


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

April 30, 2024

To: Honorable Members of the
Budget, Finance and Innovation Committee

From: Sharon M. Tso 
Chief Legislative Analyst

Overview of the 2024-25 Proposed Budget

As requested by your Committee, we have prepared the attached overview of the 2024-25 Proposed Budget, as submitted by the Mayor on April 22, 2024.

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

SMT:majjs

Attachment: Overview of the 2024-25 Budget
As Submitted by the Mayor

OVERVIEW OF THE 2024-2025 PROPOSED BUDGET

AS SUBMITTED BY THE MAYOR



Presented to:
The Budget, Finance and Innovation Committee

Prepared By:
Sharon M. Tso
Chief Legislative Analyst

2023-24 Budgeted Revenue	\$7,903.34M
• Includes One-Time Revenues (\$244.63M)	
2024-25 Revenue Estimate	\$7,986.26M
• Includes One-Time Revenues (\$211.69M) and Ongoing Revenues (\$115.87M)	
Total Revenue Change	\$82.92M

Balancing the 2024-25 General Fund Budget

2024-25 Expenditures to Maintain 2023-24 Service Levels

- **Obligatory Expenditure Changes (\$77.49M)**
 - Includes:
 - 2023-24 Employee Compensation Adjustment (\$141.58M)
 - 2024-25 Employee Compensation Adjustment (\$78.43M)
 - Unappropriated Balance - Payroll Reconciliation (\$122.32M)
 - Deletion of One-Time Expense Funding (-\$270.83M)
 - City Employee Retirement System (\$31.32M)
 - Fire and Police Pensions System (\$28.20M)
 - Human Resources Benefits (\$53.83M)
- **Continuation of Existing Services (\$226.2M)**
 - *Does not include \$37.5M in funding for eliminated Resolution Authorities.*

Total Deficit 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 (\$24.85 M)
 - 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 Departments - 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

2024-25 and Future Years

The Mayor's Proposed Budget represents a balanced approach to the City's current fiscal situation, and provides a reasonable starting point on which to expand in future fiscal years. The City's fiscal situation is a result of below-average revenues coupled with a significant increase in obligatory costs due to increased City expenses, including those resulting from new labor contracts. The Proposed Budget fully funds these labor agreements, sets aside funding for pending labor agreements, and provides adequate resources to address the core functions of the City, all while continuing to provide significant resources to confront the ongoing homelessness crisis. However, the Proposed Budget relies heavily on the deletion of vacant positions without downward adjustments to departmental Salary Savings Rates and reductions in departmental and non-departmental expense accounts to remain in balance. Departments may have to rely on not backfilling future employee attrition to remain within budget.

The City Administrative Officer estimates that the City's General Fund receipts will grow by just one percent next fiscal year. The Four-Year Outlook (Outlook) projects deficits in 2025-26, 2026-27 and 2027-28, and a return to surplus in 2028-29. The Outlook assumes average revenue growth in outgoing years and deletes spending for one-time programs. The majority of current labor agreements for sworn employees expire in 2023-24 or 2026-27. The Outlook does not include projected amounts for future agreements beyond 2026-27. However, all civilian labor agreements are accounted for in the Outlook.

The Mayor's Proposed Budget projects that the Reserve Fund will begin 2024-25 at \$399.4M, or 5 percent of General Fund revenue, meeting, but not exceeding, the 5 percent goal included in the City's financial policies. Rounding out the City's reserves will be the Budget Stabilization Fund (BSF) (\$202.4M) and the Unappropriated Balance, Reserve for Mid-Year Adjustments line item (\$30M). The City's total reserves equal \$631.8M, or 7.91 percent of General Fund revenue. It should be noted that due to a change in General Fund tax revenues from the 2023-24 Adopted Budget to the 2024-25 Proposed Budget being three percent below the 20-year average, the Proposed Budget could have included a withdrawal up to \$26M from the BSF. However, the Proposed Budget does not include any BSF withdrawal.

The Proposed Budget includes \$75M (or 0.94 percent of General Fund receipts) for capital and technology improvements and projects. This does not meet the City's Capital and Technology Improvement Expenditure Program (CTIEP) Policy, which sets the goal of 1.5 percent of General Fund receipts for these projects annually. The Proposed Budget also reduces special fund appropriations for these projects. Overall, the Proposed Budget includes a reduction of \$174M in capital projects from 2023-24. This reduced investment on capital and technology improvements may result in additional need for funding in future years.

The Proposed Budget provides \$950.8M for homelessness-related programs, a 25.6 percent decrease from 2023-24. The main drivers of the reduction are the reduction in the Inside Safe program budget as well as a reduction in Proposition HHH project expenditures. In 2023-24, the City allocated \$250M for the Inside Safe program, with an initial allocation of \$65.7M to the Homelessness Emergency Account (HEA) and the remaining balance appropriated to the Inside Safe Reserve account. Fund transfers of \$25M are made to the HEA upon proper

notice to the Mayor, Council, and Controller when the available uncommitted balance in the HEA falls below \$25M.

The 2024-25 Proposed Budget eliminates the Inside Safe Reserve and decreases the overall allocation of General Fund revenue to the program by \$170M. The Inside Safe budget anticipates \$185.5M in total funding through an \$80M allocation to General City Purposes, a reappropriation of \$72.5M from 2023-24 HEA balance, and a \$33M State Emergency Stabilization Bed grant. The Outlook does not contemplate any additional General Fund appropriation for Inside Safe beyond 2024-25.

The Proposed Budget maintains law enforcement and public safety resources, and provides funding to hire to a police force of 8,878 sworn officers. Authority to hire an additional 208 officers is included without funding. Funding is also included to bring up to 30 retired officers back to staff critical assignments as part of the BOUNCE program, bringing the estimated total sworn staffing at the Police Department up to 8,908 officers. The Proposed Budget includes funding in the Fire Department to train and hire 220 new firefighters in three new academy classes. In addition, the Proposed Budget continues funding provided last year for the Emergency Appointment Paramedic Program and Paramedic Training Program to ensure the City has a sufficient number of paramedics. Funding is also included in the Unappropriated Balance for the potential impacts of new labor agreements with sworn Fire personnel. It is important to note that the Outlook does not contemplate adding funding in future years to increase sworn staffing at the Police Department.

While the Proposed Budget represents a fiscally sound proposal for the upcoming fiscal year, there are a number of potential issues that Council should consider during its deliberations. First, with increased obligatory spending resulting from the new labor agreements, there is little funding available for the restoration of or creation of new programs or services in the upcoming fiscal year or for the foreseeable future. Further, due to the elimination of vacant positions without downward adjustments to departmental Salary Savings Rates and the reduction in expense accounts across City departments, the Mayor and Council will have very little flexibility to deal with any unanticipated revenue and/or expenditure issues that may occur during the fiscal year.

A critical aspect of balancing the Proposed Budget is the elimination of 2,139 positions, 245 of which are filled. The Proposed Budget assumes employees in the eliminated filled positions will be moved into remaining vacancies. There will be 2,905 non-sworn vacant positions across the City in 2024-25, which is 40 percent less than the number of vacancies in 2023-24, further reducing flexibility to deliver services and projects. While the Proposed Budget is balanced, the cost to maintain current levels will still exceed revenue in future years and that additional position deletions may be necessary. The Proposed Budget recommends the continuation of the Prioritized Critical Hiring process to carefully monitor department expenditures. The elimination of these positions is essential for achieving structural balance by the fourth year of the Outlook. As a result, new or expanded service are unlikely unless the City's revenue receipts significantly improve.

There are also outstanding concerns related to the United to House LA (ULA) Funds. Due to risks associated with pending litigation and a November 2024 State ballot measure, the City

limited spending in 2023-24 to \$150M. The initial expenditure plan focused on generating new affordable housing quickly, preventing Angelenos from falling into homelessness, and limiting new and ongoing liabilities for the City. Inasmuch as the litigation is on appeal and should the City not prevail in court, the General Fund may be obligated as a replacement source of funds for incurred expenses.

There is also the potential that voter approval of a statewide ballot measure in November 2024 would require taxes proposed through a citizens' initiative to receive a two-thirds vote to be adopted. This would invalidate ULA unless revalidated by a two-thirds vote. If this ballot measure passes, there may be impacts to the City's ability to fund the housing programs initiated during 2023-24.

In addition, there may be issues next fiscal year that require the identification of additional funding, or which may impact the City's revenues. These include the potential to exceed expenditures in Liability Claims funding, a potential impact to the General Funded Lifeline program in the General City Purposes Fund as a result of proposed fee increases to Sewer Service Charges, and a potential need for additional sidewalk and curb ramp repair work required as part of the *Willits* settlement.

Given the lack of flexibility and potential for additional expenses in the upcoming fiscal year, the Council should exercise caution and make every effort to increase the City's reserves in order to offset potential fiscal concerns in 2024-25 and beyond.

Significant Issues

Policy Considerations

Compliance with Financial Policies:

City Financial Policies		Mayor's Proposed Budget
Reserve Fund	The Reserve Fund shall be 5% of the General Fund Budget.	Compliant: Proposes a Reserve Fund of \$399.4M, which equates to a Reserve Fund rate of 5% of General Fund revenues.
Capital & Technology Infrastructure	To the extent possible, the City shall annually budget 1.5% of General Fund revenue to fund capital & technology infrastructure improvements.	Not Compliant: Provides 0.94% of General Fund revenue for capital and technology infrastructure projects (\$75.1M). Approximately \$45M would be needed for compliance.
One-time Revenue	To the extent possible, current operations will be funded by current revenues. The use of unencumbered prior year balances in all funds shall be scrutinized and carefully limited to be used primarily for one-time expenditures. One-time revenues will only be used for one-time expenditures.	Compliant: \$211.7M in one-time revenue is programmed in 2024-25. According to the CAO Supporting Documents, one-time expenditures totaling \$248.8M are included in the 2024-25 Proposed Budget.
Pension & Retirement Funding	When the required contribution rate falls significantly below the normal cost rate, the City will set aside the incremental rate amount for one-time expenditures only.	Not Applicable: A credit has not been earned; therefore, funding is not set aside in accordance with this policy.
Budget Stabilization Policy	This fund is intended to prevent overspending during prosperous years and provide resources to help maintain service levels during lean years.	Compliant: The 2024-25 Proposed Budget could include a withdrawal from the Budget Stabilization Fund (BSF) up to \$25.6M. The Proposed Budget does not include any withdrawal from the BSF.
Debt Policy	<p>This Policy guides the use of General Fund revenue to pay debt service. Debt should be used to finance essential capital assets with a useful life of six years or more. City operations, maintenance, or capital equipment with less than a six-year useful life should be funded with pay-as-you-go financing.</p> <p>The ratio of total debt service payments (including voter approved debt) shall not exceed 15% of General Fund revenues, and the ratio for non-voter approved debt, alone, shall not exceed 6%.</p>	Compliant: The 2024-25 Proposed Budget complies with this policy, inasmuch as proposed debt will result in a total debt ratio of 4.05% and a non-voter approved debt ratio of 2.66%.

City Reserves: The City maintains its reserves in a number of funds, made up of the Reserve Fund (consisting of the Contingency Reserve and the Emergency Reserve), the

Budget Stabilization Fund, and the Reserve for Mid-Year Adjustments account in the Unappropriated Balance. The goal is to have total reserves of 10% of General Fund Revenue. The chart below outlines the Proposed Budget's reserves, as compared to the actual allocations in the 2023-24 fiscal year:

Fund	FY 2023-24 Adopted	FY 2023-24 Estimate	Mayor's Proposed 2024-25 Budget
Reserve Fund			
• <i>Contingency Reserve</i>	\$350.2M	\$430.9M	\$179.8M
• <i>Emergency Reserve</i>	\$217.3M	\$217.3M	\$219.6M
RESERVE FUND TOTAL	\$567.6M	\$648.3M	\$399.4M
<i>Reserve Fund % of GF Revenues</i>	7.18%	8.2%	5%
Budget Stabilization Fund (BSF)			
• BSF Deposit	\$2.1M	\$2.1M	-
BSF BALANCE	\$194.6M	\$202.4M	\$202.4M
Unappropriated Balance (UB)			
• <i>Reserve for Mid-Year Adjustments</i>	\$30M	\$30M	\$30M
• UB RESERVES TOTAL	\$30M	\$30M	\$30M
TOTAL RESERVES	\$794.3M	\$880.6M	\$631.8M
<i>Total Reserves % of GF Revenue</i>	10.02%	11.40%	7.91%

The BSF policy permits a withdrawal from the BSF to the 2024-25 Budget. However, the Proposed Budget does not include one. A withdrawal is permitted because the cumulative growth of the City's seven economically sensitive General Fund tax revenues is 1.4 percent, which is 3.0 percent below the 20-year average of 4.4 percent. Therefore, the City may take a withdrawal equal to 15 percent of the value below the expected amount of revenues, which would equate to \$25.6M.

Revenues

Revenue Outlook: According to the CAO's City Revenue Outlook, over the past four fiscal years, the City's General Fund revenues have gone through a period of increased inconsistency, which has made it difficult to develop reliable revenue estimates for future years. Conditions stemming from the COVID-19 pandemic, business closures, travel restrictions, supply chain disruptions, volatility in the real estate market, high inflation, federal reserve rate increases, peaks in energy prices, labor strikes, and changes in consumer behavior and business operations have complicated revenue estimates.

Following the conclusion of the COVID-19 pandemic-era restrictions in 2021-22, issues surrounding supply chain disruptions and increasing fuel costs continued to persist and push inflation higher, contributing to increased costs for consumers on goods and services. These increased costs benefitted City tax revenues, allowing sales tax, transient occupancy tax (TOT), and parking occupancy tax (POT) to recover from pandemic-era losses.

In 2022-23, efforts to control inflation through a series of Federal Reserve rate increases led to a high consumer price index of 9.1 percent. These rate increases contributed to rapidly increased mortgage rates, which led to a decline in sales volume for the real estate market. The combination of decreased property sales volume and price have reduced documentary transfer taxes over the last two fiscal years. Conversely, property tax saw a higher tax base growth due to reassessments and a two percent inflation adjustment as allowed under Proposition 13. Other revenues in 2022-23 experienced an increase as well, such as parking occupancy tax, transient occupancy tax, sales and business taxes, gas users tax, and franchise receipts.

By 2023-24, in an effort to slow the economy, the federal funds rate increased to 5.5 percent. Local unemployment has also increased to 5.4 percent. Although inflation has declined to three percent in December 2023, which is above the Federal Reserve's target of two percent, inflation has continued to grow in 2024. Taxes that have benefitted from price increases in prior years, such as sales and business tax receipts, have since declined as consumer demand drops due to increasing inflation and unemployment. Labor strikes in the entertainment industry during the 2023 calendar year have also impacted these receipts. TOT receipts have also decreased as international tourism has been lower than expected. Additionally, property tax is anticipated to be below budget by the end of the fiscal year below budget due to lower supplemental receipts, higher refunds, and delinquent payments.

