EWDD properties:
- a. 94th and Broadway
 - b. Bethune Library
 - c. Lanzit Parcel
 - d. Marlton Square
 - e. Reseda Theater
- \$-0-
111. Restore resolution authority and nine-months funding for four positions consisting of one Electrical Craft Helper, two Electricians and one Management Analyst (\$280,573 direct cost/\$148,296 indirect cost) to support the Department's Solar and Battery System work on City-owned facilities, to be paid with a special purpose fund appropriation (\$428,869).
- \$-0-

Housing

112. Restore position authority and funding for 33 vacant positions deleted by the Proposed Budget that are fully special and fee supported by Rent Stabilization Trust Fund, Systematic Code Enforcement Fee Fund, Housing Impact Trust Fund, Foreclosure Registry Program Fund, Low and Moderate Income Housing Fund, Affordable Housing Trust Fund, SB2 Permanent Local Housing Allocation Fund, Municipal Housing Finance Fund, Community Development Block Grant, and HOME Investment Partnership Program Fund (\$2,761,336 direct cost/\$2,074,513 indirect cost).
- \$-0-

Information Technology Agency

113. Restore resolution authority and twelve-months funding (\$225,009 direct cost/\$95,176 indirect cost) for one Assistant General Manager and twelve-months funding (\$95,677 direct cost/\$50,181 indirect cost) for one Payroll Supervisor and delete resolution authority and funding (-\$176,289 direct cost/- \$78,226 indirect cost) for one Chief Management Analyst and reduce funding in the Office and Administrative (-\$151,528) and Furniture, Office, and Technical Equipment (-\$60,000) accounts.
- \$-0-

Personnel

114. Add regular authority and 12-months funding for one Senior Benefits Analyst I (\$60,851 direct cost /\$54,344 indirect cost) to be fully reimbursed by the Employee Benefits Trust Fund 899.

\$-0-

Planning and the Unappropriated Balance

115. Create a new line item in the Unappropriated Balance and set aside funding (\$89,220 direct cost/\$47,935 indirect cost) for planning efforts around the Cultural Crescent and other unique assets in Watts, pending recognition of grants receipts from philanthropy.

\$-0-

Public Accountability

116. Restore regular authority and twelve-months funding for one Utility Rate and Policy Specialist I, two Utility Rate and Policy Specialists II, one Utility Rate and Policy Specialist III, and one Executive Administrative Assistant II, to be fully reimbursed by the Department of Water and Power (\$833,000).

\$-0-

117. Add funding in the Contractual Services Account for a Comprehensive Rate Review, to be fully reimbursed by DWP (\$581,000).

\$-0-

Public Works – Board

118. Restore resolution authority for two Accountants and regular authority for three Accountants (direct cost \$323,470/indirect cost \$345,985) with twelve-months funding to support the Emergency Sewer Repair Program.

\$-0-

119. Restore resolution authority for one Accountant position (direct cost \$64,694/indirect cost \$69,197) to be funded by Measure W to support processing of invoices.

\$-0-

Public Works – Board and the Unappropriated Balance

120. Create a new line item in the Unappropriated Balance (\$300,000), contingent upon anticipated funding from the Harbor Department, for an amortization study of the petroleum tanks at Rancho LPG.

\$-0-

Public Works – Contract Administration

121. Restore resolution authority and six-months funding (\$78,609 direct cost/\$61,426 indirect cost) for one Principal Construction Inspector and increase funding the Transportation Account (\$750) to support sidewalk repair work, to be offset by increased appropriations in the Sidewalk Repair Fund.

\$-0-

122. Restore resolution authority and twelve-months funding (\$984,550 direct cost/\$664,351 indirect cost) for one Systems Analyst to be funded with the Sewer Construction Maintenance Fund and one Senior Electrical Inspector, two Construction Inspectors, two Management Analysts, and two Senior Construction Inspectors to be fully reimbursed by the proprietary departments.

\$-0-

Public Works – Engineering

123. Restore resolution authority and nine-months funding for one Civil Engineer (direct cost \$92,754/indirect cost \$44,940) to staff the West Los Angeles Permit Public Counter. Increase Engineering permitting receipts (\$137,694) to reflect permit and fee revenue generated by this position.

\$-0-

124. Restore regular authority and nine-months funding for one Environmental Engineering Associate IV and one Environmental Specialist II (direct cost \$169,456/indirect cost \$84,296) to support the Clean Water Infrastructure Program, to be funded from Sewer Construction and Maintenance Fund salary savings.

