

CITY OF LOS ANGELES

CALIFORNIA

MATTHEW W. SZABO
CITY ADMINISTRATIVE OFFICER



KAREN BASS
MAYOR

April 22, 2024

ASSISTANT
CITY ADMINISTRATIVE OFFICERS

PATRICIA J. HUBER
MALAIKA BILLUPS
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YOLANDA CHAVEZ
EDWIN GIPSON II

Honorable Members of the Budget, Finance and Innovation Committee
Office of the City Clerk
200 North Spring Street, City Hall, Room 395
Los Angeles, CA 90012

Dear Honorable Members:

I appreciate the opportunity to provide my comments on the 2024-25 Proposed Budget for the Office of the City Administrative Officer (CAO; C.F. 24-0600). This is a particularly challenging budget development cycle, as the City is experiencing declining revenues concurrent with significantly increasing expenditures. As we navigate the challenges ahead, I will continue to advocate for our shared goal of financial sustainability and responsible stewardship of our City's finances.

Given the City's current financial constraints, the 2024-25 Proposed Budget for my Office is appreciated. Five important items the staff of the CAO will be able to accomplish with the funding allocated in the 2024-25 Proposed Budget include:

1. Transition salaries and benefits cost forecasting to the Human Resources and Payroll (HRP) system with the first additional position the CAO has received for HRP (Blue Book Item No. 14, "Position and Budgetary Support").
2. Determine the "normal and customary" City services required as part of establishing the City cost reimbursements for the 2028 Olympic and Paralympic Games (Blue Book Item No. 18, "2028 Olympic and Paralympic Games Planning").
3. In accordance with the LA Alliance (Roadmap) case, maintain at least 6,000 homeless housing units open and occupiable (Blue Book Item No. 19, "Homelessness Oversight," and No. 21, "Street Medicine Team").
4. Initiate the development of a comprehensive Municipal Operations Carbon Neutrality Feasibility Study (Blue Book Item No. 20, "Climate Impact Team").
5. Complete the first year of the Unarmed Model of Crisis Response pilot program (Blue Book Item No. 22, "Unarmed Model of Crisis Response").

I have no requested changes to the CAO's 2024-25 Proposed Budget. The CAO's 2024-25 Proposed Budget contains the appropriate position classifications to complete my Office's critical work and in some areas, positions are recommended to be regularized. I do not see a need for restructuring at this time.

The CAO continues to incorporate equity as a lens in budgetary analysis for requests from all departments. Building on the Equity in Budgeting Pilot we implemented in 2023-24, my Office built a more robust program as part of the 2024-25 budget development process. Specifically, the CAO's review of the 2024-25 budget requests from all departments included the use of the Measure of Access, Disparity, and Equity (MADE) tool, a first ever Equity Index tool that allows City staff to consider measures of equity and inequity in budgetary and programmatic decision making. Additional information on our efforts to integrate equity in our budget process was recently presented to your Committee (C.F. 23-0354).

My staff and I look forward to working with your Committee, and the entire City Council, during this budget process and in the future. Thank you for your leadership during this time of critical budget balancing efforts, during which we must challenge and reimagine our City's status quo. I appreciate our continued partnership.

Thank you for this opportunity to address the Committee. If you have any questions, please contact me at (213) 473-7565.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Matthew W. Szabo', with a long, sweeping horizontal stroke extending to the right.

Matthew W. Szabo
City Administrative Officer