The CAO, Controller, and Office of Finance all anticipate that the current economic conditions will continue to persist in 2024-25, which will limit growth in the City's General Fund taxes. The Proposed Budget assumes 3.6 percent growth for General Fund tax receipts and 3.5 percent growth for ongoing General Fund revenue, which is below 20-year average growth. Given the various unknowns in terms of economic downturns, and continuing inflation and high interest rates, revenue projections in the 2024-25 Proposed Budget are based on current receipt trends, departmental analyses, and industry forecasts.

2023-24 Revised General Fund Revenue: Revised General Fund revenue for 2023-24 is now estimated at \$7.72B, representing a decrease of \$179.8M (2.3 percent) below adopted revenue of \$7.9B. Fiscal Year 2023-24 receipts include a \$136.4M transfer from the Reserve Fund.

The following receipts positively impacted the Revised General Fund Revenue for 2023-24:

- \$126.2M increase in property tax receipts
- \$13.6M increase in total utility users tax receipts
- \$0.5M increase in parking occupancy tax receipts
- \$8.2M increase to the Power Revenue Fund transfer
- \$4.6M increase in higher interest earnings

- \$3.1M increase in net franchise income adjustments

The following receipts negatively impacted the Revised General Fund Revenue for 2023-24:

- \$3.7M decrease in estimated property tax receipts
- \$6.2M decrease in property tax incremental receipts from Community Redevelopment Agency (CRA) surplus property
- \$40.4M decrease in documentary transfer tax receipts due to declining real estate sales
- \$26.3M decrease in business tax receipts
- \$43.4M decrease in sales tax receipts
- \$18.4M decrease in transient occupancy tax receipts
- \$52.8M decrease in grant receipts, including the delayed receipt of Federal Emergency Management Agency (FEMA) reimbursements, delayed department grant receipts, and unrealized department grant receipts
- \$11.4M decrease in departmental receipts, consisting of license, permit, fees, fines and reimbursements
- \$7.5M decrease in parking fine revenue
- \$0.5M decrease in residential development tax

2024-25 Proposed General Fund Revenue: The Proposed Budget estimates General Fund revenue of \$7.99B, which represents an \$82.9M increase (one percent), from the 2023-24 Adopted Budget revenue.

Growth in the City's proposed General Fund revenue for 2024-25 relative to the revised 2023-24 estimate is \$262.7M, or 3.4 percent. It should be noted that growth is closer to 3.5 percent after excluding the 2023-24 Reserve Fund transfer and other one-time receipts. Departmental receipts are anticipated to have a net \$44.2M increase, or 3.3 percent. The 2024-25 growth rate is below historical average growth and is reflective of lower-than-average growth assumptions as a result of higher interest rates and persistent inflation.

Average growth estimates for most of the City's taxes relative to the revised 2023-24 estimates are based on several economic indicators, including consumer demand, energy prices, the real estate market, and other considerations. The Proposed Budget anticipates below average growth from revenues in property tax, sales tax, documentary transfer tax, business tax, transient occupancy tax, parking occupancy tax, and electric and gas users taxes. Additionally, average growth is anticipated for the combined components of the utility users tax, and above average growth is anticipated for the communication users tax.

As it relates to the revised 2023-24 and proposed 2024-25 estimates for revenues, the greatest risk that could affect these estimates are inflation and interest rates, as there is concern that the Federal Reserve may delay anticipated reductions in the federal funds

rate. Additionally, there is a risk that anticipated reimbursements from FEMA for Project Roomkey may be reduced according to supplemental FEMA guidance.

Property Based Revenue (\$2.8B): The Proposed Budget estimates a net increase of 4.9 percent from the current year, reflecting a 4.6 percent growth in total assessed value for 2024-25. It should be noted that this growth is subject to change as the County Assessor has not yet released their 2024 forecast. In future fiscal years, the Proposed Budget forecasts that property taxes will increase by 4.7 percent in 2025-26 to \$2.9B, then rise by 4.8 percent in 2026-27, 5.9 percent in 2027-28, and 5.9 percent in the subsequent year to reach \$3.4B in 2028-29. The dissolution of Community Redevelopment Agencies (CRA) beginning in 2011 triggered the subsequent redistribution of former tax increment revenue to various taxing entities, including the City. The City began receiving additional property tax payments (former tax increment revenues) beginning in June 2012, and the Proposed Budget anticipates that the City will receive \$142.6M in former CRA funds in 2024-25.

Documentary Transfer Tax (\$168.8M): The Proposed Budget estimates a decrease of \$29.8M from the 2023-24 Adopted Budget, but an increase of \$10.5M from revised receipts in recognition of current forecasts. In future fiscal years, the Proposed Budget forecasts that documentary transfer tax receipts will increase by 15 percent in 2025-26 to \$194.1M, rise by nine percent in 2026-27, then rise by 5.2 percent in the two subsequent years to reach \$234.1M in 2028-29. Note that this is the most volatile of City revenues as changes (growth or decline) are most pronounced when sales and prices move together.

Transient Occupancy Tax (TOT) (\$339.6M): The Proposed Budget estimates an increase of \$15.6M in TOT revenues compared to the 2023-24 revised receipts. This reflects a modest growth based on tourism industry forecasts that predict a delay in the return of Chinese tourism and the effects of the home-sharing ordinance restrictions. The Proposed Budget assumes a 4.7 percent increase from hotel receipts (\$13.5M) and 5.6 percent increase from short-term rentals (\$2.1M) compared to 2023-24 revised receipts.

Business Tax (\$837.1M): The Proposed Budget estimates net business tax revenues will increase by two percent from 2023-24 revised receipts. This increase is due to current business license renewal activity and assumed below-average growth in receipts for non-cannabis business activity. The Proposed Budget assumes a 4.8 percent decline in cannabis-related business tax revenue following three years of decline. Future years project continued below-average growth for non-cannabis activity and continued stagnation for cannabis-related activity.

Sales Tax (\$691M): The Proposed Budget estimates that sales tax revenue for 2024-25 will increase by \$10.2M (1.5 percent) from the 2023-24 revised receipts amount of \$680.9M. The 2023-24 revised receipts reflect the impacts of inflation on consumer demand. The Proposed Budget assumes below average growth sales tax receipts in 2024-25 due to the reduced demand from inflation and the growing use of online and third-party purchasing, which has shifted sales tax revenue away from the City.

Power Revenue Transfer: The transfer from the Power Revenue Fund is set as a percentage of prior-year gross operating power revenue, not to exceed net income. The 2024-25 transfer will be subject to the approval of the Board of Water and Power Commissioners. The amount included in the 2024-25 Proposed Budget is \$227.5M, which is a \$17.2M decrease from the 2023-24 transfer amount of \$244.7M.

Charter Amendment J requires the Department of Water and Power (DWP) to submit its preliminary budget for the upcoming fiscal year to the City Council by March 31 to allow Council to consider the impacts of the DWP budget on the City. The Board of Water and Power Commissioners considered the 2024-25 Preliminary Budget on March 26, 2024. DWP's Preliminary Budget was transmitted to the City Council on March 29, 2024.

Fee Adjustments and Other Related Issues

Fees: The following fee adjustments are included in the 2024-25 Proposed Budget:

- **Planning:** Various Planning-related fees include an annual inflation adjustment, which will be a 3.5 percent increase. Potential revenue from this inflation adjustment cannot be determined at this time.
- **Fire:** There are various proposed fee increases for the Fire Department, including Non-Compliance Fees, Operational Permit Fees, Construction Plan Review and Inspection Fees, Fire Safety Clearance Pre-Inspection Fee, as well as other fees. Adjustments to these various fees are estimated to generate \$5.1M in revenue.
- **Public Works – Sanitation:**
 - **Sewer Service Charge:** A forthcoming report from the Bureau of Sanitation will propose fee increases to various Sewer Service Charge rate classes over a five-year period starting in 2024-25 to achieve full-cost recovery and meet bond covenants. The Proposed Budget assumes that the fee increases will be approved and will generate \$114.9M in additional revenue in 2024-25.

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

- Animal Services (7)
- Board of Public Works (2)
- City Planning (1)

Special Fund Subsidies – Not Fully Reimbursed: The Special Fund Subsidy Policy states that the goal for special funds is to fully reimburse the General Fund for all direct expenditures and related costs provided to support their programs. There are a number

of special funds that do not fully reimburse related costs based on current proposed reimbursements, including the following:

- Local Public Safety Fund (\$78.5M)
- Street Lighting Maintenance Assessment Fund (\$17M)
- Solid Waste Resources Revenue Fund, including General Fund appropriation in 2024-25 (\$131.4M)
- Stormwater Pollution Abatement Fund (\$13.4M)
- Planning Case Processing Special Fund (\$24.8M)
- Planning Long-Range Planning (\$7.8M)
- Special Gas Tax Improvement Fund (\$20.6M)
- Proposition C Anti-Gridlock Transit Improvement Fund (\$19.6M)
- Zoo Enterprise Revenue Fund (\$24.6M)
- Recreation and Parks (\$74.5M)

Other Efficiencies and Reductions: The Proposed Budget includes approximately \$293.1M in efficiencies and reductions. Most of the savings from efficiencies are generated through elimination of vacant regular authorities (-\$55.2M) and resolution authorities (-\$37.5M), Police civilian deployment adjustments (-\$20.6M), Police sworn deployment adjustments (-\$57.6M), municipal facilities reductions (-\$23.9M), physical plant reductions (-\$15.2M), ongoing expense account reductions (-\$15.8M), one-time expense account reductions (-\$36.2M), and general fund to special fund realignments (-\$14.3M).

Potentially Underfunded Accounts: There are a few accounts that may not have sufficient funding based on current expenditure patterns, as follows:

- City Attorney – Litigation: Funding (\$5.2M) may be insufficient if continued increased costs for legal expenses persist. The estimated expenditure for 2023-24 is \$13.2M.
- City Attorney – Outside Counsel: Funding (\$3.3M) may be insufficient based on 2023-24 expenditures. The estimated expenditure for 2023-24 is \$16.8M.
- Fire – Unused Sick Time: Funding (\$5.4M) may be insufficient if there is continued increase in costs associated with payouts for unused sick time. The estimated expenditure for 2023-24 is \$14.6M.
- Fire – Overtime General: Funding (\$1.4M) may be insufficient if there is continued increased overtime usage. The estimated expenditure for 2023-24 is \$3.4M.
- Fire – Field Equipment Expense: Funding (\$3.7M) may be insufficient due to higher than expected repair and maintenance costs. The estimated expenditure for 2023-24 is \$8.5M.
- Fire – Operating Supplies: Funding (\$8.3M) may be insufficient due to costs of supplies, various expenses, and subscription services for field and administrative operations. The estimated expenditure for 2023-24 is \$26.4M.

- General Services – Contractual Services: Funding (\$29.2M) may be insufficient if there is continued increases in custodial services and building maintenance needs. The estimated expenditure for 2023-24 is \$33.6M.
- General Services – Field Equipment Expense: Funding (\$37.3M) may be insufficient if continued increases in work associated with the maintenance of the City's aging fleet. The estimated expenditure for 2023-24 is \$56.3M.
- General Services – Petroleum Products: Funding (\$39.2M) may be insufficient if continued increases in fuel prices related to market volatility and geopolitical events. The estimated expenditure for 2023-24 is \$53.1M.
- Police – Contractual Services: Funding (\$51.2M) may be insufficient if there is continued increase in costs associated with computer-assisted legal research services, contract security services, the Emergency Command Control Communication Systems warranty, the records storage and management system, and support for various software and technology systems. The estimated expenditure for 2023-24 is \$63.1M.
- Police – Field Equipment Expense: Funding (\$9.7M) may be insufficient if there is continued increase of parts and repair costs due to inflation and underinvestment in replacement vehicles. The estimated expenditure for 2023-24 is \$12M.
- Recreation and Parks – Salaries As-Needed: Funding (\$48.3M) may be insufficient if there are unfilled part-time staff and full-time positions, resulting in a higher than anticipated need for overtime and as-needed staffing. The estimated expenditure for 2023-24 is \$66.2M.

Adjustments to Positions and New Initiatives

Partially Funded/Unfunded Positions: The 2024-25 Proposed Budget includes 323 partially funded and unfunded positions; 282 have partial funding, while the remaining 41 are authorized without funding. In prior years, new positions were provided nine-months funding because it is assumed that the positions cannot be filled immediately on July 1. Generally, the Proposed Budget provides nine-months funding for new special funded positions and new General Fund positions. However, five positions provided to the Zoo that will support the transition of marketing, website, and concessions contract management functions were provided with two-months of funding.

Changes in Net Positions: The 2024-25 Proposed Budget deletes a net 943 regular authority positions and deletes a net 784 resolution authority positions. Regular authority positions were deleted in nearly every City department. The departments provided net new regular authority positions are: Cannabis Regulation (22); City Administrative Officer (8); City Planning (8); Civil Human Rights and Equity (2); Community Investment for Families (7); Ethics Commission (8); Personnel (22); Youth Development (5); and Library (14).

Resolution authorities are typically provided for programs with a limited duration and are reviewed annually. Resolution authorities were deleted in nearly every City department. The Bureau of Sanitation, Bureau of Street Services, General Services Department,

Department of Recreation and Parks, and Department of Transportation had the highest number of resolution authorities deleted. A portion of deleted resolution authorities were converted to regular authorities.

Attachment 1 to this report includes a table that outlines the proposed deletion of positions, and projected remaining vacancies in 2024-25.

Deletion of Filled Positions: The 2024-25 Proposed Budget recommends the deletion of 19 filled regular authority and 238 filled resolution authority positions. It is anticipated that incumbents in these positions will be absorbed into other departmental vacancies, proposed new positions or through administrative actions taken in 2024-25; therefore, no layoffs are anticipated. However, alternative actions may be needed for the Bureau of Street Services to ensure this is the case.