\$-0-

125. Restore nine-months funding and resolution authority for one Civil Engineer and regular authority for one Civil Engineering Associate III (direct cost \$178,100/indirect cost \$87,304) to support Safe Clean Water municipal and regional projects to be funded from the Measure W Local Return Fund line item for Feasibility Studies.

\$-0-

126. Restore nine-months funding and regular authority for one Control Systems Engineering Associate IV, three Civil Engineering Associate IIIs, and one Environmental Engineering Associate III and resolution authority for one Civil Engineering Associate III and one Civil Engineering Associate IV (direct cost \$612,240/indirect cost \$301,697) and delete position authority and funding for seven Civil Engineering Associate IIs (direct cost - \$536,918/indirect cost -\$275,492), funded by Measure M, the Sewer and Construction Maintenance Fund and Proposition C, with incremental costs (\$101,527) to be absorbed by this Bureau.
- \$-0-

Public Works – Sanitation

127. Position Restoration:
- a. Delete funding and resolution authority for one Environmental Compliance Inspector (direct cost \$91,882/indirect cost \$48,861) and restore resolution authority and twelve-months funding for one Management Analyst (direct cost \$98,271/indirect cost \$51,083) to support commercial organics program compliance with funding from the Citywide Recycling Trust Fund.

\$-0-

 - b. Delete funding and regular authority for one Senior Systems Analyst I (direct cost \$116,280/indirect cost \$57,349) and restore resolution authority and twelve-months funding for one Programmer/Analyst III (direct cost \$104,619/indirect cost \$53,292) to modernize, maintain, and enhance legacy software applications including cybersecurity measures with incremental costs offset by the Sewer Construction and Maintenance Fund, Solid Waste Resources Revenue Fund, Citywide Recycling Trust Fund, and Stormwater Pollution Abatement Fund.

\$-0-

Public Works – Street Services

128. Restore resolution authority with funding for 17 positions to support access curb ramp work within the Pavement Preservation Program. Reduce the Road Maintenance and Rehabilitation Fund appropriation to the CTIEP (-\$7,990,036) and increase the appropriation for “PPP Access Ramps” (\$7,990,036) to support six-months of Access Ramp work conducted as part of the Pavement Preservation Program.
- \$-0-
129. Increase Contractual Services (\$40,000) for outreach and education services for sidewalk vendors to be offset by the Sidewalk and Park Vending Trust Fund.
- \$-0-

Recreation and Parks

130. Restore resolution authority and 12-months funding (\$357,213 direct cost/\$225,644 indirect cost) for two Senior Administrative Clerks, one Aquarist I, two Park Services Attendant IIs, and one Senior Gardener to be fully reimbursed by the Harbor Department.

\$-0-

Transportation

131. Restore resolution authority and nine-months funding for five parking Meter Technicians (\$289,538 direct cost/\$164,085 indirect cost) to be offset by a reduction in the Parking Studies line item of the Special Parking Revenue Fund.

\$-0-

132. Restore position authority for one Assistant General Manager, one Accountant, one Accounting Clerk, one Chief Management Analyst, one Fiscal Systems Specialist I, one Management Analyst, three Senior Communications Operator IIs, one Senior Systems Analyst I, one Senior Transportation Engineer, and one Senior Accountant I (\$1,401,927 direct cost/\$940,960 indirect cost) to be offset by the deletion of position authority and funding for one Community Affairs Advocate, one Administrative Clerk, four Assistant Signal Systems Electricians, one Civil Engineering Drafting Technician, one Mechanical Helper, one Sign Painter, two Signal Systems Electricians, two Traffic Painter and Sign Poster IIs, one Transportation Engineering Associate III, and one Transportation Engineering Associate II (\$1,342,872 direct cost/\$1,033,720 indirect cost).

\$-0-

133. Reappropriate \$500,000 in the 2023-24 Unappropriated Balance for Quiet Zone Studies for railway crossings in the Harbor area.

\$-0-

Zoo

134. Add nine-months funding (\$47,457 direct cost/\$29,182 indirect cost) and resolution authority for one Animal Keeper to staff the Nutrition Center and delete one Administrative Clerk.

\$-0-

Instructions and Technical Adjustments

Exhibit H

135. Delete Exhibit H in its entirety and replace with the Attachment to the CLA report dated May 16, 2024. Various instructions were deleted for the following reasons: (1) it was not required for implementation of the Budget; (2) an instruction has already been provided by the Council; or (3) a similar report has been requested by the Budget, Finance and Innovation Committee.