Newly Funded Initiatives: Direct cost funding (\$30.5M) for new initiatives is included in the Proposed Budget throughout several departments, as follows:

City Attorney

- Land Development Support – Housing Department (\$0.2M)
- Department of Water and Power – Regulatory (\$0.5M)
- Los Angeles World Airports Support (\$0.2M)

City Clerk

- 2025 General Election (\$4.3M, plus \$4M in the Unappropriated Balance)
- Neighborhood Council Elections (\$1.1M)

City Planning

- Metro Annual Work Program (\$0.1M)

Cultural Affairs

- Hollyhock House and Residence A Staff Support (\$0.03M)

General Services

- Advanced Training Courses (\$0.1M)

Housing

- Lease Up Coordinator for Permanent Supportive Housing (\$0.1M)
- Occupancy Monitoring Marketing and Compliance (\$0.1M)
- Tenant Protection and Homelessness Prevention (\$0.1M)
- Eviction Filing Program (\$0.8M)
- Residential Hotel Ordinance Inspection and Enforcement (\$0.3M)
- Cloud Services (\$0.2M)
- Translation Services and Facilities Coordinator (\$0.1M)

LAHSA

- Street Strategies – Outreach (System) Navigators (\$0.6M)

Library

- Incident Reporting Application (\$0.04M)

Police

- Community Safety Partnership (\$1M)

Bureau of Contract Administration

- Expansion of Streets and Street Reconstruction (\$0.5M)
- Access Ramps – Pavement Preservation Program (\$0.4M)
- Sidewalk and Transit Amenities Program (\$0.4M)
- Transfer of Construction Payments Processing (\$0.4M)

Bureau of Engineering

- Street Design Manual and Standards Multi-Modal (\$0.3M)
- Construction Management Design Specialized (\$0.9M)

Bureau of Street Services

- Additional Urban Transit Amenities Support (\$1.4M)
- Pavement Preservation Trucking (\$12.8M)
- Additional Support for Metro Annual Work Program (\$0.4M)
- Asset Management and Advanced Planning Support (\$2.1M)

Transportation

- Transportation-Related Planning for Olympics 2028 (\$0.3M)
- Metro Bus-Only Lane Expedited Support (\$0.5M)
- First-Last Mile Projects Support (\$0.2M)
- Speed Safety Camera Pilot Program (\$0.1M)

Zoo

- Koala and Rhinoceros Nutrition (\$0.1M)
- Exhibit Substrate Replenishment (\$0.1M)

Targeted Local Hire: The Targeted Local Hire (TLH) Program seeks to target and recruit individuals from vulnerable populations and help provide an alternate pathway into civil service employment. The TLH Program utilizes a six-month on-the-job training period to train employees to perform at the level of an entry-level civil service classification into which they will eventually transition. TLH candidates will serve in one of the following civil-service probationary classifications before transitioning to a civil service classification: Administrative Clerk, Animal Care Technician, Animal License Canvasser, Custodian, Delivery Driver, Garage Attendant, Gardener Caretaker, Maintenance Laborer, Street Services Worker, Tree Surgeon Assistant, and Warehouse and Toolroom Worker.

As of March 31, 2024, 2,106 employees have been hired through the TLH Program since its inception in February 2017, including 313 in the current fiscal year. The top-hiring departments are as follows:

- Airports (187)
- Animal Services (124)
- General Services (108)
- Personnel (105)
- Police (203)
- Sanitation (232)
- Street Services (127)
- Recreation and Parks (323)

- Transportation (107)

Bridge to Jobs: The Bridge to Jobs (BRIDGE) Program seeks to target and recruit individuals from vulnerable populations and help provide an alternate pathway into civil service employment. These positions are full-time, paid, and provide on-the-job training. The main difference between this program and the TLH Program is that the BRIDGE Program seeks to hire individuals to semi-skilled classifications. These classifications include: Accounting Clerk Trainee, Communications Information Representative Trainee, Community Services Representative Trainee, Customer Service Specialist Trainee, Electrical Craft Helper Trainee, Field Engineering Aide Trainee, Maintenance and Construction Worker Trainee, Cement Finisher Worker Trainee, Traffic Painter and Sign Poster Trainee, Inspector Trainee, or Investigator Trainee.

Candidates hired through the BRIDGE Program are appointed to a training classification and are exempt from civil service during this period. All trainees hired through the BRIDGE Program must successfully complete the on-the-job training period in order to move forward to the applicable "Assistant" classification. Upon appointment to the applicable "Assistant" classification, individuals will need to complete a six-month civil service probationary period before transitioning to full time civil service employment.

As of March 31, 2024, 309 employees have been hired through the BRIDGE Program since 2021, including 126 in the current fiscal year. The top-hiring departments are as follows:

- Housing (17)
- Transportation (21)
- Contract Administration (27)
- Sanitation (50)
- Street Lighting (66)

Expenditures

Liability Claims: \$87.4M is proposed for Liability Claims in 2024-25, which is the same amount provided in the 2023-24 Adopted Budget. Of this amount, \$80M is from the General Fund, \$2M is from the Solid Waste Resources Revenue Fund, and \$5.4M is from the Sewer Operations and Maintenance Fund. The Proposed Budget also sets aside an additional \$20M allocation in the Unappropriated Balance, Reserve for Extraordinary Liability should liabilities exceed the budgeted allocation.

Homelessness: The Proposed Budget provides \$950.8M for homelessness-related programs, which is a 25.6 percent decrease from the 2023-24 Adopted Budget. This includes \$330.4M in General Fund and \$620.4M in Special Funds. The reduction can be primarily attributed to the reduction in the Inside Safe program budget as well as a reduction in Proposition HHH project expenditures and grant funds.

The Proposed Budget provides LAHSA with \$42.7M, a slight increase of \$4M from 2023-24, as a result of an increase in bed rates. Significant changes in funding provided to LAHSA are as follows:

- Shelter and Housing Interventions (\$16.9M): There is an increase of approximately \$2.3M for the Shelter and Housing Interventions category.
- Street Strategies (\$18.3M): There is an increase of approximately \$1.5M for the Street Strategies category.

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

- Eviction Defense Program (\$0.2M): Funding is provided for two new positions consisting of one Management Analyst and one Senior Administrative Clerk to administer the Eviction Defense Program.
- Lease Up Coordinator for Permanent Supportive Housing (\$0.1M): Funding is provided for one Management Analyst to coordinate the lease up of permanent supportive housing projects, including Proposition HHH and Homekey projects.
- Tenant Anti-Harassment Task Force (\$1.1M): Funding is provided for 10 positions to enforce the Tenant Anti-Harassment Ordinance.
- Livability Services Facilities Planning (\$0.1M), Inventory Support (\$0.05M), and Management Expansion (\$0.1M): Nine-months funding is provided for various Livability Services positions related to homelessness.
- LAHSA Outreach Navigators (\$0.6M): Funding is set aside in the UB for outreach navigators to provide system navigation services and conduct direct outreach to unsheltered people experiencing homelessness.

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

- Older Workers Employment Program (\$0.7M): Funding is continued for part-time, work-based training opportunities at local community service agencies for older unemployed individuals.
- FamilySource Centers (FSC) (\$3.8M): Funding is provided for emergency housing assistance and supportive services at 19 FSCs.
- Kid's First Program (\$0.7M): Funding is provided for contractual services to help improve educational outcomes of housing insecure students and their families by providing assistance. The proposed increase reflects a cost-of-living adjustment.
- Shelter Operations (\$4.3M): Funding is continued for the Domestic Violence and Human Trafficking Shelter Operations Program.
- Solid Ground Program (\$4.7M): Funding is provided for homelessness prevention services at the 19 FSCs. There is a proposed increase to reflect full-year funding for 19 FSCs and anticipated salary expenditures.
- Los Angeles Regional Initiative for Social Enterprise (LA:RISE) (\$3M): Funding is continued for LA:RISE, which provides job development activities for people experiencing homelessness.

- Street Medicine (\$2M): One-time funding is provided for medical services for individuals experiencing homelessness who are unable to visit brick-and-mortar medical establishments. This is an increase of \$1M from 2023-24.
- Overtime for Interim Homeless Housing Sites (\$8.4M): Funding is provided in the Police Department's Overtime Sworn Account for security patrols within the vicinity of interim housing shelter sites.
- Park Restroom Enhancement Program (\$4.1M): Funding is continued to provide increased frequency of restroom cleaning by one additional cleaning per day at 50 heavily-used park locations and also expand bathroom operating hours at various park locations.
- Additional Homeless Services (\$17M): Funding is continued for a one-time allocation to address gaps in the City's effort to address homelessness.
- CIRCLE 24/7 Homelessness Crisis Response Pilot (\$8M): Funding is continued for CIRCLE to provide community-based response to non-violent emergencies involving people experiencing homelessness.
- Opioid Settlement Funds (\$4M): Funding is provided by the Opioid Settlement Trust Fund for opioid abuse treatment for individuals in need of residential care for up to one year.
- Bureau of Sanitation (BOS) Comprehensive Cleaning and Rapid Engagement (CARE and CARE+) Vehicle Purchase (\$12.3M): Increased funding of is provided for the purchase of vehicles to support the CARE programs.

The Proposed Budget decreases or discontinues funding for the following homelessness-related programs and services:

- CARE and CARE+ Outreach Team (-\$9.3M): Funding was provided to the CAO in FY 2023-24 to establish contracts with qualified providers to conduct and direct homeless outreach and engagement in conjunction with CARE and CARE+ teams. This funding is not continued as contracts were not executed.
- Housing Navigation for Youth (-\$0.1M): Funding for case management and housing navigation services for unaccompanied minors and transitional age youth has been discontinued.
- Homelessness Outreach and Engagement (-\$0.1M): Funding was provided for two positions in the Department on Disability consisting of one Social Worker I and one Social Worker II to provide homeless outreach to individuals with disabilities. This funding is not continued.
- Proposition HHH Program Staff (-\$0.3M): There is a proposed decrease in funding for Proposition HHH Program Staff due to two vacant positions not being continued.
- Interim Housing Inspection (-\$0.3M): Funding was provided for two Construction Inspectors to provide inspection services for interim housing projects in addition to expense funding. These positions have been discontinued.
- Coastal CARE+ Program Team (-\$0.5M): The proposed decrease reflects the discontinuance of three vacant Refuse Collection Truck Operator IIs and two

Environmental Compliance Inspectors and anticipated salary expenditure. There is no change in the level of services.

- CARE and CARE+ Program (-\$5M): The proposed decrease from 2023-24 reflects the discontinuation of 22 vacant position and decrease to program support and administrative support positions. There is no change in the level of service.
- Inside Safe Response Charter Bus Service (-\$0.3M): There is a decrease in Contractual Services funding for charter transportation relocation services as part of the Inside Safe initiative.
- Homeless Housing Interventions in Council District 5 (-\$1.5M): Funding was provided for housing intervention services in Council District 5 which has been discontinued.
- Homeless Outreach Teams (-\$1.1M): Funding was provided to Council District 10 (\$0.4M), Council District 4 (\$0.5M), and Council District 12 (\$0.2M) for outreach teams in 2023-24. These fundings have been discontinued.
- Homelessness Emergency (Inside Safe) (-\$64.5M): At total of \$185.5M in funding is provided to support the Mayor's Office of Housing and Homelessness Solutions' efforts to bring people experiencing homelessness indoors. The proposed total budget for this category includes \$80M in General Fund, \$33M in state grants, and \$72.5M in reappropriations from the 2023-24 balance. In adjusting the Homelessness Emergency Budget and eliminating the Inside Safe Reserve, the 2024-25 Proposed Budget decreases the overall allocation of General Fund revenue to the Inside Safe program by \$170M.
- Acquisition for Interim and Permanent Housing (-\$25M): Funding was provided for acquisition of interim and permanent housing beds through the Municipal Housing Finance Fund (\$10M) and Proposition HHH (\$15M) in FY 2023-24. Funding is discontinued.

Significant changes in the Proposed Budget for homelessness funding in State and Federal grants are as follows:

- Emergency Stabilization Beds (\$32.7M): New funding is provided by the State for the purchase and construction of emergency stabilization beds. This funding is part of the Inside Safe Initiative's total proposed budget of \$185.5M.
- Encampment Resolution Grant (\$2.4M): One-time grant to connect people experiencing homelessness in encampments to interim shelter to permanent housing. This funding will be reappropriated from FY 2023-24 into FY 2024-25.
- Homeless Housing, Assistance and Prevention Program (HHAP) Round 4 (\$143.6M): HHAP is a one-time State grant and will be used to support programs such as Homelessness Roadmap operations, A Bridge Home operation, outreach, public health services, hygiene facilities, and programs for youth experiencing homelessness. HHAP 4 will be reappropriated from FY 2023-24 into FY 2024-25. The proposed increase reflects projected expenditures for the FY 2024-25.
- Homeless Housing, Assistance and Prevention Program (HHAP) Round 5 (\$82.2M): The City has applied for the fifth round of HHAP which will be used for continuation of programs funded by HHAP 4.

- State Homekey Program Grant - Round 3 (\$1.9M): Funding is provided for the acquisition, rehabilitation, and operating costs for Project Homekey Round 3.
- Community Development Block Grant (\$41.4M): One-time funding was previously provided for Homekey 2.0 sites from CDBG. Funding was also provided for the acquisition of interim housing beds to support people experiencing homelessness from the CDBG. This funding is discontinued.
- State/Federal Grants and Other Local Funds (\$49.1M): Funding is continued from the HOME Investment Partnerships Program Fund to provide for gap financing of the non-Proposition HHH units (\$22M) and additional funding is reserved for Project Homekey 3.0 (\$10M). Additionally, funding from State Senate Bill 2 (\$20M) is reserved for Project Homekey 3.0.

Accessible Housing Program: A total of \$133.8M is included in the Proposed Budget for the Accessible Housing Program, which includes a \$42.7M (24.2 percent) decrease from the 2023-24 budget. Relative to the class action lawsuit, *Independent Living Center of Southern California v. the City of Los Angeles, et al.*, the Settlement Agreement approved in 2016, requires the City to invest \$200M over ten years for program implementation and the production of 4,000 accessible rental housing units. In 2019, the City entered into a Voluntary Compliance Agreement with the U.S. Department of Housing and Urban Development to produce 4,031 accessible rental housing units within 10 years by retrofitting 3,100 existing units and financing new units. Funding in 2024-25 will produce up to 318 accessible units toward the City's 4,000 unit goal.

The Proposed Budget allocates \$32.4M from the General Fund, \$26M in Special Funds (Proposition HHH funds and other Housing Department funding sources), and \$75.4M in funding from Other Funds (subsidies from other sources including low income housing tax credits, federal, state, and county funds) to satisfy the terms of the related Settlement Agreement.

The Proposed Budget includes funding to the Housing Department and the City Attorney for administrative costs to implement the requirements of the Settlement Agreement (\$10.3M), and funding in the Special Purpose Fund Appropriations for costs associated with retrofits (\$4M), contracts related to providing relocation assistance to tenants of occupied units (\$0.3M), system upgrades to meet data collection and reporting requirements (\$2.3M), and a Chief Architect (\$4M).

Proposed Policy and Ordinance Changes

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

Notable instructions in Exhibit H of the 2024-25 Proposed Budget include the following instructions and requests for Ordinance changes to implement the Proposed Budget:

- Authorize the issuance of an amount not-to-exceed \$1.7B in Tax and Revenue Anticipation Notes to address short-term cash flow needs and to make the full annual contribution payments to LACERS and Los Angeles Fire and Police Pensions Fund;
- Authorize no layoffs as part of the 2024-25 Budget. While the Budget includes the elimination of filled positions, all departments are instructed to transfer incumbent employees into their existing vacant positions. The City can also pursue other administrative actions as needed to retain the employees. All departments are expected to absorb the costs of these positions and if they are unable to do so, the City Administrative Officer can recommend transfer of funds through financial status reports, including from the Unappropriated Balance – Department Payroll Reconciliation Account, to pay for the cost of these authorities;
- Instruct the City Administrative Officer to:
 - Report on the personnel, contracting support, and other needs to develop a Grants Application and Support unit within their office to maximize funding from private or foundation donors and State and Federal grants available to the City with recommendations to ensure the City is able to apply for and receive awards for the 2028 Olympic and Paralympic Games;
 - Convene, with the Mayor and Council, at the start of July, a reassessment of departmental base budgets to ensure City services are aligned with requests from the public, staffing levels are sufficient to meet City needs, and future staffing needs are planned in time for the 2025-26 budget process.
- Instruct the Bureau of Sanitation to:
 - Report to the Municipal Facilities Committee with an evaluation of the need and logistics of hiring and necessary facility space required before requesting reauthorization of approved MICLA funding for 2024-25 vehicles;
 - Report on fee studies and recommendations, including required Charter or ordinance changes, to achieve full cost recovery for the Solid Waste, Clean Water, and Watershed Protection programs.
- Instruct the Bureau of Street Lighting to begin developing a resiliency investment strategy that will combine viable strategies to address copper wire theft and to prepare for reassessment of street lighting maintenance districts to support those investments;

- Instruct the Bureau of Street Services and Department of Transportation to develop an implementation plan for Measure HLA, which includes least-cost/best-fit street interventions that meet or exceed design requirements for the Mobility Plan and report to Mayor and Council within the first 90 days of 2024-25 with a revised plan for street maintenance and investment; and
- Instruct the Department of Recreation and Parks to report with a plan to transition provision of childcare operations from the Department to non-City providers, including a timeline for the transition, the names of childcare facilities for which operations will be transitioned to an outside provider, the names of facilities the City will continue to operate, and a cost analysis of City operation compared to outside provider operation, with current and projected enrollment and capacity for each facility.

State Issues

State Funding: The State budget as currently proposed does not include any issues of significant concern to local governments. The Governor will release a revised budget anticipated in mid-May (the May Revise). This is the document that will receive the greatest attention in Sacramento and has the potential to include additional matters that could affect local governments.

The Governor's 2024-25 Budget Proposal anticipates a \$37.9B shortfall as a result of revenue volatility, delays in tax return deadlines in 2023, and inaccurate budget projections. In order to address this shortfall, the Governor and legislative leaders recently announced an agreement to cut \$17B from the State budget with reductions that primarily focus on cutting a school facilities program and several climate initiatives, as well as delayed funding for public transit.

It is anticipated that a State budget will be adopted by the June 15, 2024 Constitutionally-mandated deadline, but funding decisions are expected to be provisional. City staff will monitor the May Revise and report potential issues that could affect the City budget at that time and as the Legislature conducts its review. Of particular interest will be any funding cuts related to housing and homelessness programs.

Summary of Proposed Departmental and Other Changes

Notable Proposed Changes to Departmental Budgets

The below summaries highlight notable proposed changes to departmental programs and services, while the majority of priority programs and services from prior years are continued and further detailed in the Proposed Budget.

Aging: The Department of Aging's total budget is decreased by \$5.1M from 2023-24 levels to \$11.5M. The Proposed Budget deletes funding and two vacant positions in the

Department. The Proposed Budget continues Contractual Services funding (\$2.7M) for the Home-Delivered Meals Program. Funding for the Rapid Response Senior Meals Program is not provided in 2024-25.

Animal Services: The Department of Animal Services' total budget is decreased by \$1M from the 2023-24 level to \$30.7M. The Proposed Budget deletes funding and 37 vacant positions (24 regular and 13 resolution) in the Department. The Proposed Budget continues funding and staffing for a variety of the Department's programs and services, including:

- Animal License Canvassing Program (\$0.2M): Funding and resolution authority for four positions are continued to conduct door-to-door canvassing and licensing enforcement.
- Animal Care Staffing Support (\$0.7M): Funding and resolution authority for 11 Animal Care Technicians are continued to support shelter operations.
- Canine Enrichment Coordinators (\$1M): Contract funding is continued for canine enrichment services at all shelters.
- Citywide Cat Program Administration (\$0.2M): Funding is continued and regular authority is added for two positions to administer the program.
- Volunteer Program Support (\$0.4M): Funding and resolution authority for six positions are continued to support the program.

Notable changes proposed for the Department's budget include:

- Animal Feed and Grain Funding Increase (\$0.6M): Funding is included in the Animal Welfare Trust Fund to address inflationary cost increases for animal food.
- Animal Care Staffing Expansion (\$0.9M): Nine-months funding and resolution authority for 20 positions are added to support shelter operations.
- Additional Shelter Operations Support (\$0.1M): Nine-months funding and resolution authority for two positions are added to provide administrative support for shelter operations.

Building and Safety: The Department of Building and Safety's total budget is increased \$7.2M from 2023-24 levels to \$155.6M. The Proposed Budget deletes funding and 17 vacant regular positions. Notable changes for the Department's budget include:

- Expand Zoning Review Section (\$1.6M): Nine-months funding and resolution authority are added for 17 positions to prepare zoning reviews for all incoming ministerial projects as part of the Zoning Review and Entitlement Review Program.
- High Rise and Non-Ductile Concrete Review (\$0.1M): Nine-months funding and resolution authority are added for one position to oversee high rise and non-ductile concrete and adaptive re-use conversion projects.
- Affordable Housing Inspection (\$0.5M): Nine-months funding and resolution authority are added for five positions to expedite permits and clearances for temporary shelters and affordable housing projects.
- Restaurant and Small Business Express Program (\$0.2M): Nine-months funding and resolution authority are added for two positions to facilitate the permit approval process for the Restaurant and Small Business Express Program.

Cannabis Regulation: The Department of Cannabis Regulation's total budget is increased by \$0.7M from 2023-24 levels to \$8.5M. The Proposed Budget deletes funding and two vacant resolution positions. Notable changes proposed for the Department's budget include:

- Cannabis Regulation Support (\$0.1M): One-time funding is added to support increased departmental operations.
- Compliance Unit Expansion (\$0.2M): Nine-months funding and resolution authority are added for two positions to provide additional support to the Compliance Unit.
- Transfer of Compliance Unit Support (\$0.2M): Funding and regular authority are added for two positions to support the Compliance Unit that were previously under the Personnel Department.

The Proposed Budget includes continued funding for the following major programs:

- Social Equity Business Development (\$0.6M): Funding and resolution authority are continued for six positions to support the Department's Social Equity and Business Development programs.
- Community Engagement/Public Policy (\$0.4M): Funding and resolution authority are continued for four positions to support the Department's Community Engagement and Public Policy programs. Funding and resolution authority are also added for one Principal Public Relations Representative.
- Compliance Unit (\$0.6M): Funding is continued and regular authority is added for five positions to coordinate inspections and ensure cannabis businesses comply with all relevant City regulations.
- Environmental and State Annual Licensing Compliance (\$0.7M): Funding is continued and regular authority is added for seven positions to facilitate the compliance of cannabis businesses with the California Environmental Quality Act and annual state licensing requirements.
- Finance, Operations, and Administrative Support (\$1M): Funding is continued and regular authority is added for eight positions to manage the Department's contracts and grants and provide administrative support services.

City Administrative Officer (CAO): The Office of the City Administrative Officer's total budget is decreased by \$7.6M from 2023-24 levels to \$31.5M. The Proposed Budget deletes funding and six vacant positions (four regular and two resolution) in the CAO's Office. Notable changes proposed for the Office's budget include:

- Expense Account Reduction (\$9.3M): Funding is reduced to reflect anticipated expenditures and departmental efficiencies. This is almost entirely due to the deletion of the Homelessness Outreach and Engagement Services line item.
- Position and Budgetary Support (\$0.1M): Nine-months funding and regular authority are added for one position to lead position control responsibilities in the Human Resources and Payroll (HRP) system and assist with budget development and monitoring activities.

- Transportation Budgetary Support (\$0.1M): Nine-months funding and regular authority are added for one position to assist with budget development and monitoring for the Department of Transportation.
- 2028 Olympic and Paralympic Games Planning (\$0.2M): Funding and one resolution authority is continued to support the City's efforts to host the games.
- Climate Impact Team (\$0.4M): Funding is continued and regular authority is added for three positions for the Climate Impact Team.
- Debt Management Support (\$0.2M): Funding is continued and regular authority is added for one position to support the CAO's Debt Management function.
- Airports Budgetary Support (\$0.1M): Nine-months funding and regular authority are added for one position to assist with the research, analysis, and report preparation on policy, operators, and contracts related to the Department of Airports.

City Attorney: The Office of the City Attorney's total budget is increased by \$8.3M from 2023-24 levels to \$174.6M. The Proposed Budget deletes funding and 26 vacant positions (24 regular and two resolution). The Proposed Budget provides continued funding and staffing for a variety of the Office's programs and services, including:

- Cannabis Enforcement Regulation (\$1.7M): Funding and resolution authority for seven Deputy City Attorney IIs are continued within the Marijuana Enforcement Unit to enforce and prosecute illegal cannabis operations. Funding and resolution authority for four positions are also continued to support the Department of Cannabis Regulation.
- Administrative Citation Enforcement – Measure ULA (\$0.3M): Funding is added and resolution authority is continued for three positions to provide support for the Tenant Harassment Program.
- Risk Management Division (\$0.9M): Funding and resolution authority for six positions are continued to address litigation against the City through the development of proactive risk management programs and corrective action procedures.
- Police Litigation Division (\$1M): Funding and resolution authority for six positions are continued for enactment of state legislation that requires disclosure of records related to incidents involving discharge of a firearm by a peace officer, use of force by a peace officer resulting in significant bodily injury or death, and sustained findings that a peace officer engaged in dishonest conduct.
- Affirmative Litigation Support (\$0.7M): Funding and resolution authority are continued for six positions that are assigned to the civil and criminal enforcement of consumer protection matters.
- 2028 Olympic and Paralympic Games Planning (\$0.1M): Funding and one resolution authority is continued to provide legal support for the City's effort to host the games. The position will also act as the City's liaison to the Los Angeles Organizing Committee and facilitate required agreements.
- Employment Litigation Division (\$0.5M): Funding and resolution authority for three positions are continued to support employment litigation.

- Office of Wage Standards Support (\$0.7M): Funding and resolution authority for five positions are continued to support the enforcement of minimum wage and wage theft enforcement programs.
- Police Department Legal Support (\$0.9M): Funding and resolution authority for seven positions to support the Advocate Section during conduct administrative hearings held by the Board of Rights.
- Proposition HHH Legal Support (\$0.4M): Funding and resolution authority for three positions to provide legal support for the Homelessness Reduction and Prevention, Housing, and Facilities Bond Issue Program.

Notable changes proposed for the Office's budget include:

- Land Development Support – Housing Department (\$0.2M): Nine-months funding and resolution authority are added for one Deputy City Attorney II to assist the Housing Department with contractual matters.
- Department of Water and Power – Regulatory Compliance (\$0.5M): Nine-months funding and resolution authority are added for four positions to provide legal advice regarding utility regulatory compliance.
- Los Angeles World Airports Support (\$0.2M): Nine-months funding and resolution authority are added for two positions to support the construction litigation efforts within the Airports Division.

City Clerk: The Office of the City Clerk's total budget is decreased by \$0.6M from 2023-24 levels to \$19.6M. The Proposed Budget deletes funding and 13 vacant positions (six regular and seven resolution) in the City Clerk's Office. Notable changes proposed for the Office's budget include:

- 2025 General Election (\$4.3M): One-time funding is added to perform work related to the November 5, 2024 General Election, including printing and mailing Voter Information Pamphlets for City measures and operating an election day call center.
- Neighborhood Council Elections (\$0.9M): One-time funding is added to administer the 2025 neighborhood council board member elections exclusively through vote-by-mail. The City Clerk will administer the elections and the Department of Neighborhood Empowerment will conduct outreach activities.
- Small Department Support (\$0.2M): Funding and resolution authority are added for two positions to support the administrative functions of smaller departments.
- Election Expenses – General Municipal Elections (\$9M): Funding is included in the Unappropriated Balance for the November 2024 General Municipal Election Runoff, which represents the Los Angeles County Registrar-Recorder/County Clerk's portion of the costs. Funding is set aside based on an estimate of up to five Council-sponsored ballot measures.

City Planning: The Department of City Planning's total budget is increased by \$2.8M from 2023-24 levels to \$71.7M. The Proposed Budget deletes funding and thirteen vacant

positions (five regular and eight resolution authority) in the Department. Notable changes proposed for the Department's budget include:

- Metro Annual Work Program (\$0.1M): Nine-months funding and resolution authority are added for one position to support the Early Involvement process for the Los Angeles Metropolitan County Transportation Authority (Metro) Annual Work Program. This position will be fully-reimbursed by Metro.
- Community Planning Team (\$1.5M): Funding and four regular authorities are continued to maintain the City's 35 Community Plan refresh rate at six years.
- Los Angeles World Airports Support (\$0.1M): Nine-months funding and resolution authority are added for one position to support the Los Angeles World Airports Master Plan. This position will be fully-reimbursed by the Department of Airports.
- Home-Sharing Administration and Enforcement (\$2.3M): Funding and resolution authority for 16 positions and one-time Contractual Services funding are continued to enforce the short-term rental ordinance.
- Home-Sharing Augmentation (\$1M): Funding and resolution authority are continued for 10 positions to support the administration of the Home-Sharing Program.
- Zoning Review Program (\$0.2M): Nine-months funding and resolution authority are added for one position to support the Zoning Review Program.

City Tourism: The City Tourism Department's total budget is increased by \$0.3M from 2023-2024 levels to \$2.1M. One-time Contractual Services funding (\$0.3M) is added to update the City's Tourism Master Plan.

Civil, Human Rights and Equity: The Civil, Human Rights and Equity Department's total budget is decreased by \$0.1M from 2023-24 levels to \$5.1M. The Proposed Budget deletes funding and eight vacant resolution positions in the Department. Notable changes proposed for the Department's budget include:

- L.A. REPAIR (\$0.1M): Funding and resolution authority are continued for one Management Assistant to develop, administer, and implement the L.A. REPAIR participatory budgeting program. Prior year funding is reappropriated in 2024-25 to continue implementation of the program.
- Commission Oversight and Support Expense Accounts (\$0.3M): One-time funding is added to support the Civil Rights Commission.
- Office of Racial Equity Director (\$0.1M): Funding and resolution authority are added for one Principal Project Coordinator to oversee the Office of Racial Equity.

Community Investment for Families: The Community Investment for Families Department's total budget is increased by \$2.1M from 2023-24 levels to \$35.2M. The Proposed Budget deletes funding for one vacant regular position in the Department. The Proposed Budget provides continued funding and staffing for a variety of the Department's programs and services, including:

- FamilySource System (\$16.9M): One-time funding is continued in the Contractual Services account to provide full funding for four FamilySource Centers and supportive services for 20 centers Citywide. This includes the \$3.8M in funding for emergency housing and supportive services in the Homelessness Budget.
- Children's Savings Account Program (\$0.2M): Funding and resolution authority for three positions are continued to support the Children's Savings Account Program.
- Kids First Program (\$0.8M): One-time funding is continued to support the Kids First Program and provide students and their families with basic needs assistance, mental health support, financial wellness, and education support.