General Instructions

136. Instruct all Departments to ensure that all receipts, including settlements and liability claims, are properly deposited into the General Fund, and further request the Controller to ensure that Departments are adhering to this instruction.
137. Instruct all Departments to ensure immediate invoicing for all grant reimbursements.
138. Instruct all departments with pending fee increases that are included in the Proposed Budget, with the assistance of the City Attorney, to report to Council no later than June 30, 2024 with ordinances to effectuate the change in fees. This is to ensure that estimated revenue in the 2024-25 Budget is realized, in accordance with the Annual Fee Studies Policy. Further, instruct all departments to review their fee structures annually and to report to the Budget, Finance and Innovation Committee by January 1, 2025 with ordinances, status reports or negative replies concerning fee adjustments for the 2025-26 fiscal year.
139. Instruct all City department and bureau heads to promptly notify the CAO of shortfalls in their budget or revenues so that they may be reported in the CAO's financial status reports.
140. Instruct the CAO to continue to provide quarterly or more frequently, if necessary, financial status reports on revenues and expenditures, the status of the Reserve Fund, status of the Budget Stabilization Fund, projected shortfalls and all other elements previously included by the CAO in these financial status reports. Financial status reports should also include the status of liability claims for each of the Liability Payout categories in the Proposed Budget, detailing for each the amount budgeted, available balance, payouts to date, projected payouts for the fiscal year, variance between budget and actual, and, in cases where additional funds will be needed, a brief explanation of the underlying causes for exceeding the budgeted amount and corrective actions being taken to control costs. The reports should include recommendations to protect the City's fiscal health.

141. Instruct the CAO to provide an update to the Four-Year Outlook following adoption of the 2024-25 Budget by the City Council and Mayor. This update may include recommendations to revise the City's Financial Policies to ensure that they align with stated budgetary goals and are not in conflict with one another.
142. Request the City Attorney to report on a quarterly basis to the Budget, Finance and Innovation Committee on the status of liability claims and outside legal counsel costs, the latter to include proprietary department expense. Such reports to include the following: available balance; encumbered balance; expenditures to date; projected needs for balance of fiscal year; and, if more funds are needed, specify the corrective actions being taken to contain costs.
143. Instruct the Personnel Department to report on a quarterly basis to the Budget, Finance and Innovation Committee on the status of hiring, recruitment, and the Targeted Local Hire Program, Bridge to Jobs, and Alternative Pathway for Part-Time and Exempt Employees for Personnel and all other departments with high vacancy rates.
144. Instruct all departments to process FMS transactions resulting from Mayor/Council fiscal actions within 10 working days from the approval date as recorded by the Mayor and City Clerk.
145. Instruct the CAO to monitor and ensure timely data entry of budget adjustments by City Departments.
146. Authorization of substitute positions other than for layoff avoidance and/or for which adequate savings within a department's budget has not been identified, shall require Council approval. The use of substitute authorities shall be restricted only to limited duration or critical uses.
147. All new positions are subject to allocation by the Board of Civil Service Commissioners. All positions with pay grades above the minimum authorized level and pay grade upgrades are subject to pay grade determination by the City Administrative Officer, Employee Relations Division.
148. Instruct the City Clerk to open Council Files for reports included in this report and ensure the referral of these reports.
149. Authorize the CLA and CAO to make minor and technical adjustments to accomplish the intent of the changes proposed herein.

150. Relative to the Capital Finance Administration Fund: All projects proposed for MICLA financing must be approved by the Council before expending MICLA Commercial Paper proceeds. Further, to the extent that special funds are being used to support MICLA projects, the City Administrative Officer must reevaluate the use and report on the need for special funds.
151. Instruct all departments to use the Targeted Local Hire, Bridge to Jobs, and Alternative Pathway for Part-time and Exempt Employees programs for the hiring of eligible classifications in the programs.
152. Instruct the CAO to make corrections to sources of funds and schedules to align with the adopted 50th Year Consolidated Plan.
153. Instruct the Chief Legislative Analyst to prepare the list of special studies requested by the Budget, Finance and Innovation Committee and transmit to the Council for consideration.
154. Instruct the CAO to report to the Housing and Homelessness Committee with regular status reports on duties and accomplishments of the Affordable Housing Liaison Unit.
155. Transfers of functions from one department or office to another that were discussed during the Budget, Finance and Innovation Committee hearings on the 2024-25 Proposed Budget will be included as Special Studies in a separate report submitted to the Council following adoption of the 2024-25 Budget.
156. Instruct the City Clerk to allow each Neighborhood Council to retain any unexpended funds from the prior year's annual allocation within the Neighborhood Council fund for one year.