Notable changes proposed for the Department's budget include:

- FamilySource System Additional Support (\$0.1M): Funding and resolution authority for one Management Analyst are added to support the FamilySource System.
- Consolidated Plan Staff Additional Support (\$0.03M): Nine-months funding and resolution authority are added for one Administrative Clerk to support the Consolidated Planning Division.
- Financial Management (\$0.2M): Nine-months funding and resolution authority are added for two positions to provide financial management support.
- Community Services (\$0.2M): Funding and resolution authority are added for one Assistant Chief Grants Administrator to oversee the Community Services Section.
- Expense Account Reduction (\$1.8M): Funding for contractual services is reduced to reflect Departmental efficiencies and expenditure reductions.

Controller: The Controller's total budget is decreased by \$2.5M from 2023-24 levels to \$20.9M. The Proposed Budget deletes funding and 27 vacant positions (20 regular and 7 resolution) in the Controller's Office. The Proposed Budget provides continued funding for a variety of programs and services, including:

- Accounting and Disbursement of City Funds Support (\$0.1M): Funding is continued and regular authority is added for one position to support the Accounting and Disbursement of City Funds Division.
- Fraud, Waste, and Abuse Program Support (\$0.2M): Funding is continued and resolution authority are continued for one Special Investigator I and regular authority is added for one Senior Administrative Clerk to support the Fraud, Waste, and Abuse Unit.
- Human Resources and Payroll Project (\$1.6M): Funding and resolution authority are continued for ten positions to support the Human Resources and Payroll System Project. One-time funding is also continued in the Contractual Services account.

Cultural Affairs: The Department of Cultural Affairs' total budget is decreased by \$2.4M from 2023-24 levels to \$18.1M. The Proposed Budget deletes funding and 25 vacant positions (12 regular and 13 resolution) in the Department. The Proposed Budget provides funding and staffing for a number of programs, including:

- Community Arts Staff Support (\$0.2M): Funding and resolution authority for three positions are continued to facilitate in-person and online programming at arts centers.
- Central Avenue Jazz Festival (\$0.05M): Funding is added for the Central Avenue Jazz Festival. This was previously funded in the General City Purposes budget.
- Hollyhock House and Residence A Staff Support (\$0.03M): Nine-months funding and one resolution authority is added to support Hollyhock House and Residence A.
- Lankershim Arts Center (\$0.3M): One-time funding is continued to support the facility.

Disability: The Department on Disability's total budget is decreased by \$0.9M from the 2023-24 levels to \$5.1M. The Proposed Budget deletes funding and eight vacant positions (four regular and four resolution) in the Department. Notable changes for the Department's budget include:

- Homeless Services Coordinator (\$0.1M): Funding is continued and regular authority is added for one Community Program Assistant II to provide people with disabilities who are experiencing homelessness or at-risk of homelessness with information and referrals to City services.
- Disability and Homeless Services Analyst (\$0.1M): Funding is continued and regular authority is added for one Management Analyst to support disability and homelessness initiatives.
- Expense Account Reduction (\$0.3M): Funding is reduced to reflect anticipated expenditures and Departmental efficiencies.

Economic and Workforce Development Department: The Economic and Workforce Development Department's (EWDD) total budget is reduced by \$3.1M from 2023-24 levels to \$23.2M. The Proposed Budget deletes funding and 30 vacant positions (16 regular and 14 resolution) in the Department. The Proposed Budget provides increased funding for the following programs in EWDD's budget:

- Real Estate and Asset Management (\$0.1M): Nine-months funding and resolution authority for one position are added to provide support to the Real Estate and Asset Management Unit.
- Economic Development Support (\$0.1M): Nine-months funding and resolution authority are added for one position to support the implementation of an economic development and comprehensive jobs creation strategy.
- Workforce Development Support (\$0.4M): Nine-months funding and resolution authority for two positions are added to support Workforce Development Programs.
- Strategic Planning (\$0.1M): Nine-months funding and resolution authority for one position are added to provide strategic planning support.
- Audit and Fiscal Review Support (\$0.1M): One-time Contractual Services funding is added to provide audit and fiscal review services for Community Development Block Grant subrecipients.

The Proposed Budget provides continued funding for the following notable initiatives:

- Adult Workforce Development (\$1.5M): Nine-months funding and resolution authority for 13 positions are continued to implement the Workforce Development Board Annual Plan.
- Day Laborer Services (\$1.1M): One-time Contractual Services funding is continued for the Day Laborer Program, which provides assistance to businesses and individuals seeking temporary day labor at seven contracted sites.
- Los Angeles Regional Initiative for Social Enterprise (\$3M): One-time Contractual Services funding is continued for implementation of the Los Angeles Regional Initiative for Social Enterprise for subsidized job development services for individuals experiencing homelessness.
- YouthSource Centers, Hire LA, Cash for College (\$1.7M): Funding and resolution authority for 14 positions and Contractual Services funding are continued for the YouthSource Centers, Hire LA, and Cash for College programs, which provide employment and education development services for youth.
- Jobs, Legacy Business, and Good Food Zones (\$0.2M): Funding and resolution authority for two positions are continued to support the Jobs and Economic Development Incentive Zones, Legacy Businesses, and Good Food Zone programs.

El Pueblo: The Proposed Budget provides \$2.1M for the Department, a \$0.04M increase from 2023-24 levels. The Proposed Budget deletes funding and one vacant resolution position. Notable changes for the Department's budget include:

- Expense Account Reduction (\$0.1M): Funding is reduced to reflect anticipated expenditures and Departmental efficiencies.
- Museum Guides (\$0.3M): Funding is added for museum guides at El Pueblo.

Emergency Management: The Proposed Budget includes \$4.2M for the Emergency Management Department, a \$0.03M decrease from 2023-24. The Proposed Budget deletes funding and three vacant positions (two regular and one resolution) in the Department.

Ethics Commission: The Ethics Commission's total budget is increased by \$0.8M compared to 2023-2024 to \$6.2M. Eight positions previously authorized by resolution have been converted to regular authority, as follows: two in audit support (\$0.1M), one in campaign finance (\$0.1M), and five in enforcement support (\$0.5M).

Finance: The Office of Finance's total budget is decreased by \$0.6M from 2023-24 levels to \$48.3M. The Proposed Budget deletes funding and 33 vacant positions (31 regular and two resolution) in the Office of Finance. Notable changes proposed for the Office's budget include:

- Productivity Tools (\$0.2M): Funding is added in the Office and Administrative Account for cloud data storage to support LATAX web hosting services.
- Customer Support Call Processing (\$0.2M): Funding is continued and regular authority is added for three positions to staff the Customer Support Contact Center.

- Cannabis Audit Unit Supervision (\$0.1M): Nine-months funding and resolution authority are added for one position to supervise a second Cannabis Audit Unit.

Fire Department: The Proposed Budget provides \$814.3M in the Fire Department's operating budget, a decrease of \$23M from the 2023-24 Adopted Budget. \$58.3M in MICLA financing is also included for the purchase of fire vehicles. The Proposed Budget deletes funding and 73 vacant civilian positions (59 regular and 14 resolution) in the Department. Notable changes proposed to the Fire budget include:

- Constant Staffing Adjustments (\$10M): A transfer of funding from the Salaries Sworn Account to the Overtime Constant Staffing Account is included to reflect platoon-duty vacancies maintained by firefighters on an overtime basis.
- Expense Account Reduction (\$7.9M): Funding is reduced for Overtime Variable Staffing and Overtime Sworn Accounts to reflect anticipated expenditures.
- Marine Operations (\$0.2M): Funding and resolution authority are continued for one Fire Battalion Chief to support operations at the Port. All costs associated with this position will be reimbursed by the Harbor Department.
- CUPA Program Petroleum Refinery Safety (\$0.2M): Nine-months funding and resolution authority are added for two Process Safety Engineers to support the Certified Unified Program Agency California Accidental Release Prevention Program.
- Targeted Recruitment Staffing (\$0.8M): Funding and resolution authority are continued for five Fire Captain Is to provide targeted Firefighter recruitment of women and members of underrepresented groups.
- Emergency Appointment Paramedic Training (\$0.6M): One-time funding is continued for the Emergency Appointment Paramedic training and hiring program.
- Paramedic Training Program (\$0.6M): One-time funding is continued to send up to 45 firefighters to paramedic training.
- Firefighter Recruit Training (\$13.6M): Funding is allocated to train and hire 220 Firefighters in three new academy classes at the Valley Recruit Training Academy.
- Turnout Gear Replacement (\$2.6M): One-time funding is added for the final year of the Department's five-year plan to replace turnout gear.
- Equity and Inclusion Staffing (\$1.8M): Funding and resolution authority for nine positions consisting of one Fire Deputy Chief, two Fire Battalion Chiefs, one Management Analyst, one Fire Assistant Chief, and four Fire Captain Is are continued to mediate conflict, implement a strategic diversity and inclusion plan, mitigate complaints, grievances and lawsuits, and to promote a positive work environment.
- Fire Share of Unrestricted Revenue: Based on the Fire Department's budget allocation, the Department's share of unrestricted revenue will be 15.2 percent in 2024-25 (\$1.03B of \$6.8B), the same percentage as it was in 2023-24 (\$1.01B of \$6.7B). Each one percent equates to approximately \$68M. Unrestricted revenues are General Fund receipts that may be used for any municipal purpose.

General Services: The Proposed Budget provides \$258.2M in the General Services Department's operating budget, a decrease of \$15.5M from the 2023-24 Adopted Budget.

The Proposed Budget deletes funding and 191 vacant positions (154 regular and 37 resolution) in the Department. Notable changes proposed for the General Services budget include:

- Salary Savings Rate (\$4M): The Proposed Budget increases the Department's salary savings rate from two percent to five percent to reflect anticipated levels of attrition and vacancies.
- Expense Account Reduction (\$2.7M): Funding is reduced to reflect anticipated expenditures and Departmental efficiencies.
- Supplemental Leasing Services Support (\$0.1M): Funding and resolution support for one Senior Management Analyst II are continued to support homelessness-related projects and to coordinate the relocation of departments with updated space assignments.
- Fleet Maintenance Program (\$0.1M): Funding is continued and regular authority is added for one Equipment Mechanic to support the Fleet Maintenance Program. Eight vacant positions are not continued.
- Asset Management System Improvements (\$0.1M): One-time Contractual Services funding is added for increased maintenance and additional services for the Asset Management System.
- Advanced Training Courses (\$0.1M): One-time Contractual Services funding is added for the Department of General Services Advanced Training Program and the Leadership Empowerment Advancement Program.

Housing Department: The Housing Department's total budget is increased by \$7.6M from 2023-24 levels to \$94.9M. The Proposed Budget deletes funding and 49 vacant positions (27 regular and 22 resolution) in the Department. The Proposed Budget continues and provides new funding for various Departmental programs and services, including:

- Hearing Section Expansion (\$0.5M): Funding and resolution authority for seven positions is added to expand the Hearings Section and provide administrative support.
- Landlord Declarations Unit (\$0.1M): Funding and resolution authority for one position are continued to support the prevention of unlawful displacements.
- Rent Stabilization Ordinance Determinations (\$0.1M): Funding and resolution authority for one position are continued to determine if properties are subject to the Rent Stabilization Ordinance provisions and protections.
- Tenant Anti-Harassment Ordinance Task Force (\$1.1M): Resolution authority for 10 positions is continued and funding is added to enforce the Tenant Anti-Harassment Ordinance.
- Eviction Defense Program New Positions (\$0.1M): Nine-months funding and resolution authority for two positions are added to support the Eviction Defense Program.
- Tenant Protection and Homelessness Prevention Director (\$0.1M): Nine-months funding and resolution authority for one position are added to oversee the tenant protection and homelessness prevention work.

- Eviction Filing Program (\$0.8M): Nine-months funding and resolution authority for three positions and contracting services are added to support the Eviction Filing Program.
- Residential Hotel Ordinance Inspection and Enforcement (\$0.3M): Nine-months funding and resolution authority for five positions are added to establish a dedicated residential hotel inspection and enforcement team.
- Lease Up Coordinator for Permanent Supportive Housing (\$0.1M): Nine-months funding and resolution authority are added for one position to coordinate lease up of permanent supportive housing projects.
- USC Street Medicine (\$2M): Contractual Services funding is continued to provide medical services for individuals experiencing homelessness.
- Accessible Housing Program Staff (\$7.6M): Funding and resolution authority are continued for 76 positions to meet the requirements associated with the Independent Living Center of Southern California Settlement Agreement and Voluntary Compliance Agreement with the U.S. Department of Housing and Urban Development.
- Continuum of Care Administration (\$6.6M), Los Angeles Homeless Count (\$0.9M), Shelter and Housing Interventions (\$16.9M), and Street Strategies (\$18.3M): Funding is added in the General City Purposes budget for LAHSA contracts to carry out services and programs for persons experiencing homelessness.

Information Technology Agency: The Information Technology Agency's (ITA) total budget is reduced by \$10.4M from 2023-24 levels to \$100.6M. The Proposed Budget deletes funding and 76 vacant positions (74 regular and 2 resolution) in the Department. The deletion of one-time expense funding (-\$3.2M), one-time special funding (-\$6.6M), and expense account reductions (-\$3.3M) also contribute significantly to the overall reduction. The Proposed Budget provides continued funding for the following notable programs in the ITA budget:

- Human Resources and Payroll (HRP) Project (\$2.9M): One-time Contractual Services funding is added for the HRP project. Phase 2 of the HRP is scheduled to go live in June 2024 and funding will be used to provide additional training and support for City staff through June 2025.
- MyLA311 Modernization Project (\$1.9M): Funding is continued for ongoing licensing costs for the MyLA311 modernization project.
- Enterprise Applications Staffing (\$0.5M): Nine-months funding and resolution authority for four positions are continued to provide support for the HRP project and other enterprise applications.

Library: The Charter-mandated appropriation to the Library Department is increased by \$14.6M for a total allocation of \$256.5M in 2024-25. The Proposed Budget provides funding and staffing in the Library Department for a number of services, including:

- New Americans Initiative Services (\$0.5M): Contractual Services funding is added to expand online and in-person citizenship classes and immigration legal services.
- Security Services (\$3.5M): Funding is added for security services at all Library locations.

- Emergency Preparedness Supplies and Training (\$0.2M): Funding is added to replace contents from outdated emergency supply kits and to provide Cardiopulmonary Resuscitation and Automated External Defibrillator training to staff.
- Central Library Social Services Staff (\$0.1M): Nine-months funding and regular authority for one position is added to de-escalate, intervene, and connect patrons to services and to provide support to staff who are in crisis or recovering from post-incident situations.
- Library Experience Office Staff (\$0.1M): Nine-months funding and regular authority for one position is added to provide safety and security training to staff and to launch a re-entry services program at the Los Angeles Public Library for people released from California jails.
- Social Services Support Staff (\$0.2M): Nine-months and regular authority for six positions are added to greet patrons, encourage safe behavior in the Library, assist Social Workers with programs and outreach efforts, and help develop long-term solutions to address and prevent serious incidents.
- Mental Health and Social Service Outreach (\$0.8M): Contractual Services funding is added to expand mental health and social service outreach.
- Incident Reporting Application (\$0.04M): Contractual Services funding is added to provide an incident reporting application to document, track, and follow-up on incidents that occur on Library property.
- Library Books and Materials (\$1M): Funding is increased in the Library Materials Account to purchase new library books and materials to meet the needs of the public and improve service to neighborhoods.
- Branch Libraries Alterations and Improvements (\$10M): One-time funding is added to fund alterations and improvements projects at branch libraries.
- Central Library Alterations and Improvements (\$2.8M): One-time funding is added for Central Library alterations and improvements.
- Furniture and Installation Services (\$1M): Contractual Services funding is added to provide furniture and installation services.
- Reimbursements for Sidewalk Repairs (\$0.5M): One-time funding is continued to reimburse the costs for sidewalk repairs at libraries pursuant to the Willits v. City of Los Angeles Settlement Agreement.

Additionally, the Department will reimburse the General Fund a total of \$64.1M for pensions, health, and Medicare benefits.

Neighborhood Empowerment: The Department of Neighborhood Empowerment's total budget is increased by \$0.1M from 2023-24 levels to \$3.9M. The Proposed Budget deletes funding and four vacant positions (one regular and three resolution) in the Department. The Proposed Budget provides funding and staffing in the Department for a number of services, including:

- Neighborhood Council Elections (\$0.2M): One-time funding is added for the joint administration of the 2025 Neighborhood Council Board Member Elections with

the Office of the City Clerk. The Department will conduct outreach activities and the Office of the City Clerk will administer the vote-by-mail elections.

- Neighborhood Council Services Administration (\$0.2M): Funding and resolution authority for three positions are continued to oversee investigations of conflicts, allegations of harassment, and other issues between Neighborhood Council board members.

Personnel: The Personnel Department's total budget is increased by \$2.1M from 2023-24 levels to \$82.5M. The Proposed Budget deletes funding and 31 vacant positions (26 regular and five resolution) in the Department. The Proposed Budget continues and provides new funding for various Departmental programs and services, including:

- Background Investigations Support (\$0.9M): Funding is continued and regular authority is added for ten positions to support public safety background investigations.
- Public Safety Clerical Support (\$0.3M): Funding is continued and regular authority is added for six positions to support public safety hiring.
- Hiring Support (\$0.1M): Funding is continued and regular authority is added for three positions to provide hiring support.
- Increased HRP Project Support (\$0.1M): Funding and regular authority are added for one position to support the City's payroll system.
- Increased DWP Examination Support (\$0.9M): Nine-months funding and resolution authority are added for fourteen positions to support the Selection Division with recruitment, examination, and hiring events for DWP, as well as one-time funding in the Office and Administrative Account.
- Increased DWP Classification Support (\$0.4M): Nine-months funding and resolution authority are added for four positions to support the Classification Division with requests from DWP; one-time funding is also added in the Office and Administrative Account.
- City Employees Rideshare Funding Adjustment (\$0.6M): Funding is added to support the City's Commute Options and Parking Program.
- Deferred Compensation Plan Support (\$0.1M): Nine-months funding and resolution authority are added for two positions to support the City's Deferred Compensation Plan, as well as one-time funding in the Office and Administrative Account.
- Human Resources and Payroll Project Support (\$1.6M): Funding is continued and regular authority is added for 14 positions to implement the Human Resources and Payroll solution. One-time funding is also added in the Office and Administrative Account for licensing costs of the Personnel Electronic Record Keeping System.

Police Department: The Proposed Budget provides \$2B in the Police Department's operating budget, an increase of \$138.2M from the 2023-24 Adopted Budget. The Proposed Budget deletes funding and 82 vacant civilian positions (77 regular and five resolution) in the Department. MICLA financing (\$26.7M) is also included for the purchase of various Police non-patrol vehicles. Notable items included in the Proposed Police budget include:

- Civilian Deployment Adjustment (-\$20.6M): The Proposed Budget reduces funding in the Salaries General Account to reflect savings from starting 2024-25 with 2,625 filled civilian positions instead of the 2,840 positions funded in the base budget.
- Sworn Deployment Adjustment (-\$57.6M): The Proposed Budget reduces funding in the Salaries Sworn Account to reflect savings from starting 2024-25 with 8,878 filled sworn positions as opposed to the 9,293 positions funded in the base budget.
- Sworn Hiring Plan (\$26.2M): Funding is added in the Sworn Salaries account to hire 574 recruit to maintain a force of 8,878 sworn officers; the Department is authorized to hire up to 9,084 officers with no additional funds provided.
- Sworn Overtime Usage Adjustment (\$18M): Funding is added to provide cost-of-living increases and maintain funded overtime for reimbursable (\$3.2M) and non-reimbursable (\$14.8M) overtime deployments. Overtime Sworn funding is partially offset by receipts of reimbursements.
- Recall Retired Officers to Active Duty (\$4.2M): One-time funding is continued to recall 30 retired sworn officers for up to 12-months of active duty in critical sworn deployments. This will supplement staffing budgeted in the Sworn Hiring Plan and bring the total deployment of sworn officers to 8,908.
- After-Action Report Implementation Plan (\$4.6M): The Proposed Budget continues funding (\$3.6M) to provide field jail operations and an eight-hour Mobile Field Force Training Course. Funding (\$0.4M) is also continued for less-lethal ammunition and less lethal-recertification for 4,875 officers. Funding is continued in the Field Equipment Expense Account (\$0.1M) for Trauma and EMT Kits and protective eyewear. Funding is also continued for field jail operations training for Detention Officers and to address inflationary cost increases for Intermedial Force Options Devices.
- Expense Account Reduction (-\$16.1M): One-time expense funding is reduced across various accounts to reflect anticipated expenditures.
- Sworn Overtime for Interim Housing Sites (\$8.4M): One-time funding is continued in the Overtime Sworn Account for security patrols within the vicinity of interim homeless housing shelter sites.
- Custody Transportation and Release Contract (\$0.5M): Funding is continued in the Contractual Services Account to address inflationary cost increases for the County Sheriff's Department to transport arrestees to Court. This contract is adjusted annually based on the actual costs in preceding years.
- Metro Staffing (\$103.7M): Funding and resolution authority is continued for 110 positions in alignment with staffing levels approved by Metro for the eighth year of the contract to provide policing for Metro bus, rail, and infrastructure within the City. Eight existing sworn positions and 16 vacant positions (11 sworn and five civilian) are not continued. The costs associated with these services are offset by revenue received from Metro.
- Contract Security Usage Adjustment (\$1.8M): The Proposed Budget adds funding in the Contractual Services Account for increased costs for security guard services. Partial Funding is provided by the El Pueblo de Los Angeles Historical Monument Fund and the Cultural Facilities and Services Fund.

- Digital In-Car Video System (\$0.8M): Funding is added for the maintenance of the Digital In-car Video system for an additional 450 emergency vehicles. Funding is provided by the Supplemental Law Enforcement Services Fund.
- Strategic Planning Team (\$0.1M): Funding and regular authority are added for one Secretary and resolution authority without additional funding is continued for four positions assigned to the Strategic Planning Team, which is responsible for planning large events, such as the 2028 Olympics and Paralympic Games.
- Community Safety Partnership (CSP) (\$1M): Funding is added in the Overtime Sworn (\$0.3M) and Office and Administrative Accounts (\$0.1M) for overtime and program expenses related to the expansion of the CSP to Gilbert Lindsay Park and to continue it at Algin Sutton Park. Funding (\$0.6M) is also included for the purchase of four Black and Whites and one passenger van for the operation of the CSP at Gilbert Lindsay Park.
- Police Share of Unrestricted Revenue: Based on the Police Department's budget allocation, the Department's share of unrestricted revenue will increase from 43 percent in 2023-24 (\$2.9B of \$6.7B) to 45.6 percent (\$3.1B of \$6.8B) in 2024-25. While the percentage does not appear significant, each one percent equates to approximately \$68M. Unrestricted revenues are General Fund receipts which may be used for any municipal purpose.

Public Accountability: The Office of Public Accountability's total budget is reduced by \$1.2M compared to 2023-2024 to \$2.7M. Funding and five vacant regular positions are deleted. Contractual services funding (\$0.2M) is also reduced.

Public Works Board: The Board of Public Works' total budget is decreased by \$3.5M from 2023-24 levels to \$32.2M. The Proposed Budget deletes funding and 16 vacant positions (six regular and 10 resolution) in the Board's Offices. The Proposed Budget continues funding for various Board programs and services, including:

- CleanLA Program (\$5.3M): Funding and regular authority for one position and one-time funding for Contractual Services are continued for the CleanLA Program, which employs youth and adults for cleaning projects Citywide.
- Graffiti Abatement Strike Force Crews (\$0.9M): One-time Contractual Services funding is continued for graffiti abatement crews in high graffiti areas.
- Graffiti Abatement Pre-Apprenticeship Job Training (\$0.5M): One-time Contractual Services funding is continued for employment opportunities for transitional workers on graffiti abatement projects.
- Oil and Gas Well Facility Compliance (\$0.4M): Funding and resolution authority for three positions are continued to support the Oil and Gas Well Drill Site Facility Compliance Program.
- Contractor Payment Processing (-\$0.2M): Funding and three regular positions are deleted and the Construction Payments Processing Unit will be transferred to the Bureau of Contract Administration, effective July 1, 2024.

Public Works Contract Administration: The Bureau of Contract Administration's total budget is decreased by \$2.5M compared to 2023-24 levels to \$50.2M. The Proposed Budget deletes funding and 52 vacant positions (33 regular and 19 resolution) in the Bureau. Notable changes proposed for the Bureau's budget include:

- Access Ramps – Pavement Preservation Program (\$0.4M): Nine-months funding and resolution authority are added for four positions to provide inspection services for the Access Ramps – Pavement Preservation Program.
- Sidewalk and Transit Amenities Program (\$0.4M): Funding and regular authority are added for four positions to provide construction inspection services for the Sidewalk and Transit Amenities Program.
- Contractor Payment Processing (\$0.4M): Nine-months funding and resolution authority are added for six positions to establish a construction payments processing unit. This unit is being transferred from the Board of Public Works.
- Sidewalk Repair Program Acceleration (\$0.6M): Funding and resolution authority are added for six positions to provide inspection and labor compliance services for the Sidewalk Repair Program Acceleration Initiative.
- Expansion of Streets and Street Reconstruction (\$0.5M): Funding and regular authority are added for five positions to provide inspection, labor compliance, and business inclusion services for the Streets and Street Reconstruction Program.

Public Works Engineering: The Bureau of Engineering's total budget is decreased by \$1.1M from 2023-24 levels to \$120M. The Proposed Budget deletes funding and 96 vacant positions (60 regular and 36 resolution) in the Bureau. Notable changes proposed for the Bureau's budget include:

- Additional Support for Airport Infrastructure (\$0.3M): Nine-months funding and resolution authority are added for three positions to support the review of airport infrastructure. One-time funding is also added to the Office and Administrative Account to support this work. These positions will be fully reimbursed by the Department of Airports.
- BuildLA Programming Staff for GIS Division (\$0.1M): Nine-months funding and resolution authority are added for one Programmer/Analyst I to support the BuildLA project.
- Construction Management for Affordable Housing and Sustainable Communities Grant Projects (\$0.6M): Nine-months funding and resolution authority are added for six positions to provide support for Affordable Housing and Sustainable Communities Grant-funded projects. One-time funding is also added to the Office and Administrative Account to support this work.
- Engineering Expertise for DWP Permits (\$0.1M): Nine-months funding and resolution authority are added for two Engineering Associate IIs to provide expertise and technical support for DWP-related permits. One-time funding is also added to the Office and Administrative Account. These positions will be fully reimbursed by DWP.
- Metro Annual Work Program Admin Support (\$0.2M): Nine-months funding and resolution authority are added for two positions to provide administrative support

to the Metro Annual Work Program. One-time funding is also added to the Office and Administrative Account. These positions will be fully reimbursed by Metro.

- Metro Annual Work Program Expansion (\$0.6M): Nine-months funding and resolution authority are added for six positions to provide additional support to the Metro Annual Work Program. One-time funding is also added to the Office and Administrative Account. These positions will be fully reimbursed by Metro.
- Street Design Manual and Standards Multi-Modal Modernization (\$0.2M): Nine-months funding and resolution authority are added for two Civil Engineers to update the City's street design guidance documents, manuals, references, and standard plans. One-time funding is also added to the Office and Administrative Account.

Public Works Sanitation: The Bureau of Sanitation's total budget is decreased by \$17.3M from 2023-24 levels to \$415.2M. The Proposed Budget deletes funding and 250 vacant positions (134 regular and 116 resolution) in the Bureau. Notable changes proposed for the Bureau's budget include:

- Brownfields Program Support (\$0.2M): One-time funding is added in the Contractual Services Account to support environmental assessments, oversight fees, and regulatory training costs for the Brownfields Program.
- GIS Support (\$0.2M): Nine-months funding and resolution authority are added for two positions to support ongoing projects implementing stormwater capture, pollutant reduction, and green space.
- Livability Services Facilities Planning (\$0.1M): Nine-months funding and resolution authority are added for one Civil Engineering Associate III to manage a newly established Livability Services CARE Division.
- Livability Services Inventory Support (\$0.05M): Nine-months funding and resolution authority are added for one Storekeeper II to manage inventory and distribution at the newly centralized warehouse at the Livability Services' Young's Market Location.
- Livability Services Management Expansion (\$0.1M): Nine-months funding and resolution authority are added for one Civil Engineering Associate III to lead planning, design, construction, and maintenance oversight of the five permanent Livability Services regional facilities.
- My LA311 Replatform (\$0.5M): One-time funding is added in the Operating Supplies Account to support Customer Relationship Management system upgrades and connectivity with the Citywide MyLA311 service platform.
- recycLA Support (\$0.1M): Funding and regular authority are deleted for one Systems Analyst and funding and regular authority are added for one Programmer Analyst III to develop, maintain, and support recycLA software applications, including MyLA311. One-time funding is also added in the Contractual Services Account to upgrade the recycLA program's central database.
- SAFE Center Operations Support (\$0.4M): One-time funding is added in the Salaries, As-Needed (\$0.3M) and Overtime General (\$0.05M) Accounts to address increased customer service needs.