Technical Adjustments

Capital Finance Administration Fund - MICLA

157. Add MICLA authorization of \$2M for the Watts Happening Cultural Center at the Mafundi Institute building for HVAC, electrical, and plumbing upgrades.
158. Reauthorize MICLA financing in the amount of \$3.5M for the Warner Grand Theatre rehabilitation project.

Controller

159. Restore resolution authority without funding for one Deputy Director of Auditing; one Financial Management Specialist II; one Financial Management Specialist III; one Financial Management Specialist IV; one Financial Management Specialist V; two Fiscal Systems Specialist IIs; one Internal Auditor IV; and one and Senior Accountant II.

Emergency Management

160. Delete authority for two Emergency Management Coordinator Is assigned to Homelessness Preparedness and Response, and add authority for two Emergency Management Coordinator Is for emergency preparedness and community outreach.

General City Purposes – Homeless Budget

161. Homeless Budget: Allocate the \$17,000,000 in the Additional Homeless Services line item in equal amounts for all fifteen Council Districts to be used at their discretion for homelessness programs, services, and/or project gap funding, to be administered by Council.
162. Opioid Settlement Funds: Revise Proposed Budget to specify these funds will be administered by the Mayor and Council.

Housing

163. Delete position authority and funding for two Administrative Clerks and restore position authority and funding for two Senior Administrative Clerks to support the Administrative Services Division with any incremental cost to be absorbed by Special Funds.

Police

164. Allocate funds to the Overtime Sworn account to provide deployment flexibility including patrol of Interim Homeless Housing Sites.
165. Correct budget footnote to continue overtime carveout of for enforcement and investigations of illegal cannabis businesses (\$5,000,000) and security services to the cannabis industry cash collection operations within the Office of Finance, funded by the Cannabis Regulations Special Revenue Fund (\$451,008).

Proposition A Local Transit Assistance Fund

166. Make technical corrections to the Proposition A schedule with no net impact on the General Fund

Public Works – Engineering

167. Restore regular authority without funding for one Principal Civil Engineer to support the Project Award and Control Division. The Bureau will fund this position through interim appropriations from project budgets as this position will help accelerate project closeouts.

Public Works – Street Services

168. Delete resolution authority for three Tree Surgeon Assistants assigned to the Dead Tree and Stump Removal Crew and add resolution authority for three Tree Surgeon Assistants for Citywide tree trimming activities.

169. Delete resolution authority for one Senior Street Services Investigator II and four Street Services Investigators for Hollywood Boulevard accessibility enforcement and add resolution authority for one Senior Street Services Investigator II and four Street Services Investigators for broader Citywide public right-of-way enforcement.

Budget Notes

170. Add a Departmental Footnote in the Fire Department as follows: Existing vacant Fireboat positions to be filled in 2024-25, to be fully reimbursed by the Harbor Department.
171. Neighborhood Empowerment - modify the Detail of Positions and Salaries to reflect the count of the Executive Administrative Assistant III (Class Code 1117-3) classification from two to one and the count of the Project Assistant (Class Code 1542-0) classification from four to five, as reflected in the 2023-24 Departmental Personnel Ordinance.
172. Recreation and Parks - modify the Detail of Department Programs text of Item No. 24, Recreational Programming Support to reflect the correct classification of the position not being continued from Recreation Supervisor to Recreation Coordinator.
173. Amend the Homelessness Schedule for the Department on Disability Homeless and HIV Program from \$200,000 to \$190,000 to accurately reflect the funding allocated for this program under the Department on Disability.
174. Neighborhood Empowerment - modify line 6 description on the Detail of Contractual Services Account Schedule from Results Based Accountability Training to Youth and Women Leadership events.
175. Amend Schedule 1 Los Angeles Convention and Visitors Bureau Trust Fund to reduce the LA Convention and Visitors Bureau 2024-25 appropriation line item by \$1,306,250 and increase the Unallocated 2024-25 line by a like amount to reflect four quarterly payments less a five percent hold back.

Reserve Fund, Budget Stabilization Fund, and Unappropriated Balance, Reserve for Mid-Year Adjustments

176. Reserve Fund: The Budget and Finance Committee recommends actions contained in this report that will increase the Reserve Fund by about \$7.45M, for a total of approximately \$406.8M. This total will meet or exceed the percentage of General Fund Revenue in the Reserve Fund proposed by the Mayor.
177. Budget Stabilization Fund: Your Budget, Finance & Innovation Committee recommends a Budget Stabilization Fund of \$202.4M, as proposed.
178. Unappropriated Balance, Reserve for Mid-Year Adjustments: Your Budget, Finance & Innovation Committee recommends a Reserve for Mid-Year Adjustments of \$60M, an increase of \$30 from proposed.

CLOSING RECOMMENDATIONS

179. Instruct the Office of the City Administrative Officer to prepare and present to the City Council within 30 days a listing of all resolutions, substitute, and in-lieu positions needed to fulfill the intent of the Council's actions on the 2024-25 Budget.
180. Authorize the Chief Legislative Analyst and City Administrative Officer to make minor and technical adjustments to fulfill the intent of the Budget actions, and request the City Attorney, with the assistance of the CLA and CAO, to prepare and present a resolution for the adoption of the 2024-25 Budget for the General Government of the City of Los Angeles, as submitted by the Mayor on April 22, 2024, as modified by this report.

Relevant Attachments

From the CLA Report dated May 16, 2024

ATTACHMENT

Exhibit H – Implementing Instructions and Ordinance Changes

- H1. Authorize the issuance of an amount not-to-exceed \$1.70 billion in Tax and Revenue Anticipation Notes to address short-term cash flow needs and to make the full annual contribution payments to the Los Angeles City Employees' Retirement System Fund and to the Los Angeles Fire and Police Pension Fund.
- H2. Request the City Attorney, to prepare and present all revenue-generating ordinances as expeditiously as possible, but no later than 30 days after final budget adoption.
- H3. No layoffs are authorized as part of the 2024-25 Budget. Insofar as the budget includes the elimination of filled positions, departments are instructed to transfer incumbent employees into existing vacant positions, where appropriate. If no such vacancy exists, the City may pursue other administrative actions, including the approval of substitute and in-lieu position authorities, to retain these employees. Departments are expected to absorb the costs of these additional authorities. If a department is unable to absorb these costs, the City Administrative Officer shall recommend transfers of funds through financial status reports, including from the Unappropriated Balance – Department Payroll Reconciliation Account, to pay for the costs of these authorities.
- H4. Instruct the City Administrative Officer to include in 2024-25 Financial Status Reports, the transfer of interest from the Engineering Special Services Fund No. 682/50 to the Reserve Fund No. 101/62.
- H5. Instruct the CAO to convene, in concert with the Mayor and Council and at the start of July, a reassessment of departmental base budgets to ensure that City services are aligned with requests from the public, that staffing levels for those core services identified are sufficient to meet the needs of the City and a plan to address the future staffing needs of our departments is developed in time for the 2025-26 budget process.
- H6. Authorize the Controller and the General Services Department to transfer funds from the Motion Picture Coordination Fund No. 417 to GSD fund 100/40, Salaries General Account No. 001010, Salaries Overtime Account No. 001090, Salaries As Needed Account No. 001070, Hiring Hall Account No. 001100, Construction Projects Account No. 001014, Hiring Hall Construction Account No. 001101, Hiring Hall Fringe Benefits Account No. 001120, Construction Hiring Hall Fringe Benefits Account No. 001121, Construction Overtime Hiring Hall Account No. 001191, Maintenance Materials Account No. 003160, Construction Materials Account No. 003180, Office and Administrative Account No. 006010 and Operating Supplies Account No. 006020.
- H7. Disencumber and revert to the special fund cash balance the balances remaining in each of the following accounts in the same amounts as exist on June 30, 2024, and authorize the Controller to take all necessary steps to accomplish this action: Accessible Housing Fund No. 10D, Chief Architect Account Nos. 43V919, 43W919, 43Y919, City Architectural Plans Account No. 43V920, Contract Programming – For Systems Upgrades Account Nos. 43T900, 43V900, 43W900, 43Y900,

Court monitor Account Nos. 43W621, 43Y621, Outside Auditor Account Nos. 43W644, 43Y644, 43T280, Plaintiff Counsel Account Nos. 43V280, 43W280, 43Y280, Retrofit Account Nos. 43R698, 43S698, 43V698, 43W698, Technical Services Account Nos. 43T844, 43Y844, Translation Services Account Nos. 43T560, 43V560, 43W560, 43Y560.

- H8. Instruct the Public Works, Bureau of Sanitation to report on fee studies and recommendations, including required Charter or ordinance changes, to achieve full cost recovery for the following programs:
- a. Solid Waste – Extra Capacity and Intermittent Extra Capacity
 - b. Clean Water – Septage Discharge; Industrial User; Sewer Permit Dye Test; Sewer Capacity Availability Reviews
 - c. Watershed Protection – Planning and Land Development-Low Impact Development Review