Public Works Street Lighting: The Bureau of Street Lighting's total budget is reduced by \$5.3M compared to 2023-24 levels to \$51.4M. The Proposed Budget deletes funding and 70 vacant positions (26 regular and 44 resolution) in the Bureau. Notable items included in the Bureau's budget include:

- Deletion of One-Time Expense Funding (-\$10.9M): Funding is deleted for hiring hall salaries/benefits, overtime, and expenses.
- Delete One-Time Special Funding (-\$5.2M): Funding is deleted for street lighting improvements and supplies.
- Metro Annual Work Program Support (\$0.2M): Funding and resolution authority are added for two positions to support the Metro Annual Work Program.
- Traffic Signal Support Program Expansion (\$0.1M): Nine-months funding and resolution authority are added for one position to provide traffic signal support, including installation of new signals and signal modifications.
- Copper Wire Theft Replacement Program (\$5.8M): Funding and resolution authority are continued for 32 positions to support the replacement of copper wire stolen from streetlights and street lighting facilities. Funding is also added in the Street Lighting Improvement and Supplies Account (\$1.7M) and other various accounts to support this work.
- Streetlight Fortification Against Copper Wire Theft (\$5M): Funding and resolution authority are continued for 15 positions to strengthen street lighting access points against copper wire and power theft. Funding is also added in the Street Lighting Improvement and Supplies (\$2M), Overtime General (\$1M), and Operating Supplies (\$0.5M) to support this work.
- Smart City and Street Lighting Technology Initiatives (\$2.6M): Funding and resolution authority are continued for four positions to support street lighting technology initiatives. Funding is also added in the Street Lighting Improvement and Supplies Account (\$1.5M) and other various accounts to support this work.

Public Works Street Services: The Bureau of Street Services' total budget is reduced by \$30M from 2023-24 levels to \$199.3M. The Proposed Budget deletes funding and 417 vacant positions (158 regular and 259 resolution) in the Bureau. Notable changes proposed for the Bureau's budget include:

- Additional Urban Transit Amenities Support (\$1.4M): Nine-months funding and resolution authority are added for seven positions to provide additional support to the Street Transit Amenities Program.
- Expense Account Reduction (-\$4.4M): One-time funding is reduced in various accounts to reflect anticipated expenditures.
- Asset Management and Advanced Planning Support (\$2.1M): One-time funding is added in the Contractual Services Account to support the modernization of the Bureau's planning and delivery functions.
- Metro Annual Work Program – 2028 Olympics (\$0.4M): Nine-months funding and resolution authority are added for four positions to support Metro projects in advance of the 2028 Olympics. One-time funding is also added to various accounts to support this work.

- Pavement Preservation Trucking (\$12.8M): Nine-months funding and resolution authority are added for 23 positions to provide as-needed hauling services for street renewal programs, including the Pavement Preservation Program, using City staff. One-time funding is also added in the Contractual Services (\$4.6M), Construction Expense (\$3.1M), Overtime General (\$0.2M), and other various accounts to support this work.
- Pavement Preservation Contract Trucking (\$10.8M): One-time funding is reduced in the Contractual Services Account for as-needed Pavement Preservation Program trucking services to reflect Departmental Efficiencies realized by the use of City staff.

Recreation and Parks: The Charter-mandated appropriation to the Department of Recreation and Parks is increased by \$15.9M, with the total budget for the Department decreased by \$3.2M from 2023-24 levels to \$335.7M. The Proposed Budget deletes funding and 307 vacant positions (272 regular and 35 resolution) in the Department. Notable changes proposed for the Department's budget include:

- Funding for Partially Financed Facilities (\$0.8M): Funding is added to provide full-year funding for building and facilities, land maintenance, and recreational programming for facilities that were partially financed in 2023-24.
- New and Expanded Facilities (\$4M): Nine-months funding and regular authority for 15 positions are added to support various new and expanded facilities based on their scheduled opening dates. Funding is also added to various accounts to support this work.
- Expense Account Reduction (-\$9.6M): One-time funding is reduced to reflect anticipated expenditures and Department efficiencies.
- Aquatics Support (\$0.5M): Funding is continued and regular authority is added for five positions to provide oversight of aquatic programs and operations.
- Building and Facilities Services Support (\$1.1M): Funding is continued and regular authority is added for 11 positions to support the Fire Life Safety program and pool reopening and to provide preventative maintenance.
- Land Maintenance Support (\$1M): Funding is continued and regular authority is added for 10 positions for the management of lakes, public building landscaping, emergency management, homeless issues, and special projects.
- New Facilities Assessment (\$0.1M): Funding is continued and regular authority is added for one position to conduct a new facilities assessment.
- Recreational Programming Support (\$0.4M): Funding is continued and regular authority is added for six positions to provide programming, supervision for recreational programming, and adaptive programming and administrative support under the Youth Sports Partnership Agreement with LA2028.
- Adaptive Sports Program (\$0.3M): Funding is continued and regular authority is added for one position and funding and resolution authority is continued for two positions to continue the Citywide expansion of the Adaptive Sports Program.
- Community School Parks Program (\$0.2M): Funding is continued and regular authority is added for one position and funding and resolution authority is continued for one position to continue the Community School Parks Program.

- Senior Centers Enhancement (\$1.3M): Funding is added to various accounts for additional programming, supplies, and additional operating hours in the Department's senior centers.
- Childcare Centers (\$1.2M): Funding and resolution authority is continued for 17 positions for the operation of 13 childcare centers.
- Transitional Funding for Childcare Operations (\$0.5M): One-time Contractual Services funding is added for transitional funding for childcare program operations.
- Heating and Cooling Centers (\$0.4M): Funding is added in various accounts to support staffing at heating and cooling centers and for the installation of 15 refillable water bottle stations.

Additionally, the Department will reimburse the General Fund a total of \$92M for pensions, health, and Medicare benefits.

Transportation: The Department of Transportation's total budget decreased by \$2M from 2023-24 levels to \$214.9M. The Proposed Budget continues funding and staffing for several programs and services, including the Metro Annual Work Program, Speed Hump Program, Speed Hump and Speed Table Program for Schools, and Crossing Guard Services. The Proposed Budget deletes funding and 137 vacant positions (95 regular and 42 resolution) in the Department. Notable changes proposed for the Department's budget include:

- Mobility Plan – Healthy Streets (\$0.1M): Nine-months funding and resolution authority are added for two positions to support implementation of the Mobility Plan.
- Transportation-Related Planning for Olympics 2028 (\$0.3M): Nine-months funding and resolution authority are added to prepare traffic plans, develop a Citywide project list and strategic plan, pursue grant funding, and deliver projects in preparation for the 2028 Olympics.
- Expense Account Reduction (-\$0.4M): One-time funding is reduced in various accounts to reflect anticipated expenditures and Departmental efficiencies.
- Metro Bus-Only Lane Expedited Support (\$0.5M): Nine-months funding and resolution authority are added for six positions to expedite Metro Bus-Only projects in support of Metro's NextGen Bus Plan
- Parking Enforcement and Traffic Control Equipment (\$0.2M): One-time funding is added in the Contractual Services and Operating Supplies Accounts for the purchase of bicycles and communication equipment.
- Affordable Housing Traffic Plan Support (\$0.1M): Nine-months funding and resolution authority are provided for one position to review and approve traffic control plans for all construction improvements, including Affordable and Permanent Supportive Housing projects that need to use the public right-of-way.
- First-Last Mile Projects Support (\$0.2M): Nine-months funding and resolution authority are added for three positions to support project development and delivery of First-Last Mile projects.
- Replace Radios (\$0.1M): One-time funding is added for the purchase of replacement radio equipment.

- Speed Safety Camera Pilot Program (\$0.1M): Funding and resolution authority are added for one position to support the implementation of a speed safety camera pilot program.

Youth Development: The Youth Development Department's total budget is decreased by \$0.2M from 2023-24 levels to \$2.2M. The Proposed Budget deletes funding and two vacant resolution positions. The Proposed Budget continues funding and staffing for several programs and services, including the Young Ambassador Program (\$0.1M) and the Youth Protection System (\$0.3M).

Zoo: The Zoo Department's total budget is decreased by \$0.03M from 2023-24 levels to \$31M. The Proposed Budget deletes funding and 21 vacant regular positions. Notable changes and increases to services proposed for the Department's budget include:

- Transition Support (\$0.3M): Funding and resolution authority for one position and two-months funding and resolution authority for five positions are added to support the transition of marketing, website, and concessions contract management functions to the Zoo.
- Expense Account Reduction (-\$0.3M): Funding is reduced in several accounts to reflect anticipated expenditures.
- Animal Keeper Staff Support (\$0.5M): Funding is continued and regular authority is added for eight positions to maintain animal care staffing levels.
- Koala and Rhinoceros Nutrition (\$0.1M): Funding is added to meet the dietary needs of koalas and rhinoceroses.
- Exhibit Substrate Replenishment (\$0.1M): One-time funding is added to provide various substrates for large mammal enclosures.
- Maintenance and Capital Repair Staff Support (\$0.4M): Funding is continued and regular authority added for one position. One-time funding is also continued to the Hiring Hall Salaries and Benefits Hiring Hall Accounts to address deferred maintenance, in-house improvements, and outdated infrastructure.
- Supervisor Staff Support (\$0.1M): Funding and regular authority for one position are added to provide supervisory staff support.
- Chief Sustainability Officer (\$0.2M): Funding and regular authority are added for one Environmental Affairs Officer to serve as the Zoo's Chief Sustainability Officer.

Proposed Changes to Major Programs/Initiatives

Vision Zero Initiative: The concept of the Vision Zero Initiative is to achieve the goal of zero traffic fatalities in the City by 2025, prioritizing safety over faster traffic flows when planning and reconstructing roads. The Proposed Budget appropriates \$38.8M across multiple departments for activities that support the Vision Zero Initiative, a \$0.2M decrease from the 2023-24 Adopted Budget. New funding is included for Traffic Signal Support Program Expansion (Traffic Signal Design) (\$0.1M) and the Vision Zero Mid-Block Crosswalk Illumination Improvement Fund (\$0.7M). Funding is deleted for Vision Zero Contracts, Speed Zone Surveys, Outreach Campaign (-\$0.2M), Vision Zero

Education and Outreach (-\$1M), Bus Stop Security Lighting (-\$0.5M), Vision Zero Traffic Signal Projects (-\$6.8M), Vision Zero Corridor Projects (-\$19.5M), and Maintenance of Existing Bicycle Lanes (-\$0.5M). It should be noted that funding (\$28.9M) for Vision Zero Projects and related capital needs is provided to various departments within the Road Maintenance and Rehabilitation Program Special Fund (SB 1).

Street Improvement: Funding (\$133.6M) is provided for street improvement programs to help maintain and improve 6,500 centerline miles (23,000 lane miles) of streets throughout the City. Funding is provided as follows:

Program	Adopted 2023-24 Funding	Proposed 2024-25 Funding
Pavement Preservation	\$154,199,518	\$126,446,315
Pavement Preservation – Access Ramps	\$20,327,041	\$5,000,000
Failed Streets Reconstruction	\$24,252,931	\$2,152,432
Complete Streets	\$3,448,161	\$0
Bicycle Lane Repair and Maintenance	\$4,200,000	\$0
TOTAL	\$206,427,651	\$133,598,747

There are six projects in the Complete Streets Program; five are complete and one is in construction. No new appropriation is provided in 2024-25; however, funding (\$11.2M) is available from a grant and prior-year grants for an additional project on La Brea Avenue from Coliseum to Adams. Upon completion of the current projects, the Complete Streets Program will end.

Bicycle Lane Repair and Maintenance includes Citywide bike lane repair and maintenance to ensure public safety. The Proposed Budget does not include a new appropriation for this program.

Great Streets Initiative: The Great Streets Program was created in October 2013 to focus on streetscape and roadway improvements in fifteen transportation corridors to activate the public realm, provide economic revitalization, and support great neighborhoods. The Proposed Budget continues funding (\$0.3M) for two resolution authority positions in the Department of Transportation for the remaining Great Streets active corridor projects. Upon completion of the Great Streets projects, these resources will be dedicated to addressing the maintenance backlog for street improvement projects in underserved communities.

Additionally, funding (\$0.3M) is provided for Great Streets – Moving Beauty Pathway for construction of decorative crosswalks and other pedestrian improvements on San Fernando Road in the CTIEP – Physical Plant budget.

The Proposed Budget also deletes nine positions in the Bureau of Street Services for work on the Great Streets Initiative.

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

In Fiscal Year 2024-25, the City is obligated to commit \$35.7M to the program. The Proposed Budget appropriates \$35.7M to the Sidewalk Repair Program, which includes \$13.7M from the General Fund; \$4.3M in Measure R Traffic Relief and Rail Expansion Fund; \$9M in SB 1 funding; \$1.7M from the Local Transportation Fund; \$6M from the Sidewalk Repair Fund; and, \$1M from Proprietary Departments to fund repairs to sidewalks and pedestrian facilities adjacent to their properties.

In compliance with the terms of the Settlement Agreement, the Proposed Budget includes at least \$7.1M for the Access Request Program and \$5M for curb ramp installation.

Ongoing discussions related to the Settlement Agreement may require additional funding or reallocation of funding within the Program.

2028 Olympic and Paralympic Games: The Proposed Budget provides continued and increased funding for various work in preparation for the 2028 Olympic and Paralympic Games including:

- Departmental Appropriations: Funding is continued or increased to various City departments and bureaus for Olympic and Paralympic Games work:
 - City Administrative Officer (\$0.2M)
 - City Attorney (\$0.1M)
 - Bureau of Street Services (\$0.4M)
 - Department of Transportation (\$0.3M)
- CTIEP – LA 2028 Olympic and Paralympic Games Projects Implementation Support (\$0.5M): Funding is provided for a consultant to design improvements surrounding four of the proposed Olympic and Paralympic sports park locations.

Proposed Changes to Major Funds

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

The Proposed Budget for the SCM Fund is \$1.2B (a 9.2 percent decrease from 2023-24) and includes \$344M in SCM Funds that are allocated to various departments, offices, and bureaus to cover the cost of Clean Water Program-related activities.

The Proposed Budget assumes that Sewer Service Charge rates will be adjusted over a five-year period to achieve full-cost recovery. In 2024-25, revenues from these assumed changes to the Sewer Service Charge are estimated to increase 2024-25 revenues by 18 percent over 2023-24 revenues. The last rate adjustment for this fee was in 2020.

The Proposed Budget provides \$44.4M in SCM funding for continued upgrades at the Hyperion Water Reclamation Plant.

The Proposed Budget for the SCM Fund includes the Clean Water Capital and Technology Improvement Expenditure Program (\$226.9M) and the related capital labor and expense costs (\$118.5M). The Proposed Budget also includes the costs of operating and maintaining the Clean Water System (\$486.9M), the payment of debt service on Wastewater System Revenue Bonds (\$254.5M), a 45-day operating reserve (\$59.7M), and various expenses (\$6.1M).

Solid Waste Resources Revenue Fund: The Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee (Solid Waste Fee) is imposed on all single-family dwellings in the City and upon certain multiple-unit dwellings for which the City provides refuse collection services. All receipts from the Solid Waste Fee are deposited into the Solid Waste Resources Revenue Fund (SWRRF) and are used for all costs associated with the collection, disposal, and recycling of solid waste. The Solid Waste Fee has not been adjusted since 2009 and fees are no longer at full cost recovery and require a General Fund Subsidy totaling over \$131.4M. The Bureau of Sanitation is working on a rate study to determine the fee level necessary to cover the cost of these services. The 2024-25 Proposed Budget for the SWRRF totals \$371.4M.

The Proposed Budget includes:

- Solid Waste Lifeline Program: The Proposed Budget provides \$6.1M in General City Purposes (GCP) funds to reimburse SWRRF for costs attributed to the Lifeline Rate Program.
- Solid Waste Fee Reimbursement: The Proposed Budget provides \$3.6M in the GCP to reimburse SWRRF for costs associated with refuse collection and disposal services for other City departments and special events.
- Solid Waste Tip Fees & Material Recovery Facilities (MRF) Fees: Solid waste tip fees (or landfill disposal fees) and MRF fees for residential collection will increase by \$16.3M to \$122.2M in 2024-25, which includes \$54.5M to process organics as required under SB 1383. This increase is also driven by global market conditions, which have increased the costs to process and market the City's recyclables.
- Departmental Appropriations: \$181.4M from the Fund is provided to various City departments, offices and bureaus for the cost of solid waste related activities.

Stormwater Pollution Abatement Fund: The Proposed Budget includes \$40.5M in the Stormwater Pollution Abatement (SPA) Fund.

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

The State's Regional Water Quality Control Board, Los Angeles Region (Regional Board) regulates the treatment and abatement of stormwater through a National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Permit. The City's NPDES MS4 permit authorizes the City to discharge stormwater into U.S. waters. The SPA charge has not been adjusted since 1993. The existing SPA charge of \$1.92 per month for a typical single-family home is insufficient to cover the costs of meeting NPDES MS4 Permit requirements. Since 2021-22, the City has used its SPA funds to support the City's flood control program, enforcement against illicit discharge activities, stormwater education, and non-capital expenses associated with maintaining its NPDES MS4 permit.

The Proposed Budget for the SPA Fund includes \$25M for various City departments, offices, and bureaus for the cost of stormwater related activities. The Proposed Budget also provides \$4M in emergency funding for on-call contractors in the event that the 2024-25 rainy season is comparable to the 2023-24 season.

Measure W Local Return Fund: The Proposed Budget includes \$41.5M in the Los Angeles Region Safe, Clean Water Program (Measure W) Local Return Fund.

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

Forty percent of Measure W revenues are allocated to municipalities in the same proportion as the amount of revenues collected within each municipality. The City is expected to receive \$36.3M in 2024-25. Funding (\$0.09M) for one new position in the Bureau of Sanitation is included for geographic information systems support.

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

- CTIEP Physical Plant: \$14.3M for eight water quality and water supply projects in the CTIEP - Physical Plant Budget.
- Departmental Appropriations: \$9.2M is provided to various City departments, offices, and bureaus for the cost of stormwater related activities.

- Feasibility Studies: \$3.2M is provided for feasibility studies of water quality projects to be submitted for funding consideration as part of the Measure W Regional Call for Projects.
- Regional Project Development & Revolving Funds: \$1.8M is provided for the initial development of regional water quality projects and is to be used as a revolving fund for potential match or front-funding requirements for regional funding.

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

The Proposed Budget projects \$60M in revenue generated by the SDRF, which is a 19.6 percent decrease from the estimated revenue in 2023-24 of \$74.6M. The 2023-24 budget estimate included one-time revenue from the implementation of a new natural gas pipeline franchise.

The Proposed Budget for the SDRF Fund includes:

- Departmental Appropriations: \$43.9M from the Fund is provided to various City departments and bureaus for street maintenance, preservation, and repair-related activities.
- Pavement Preservation Program – Access Ramps: \$5M from the Fund is appropriated to the Capital and Technology Improvement Expenditure Program to construct access ramps as part of the Pavement Preservation Program.
- Capital Improvement Expenditure Program Reserve: \$4.9M from the Fund is held in reserve for capital projects.
- Mobility Plan Improvements: \$2M from the Fund is provided for additional scope required by the Mobility Plan when resurfacing streets.

Proposition A Local Transit Assistance Fund: The Proposed Budget appropriates \$217.1M, which represents a 16.1 percent decrease from the 2023-24 Adopted Budget. The Proposition A Schedule is balanced by eliminating a total of \$110.2M of prior year appropriations, including the transit operations expansion (-\$35.4M) and transit operations (-\$48.4M), and shifting the local matching funds for Measure R regional projects (-\$25M) and Bikeshare Operations and Maintenance (-\$3M) to other special funds. Funding is provided for the increase to contract bus driver salaries, as approved by the Council in April 2024. Additionally, the Proposition A Schedule assumes fare collection will resume on January 1, 2025.

The required level of funding for transit service is approximately \$289M annually and the annual ongoing revenue in the Proposition A Fund is approximately \$204M, resulting in a structural deficit of approximately \$95M annually. Consistent with Council direction

regarding the Transit Services Analysis (TSA) Study (C.F. 18-0244), the Proposed Budget notes that the Department of Transportation will submit to the Mayor and Council an updated TSA with options to resolve the ongoing structural deficit in future years.

The Proposed Budget reduces funding by \$12.4M for Transit Operations (\$151.3M), including DASH, Commuter Express, Cityride, and fuel reimbursements. New funding is provided or increased for:

- Senior Youth / Transportation Charter Bus Program (\$1M) – Increased funding for contracted charter bus trips scheduled by the Mayor’s Office and Council Offices for recreational and educational purposes.
- Commuter Express – Fleet Replacement (\$14M) – New funding for replacement of buses.
- Transit Facility State of Good Repair (\$6M) – New funding to address facility and equipment deficiencies that were included in the Federal Transit Administration triennial audit.
- Transit Bus Security Services (\$2.5M) – Increased funding for the Police Department to provide transit security on DASH buses. Prior to 2016-17, this service was provided by the Los Angeles County Sheriff, and funding was directly allocated by Metro to the County.

Funding is not continued for Universal Fare System (-\$1.4M), Citywide Fleet Replacement for the Senior Cityride Program (-\$8M), Facility Upgrades for Electrification (-\$4.3M), Vision Zero Bus Stop Security Lighting (-\$0.5M), and several support programs.

Proposition C Anti-Gridlock Transit Improvement Fund: The Proposed Budget appropriates \$139.7M, which represents an 8.8 percent increase from the 2023-24 Adopted Budget. The Proposition C Schedule continues funding for several ongoing programs through departmental appropriations (\$78.8M), and provides funding for reimbursement of General Fund costs (\$60.9M).

Funding is not continued for CTIEP – Physical Plant, NoHo Plaza People Streets pedestrian space, transit amenities, Bureau of Engineering’s update of the Street Design Manual, bicycle plans/programs/path maintenance, transit-oriented neighborhood initiative, public outreach and education campaign to promote alternative modes of transportation, school speed limit implementation, LED lighting replacement for traffic lights and crosswalks, paint and sign maintenance, and traffic signal supplies.

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

The Proposed Budget anticipates \$95.8M in Measure M funding, a 9.2 percent decrease from 2023-24 for various continued programs and the following new or increased programs:

- Bureau of Contract Administration (\$1.9M): Funding is increased to support inspection and contract compliance for street projects including traffic signal construction.
- Bureau of Street Lighting (\$1.2M): Funding is increased for traffic signal design work and street lighting elements of transportation projects and Vision Zero programs.
- Transportation (\$12.9M): Funding is increased for staffing for the Vision Zero program and other active and sustainable transportation initiatives.
- Bicycle Path Maintenance (\$1.3M): Funding is provided for Citywide bike path maintenance.
- Bikeshare Operations and Maintenance (\$3M): Funding is provided to support operations and maintenance costs for the Bikeshare Pilot Program established as part of a Regional Program in partnership with Metro.
- Electric Vehicle Charging Infrastructure (\$1.5M): Funding is increased for the installation of electric vehicle charging stations.
- Matching Funds – Measure R Projects (\$12.5M): Funding is provided as part of the three percent match contribution for regional Measure R Traffic Relief and Rail Expansion Fund.
- Median Island Maintenance (\$3M): Funding is increased for the maintenance of median islands Citywide.
- Open Streets Program (\$2M): Funding is provided for Open Streets events throughout the City.
- Paint and Sign Maintenance (\$1M): Funding is provided to support the purchase of paint and sign maintenance equipment and supplies for striping and pavement markings for City streets.
- School Speed Limit Updates (\$0.8M): Funding is provided for the purchase and replacement of speed limit signs.
- Asset Management – Transportation (\$0.2M): Funding is provided for the asset management platform for curb and on-street assets and associated training.
- Community First Engagement (\$1M): Funding is provided for community engagement in underserved communities for the Vision Zero and Active Transportation projects.

Funding was not continued for Contractual Services Support (-\$1.1M), Engineering Special Services (-\$0.1M), Office Supplies (-\$0.03M), Sidewalk Repair – Access Request Acceleration (-\$16.4M), Traffic Studies (-\$0.4M), Traffic Surveys (-\$0.1M), Vision Zero Corridor Projects (-\$8.8M), Vision Zero Education and Outreach (-\$1M), and Vision Zero Treatment Maintenance (-\$1M).

Measure R Local Traffic Relief and Rail Expansion Fund: The Proposed Budget appropriates \$71M, a 22.3 percent decrease from the 2023-24 Adopted Budget. Funding is continued for various projects and programs, and new or increased funding is provided for:

- Bureau of Street Lighting (\$0.5M): Funding is increased for various Vision Zero related street lighting projects.

- Transportation (\$6.4M): Funding is increased for six District Offices, Vision Zero, and other Active Transportation Initiatives.
- CTIEP – Physical Plant (\$7.3M): Funding is increased for three street projects (\$2.3M); funding that is not appropriated for specific capital projects is held in the reserve for capital projects (\$5M).
- Matching Funds – Measure R Projects (\$12.5M): Funding is provided as part of the three percent in matching funds for regional Measure R subway and rail construction projects that are constructed within City limits. Funds are also provided in the Measure M Local Return Fund (\$12.5M).

The Proposed Budget does not provide five percent of the estimated Measure R local return revenue for bicycle projects nor pedestrian projects within the City, pursuant to Council policy.

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

The Proposed Budget includes total revenues of \$4.4M, which reflects a 55.4 percent decrease from the 2023-24 Revenue Estimate. The Proposed Budget allocates funding for Capital and Technology Improvement Expenditure Program – Physical Plant (\$1.2M), Bike Path Maintenance & Refurbishment (\$0.5M), Bikeways Program (\$1M), and Sidewalk Repair Contractual Services (\$1.7M).

Special Parking Revenue Fund: The Proposed Budget provides a transfer to the Reserve Fund of \$23.2M, which is \$0.3M less than the annual base-level surplus of \$23.5M. The transfer in 2023-24 was \$32.4M. Subsequent years assume the base transfer amount of \$23.5M. Funding is reduced for staff to perform parking administration services (-\$0.7M) and to pay debt service on the bonds for the Vine Street Garage, the Aiso Street Garage, and the Hollywood and Highland Parking Garage (\$0.9M). Funding is increased to reimburse General Fund related costs (\$0.1M).

California Motor Vehicle Fuel (Gasoline) Tax:

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

For 2024-25, gas tax funds (\$119.2M) are provided across departments for a variety of projects and programs, such as street improvements, safety improvements, as well as special purpose fund appropriations. This funding represents a 5.5 percent decrease from the 2023-24 Adopted Budget.

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

The Proposed Budget provides \$125.8M, a 26.1 percent increase from the 2023-24 Adopted Budget. Increased funding (\$81M) is provided for the design and construction of various street projects, flood control projects, and safety-related lighting projects. Funding (\$5M) is added for the ongoing maintenance requirements, such as camera maintenance and replacement, and replacement of other items such as receivers, servers, software licensing, wireless and telephone drop connections, and video central switcher maintenance. Funding is also provided for sidewalk repair, including \$5.6M for sidewalk repair to safely separate vehicular and pedestrian traffic in compliance with the ADA and \$3M to pay for engineering consulting services for sidewalk repair work. The Proposed Budget includes funding (\$28.9M) for Vision Zero projects.

Proposed Changes to Non-Departmental Budgets/Programs

Human Resources Benefits and Workers' Compensation Fund: The Human Resources Benefits and Workers' Compensation Fund (HRB) provides for direct payments, exclusive of personnel and administrative costs, for various human resources benefits provided to City employees. The Proposed Budget increases the appropriation to the HRB programs by \$53.8M to \$915.7M, which is a 6.2 percent increase from the 2023-24 Adopted Budget.

The Proposed Budget includes various assumptions with regard to healthcare costs, number of employees hired, and costs associated with Workers' Compensation. The increase is partially due to the increased costs for benefits as follows:

- **Civilian Benefits Program (\$30.9M):** Rates for 2024-25 are projected to increase by 3.9 percent to 4.9 percent for health benefits and no change for dental benefits. The projected cost assumes no change in enrollment.
- **Fire Health and Welfare Program (\$2.9M):** Rates for 2024-25 are projected to increase by two percent to 7.3 percent for health and dental benefits. The projected cost assumes no change in enrollment.
- **Police, Health and Welfare Program (\$5.9M):** Rates for 2024-25 are projected to increase by two percent to 4.4 percent for health and dental benefits. In 2023-24, the program change was \$0.9M.

In addition to the changes above, a total of \$259.3M would be appropriated to Workers' Compensation. This represents a \$14.3M increase from the 2023-24 Adopted Budget

total of \$245M. The Proposed Budget also anticipates a reduction in Unemployment Insurance (-\$0.5M).

General City Purposes (GCP):

The Proposed Budget decreases GCP funding for programs and services by \$134.8M to \$342M, a reduction of 28.3 percent, from 2023-24 Adopted Budget levels. Notable changes proposed in the GCP include:

- Medicare Contributions (\$73.9M): Funding is increased by \$11.7M to reflect an increase in gross wage earnings of employees subject to Medicare.
- Council Projects (\$15M): Funding is provided for the completion of projects in Council Districts. Expenditures for these projects are to be made at the discretion of the City Council. Funding was previously provided in the General City Purposes Council Community Projects line item in 2023-24 with specified allocation amounts to community projects.
- Lifeline Reimbursement Program (\$17.1M): Funding is increased by \$6.5M to reflect the elimination of the Low-Income Surcharge Program and estimated program usage.
- Central Avenue Jazz Festival (-\$0.05M): The 2024-25 Budget includes funding for this item in the Cultural Affairs Department to support the production of the Central Avenue Jazz Festival.
- Los Angeles Continuum of Care (CoC) Administration (\$6.6M): Funding is increased by \$0.6M for LAHSA which is the lead agency for the Los Angeles CoC, a planning body that coordinates housing and services funding for homeless families and individuals.
- Shelter and Housing Interventions (\$16.9M): Funding is increased by \$2.3M for interim housing solutions, such as emergency and crisis housing, bridge housing, Safe Parking, and Housing Navigation Services, as well as the Winter Shelter Program interim housing solutions during inclement weather.
- Street Strategies (\$18.3M): Funding is increased by \$1.5M for street-based homelessness strategies, such as outreach and engagement; expanding hygiene, sanitation, and storage options for people living on the streets; increasing diversion opportunities for people experiencing homelessness; and expanding collaborations with stakeholders.
- Gang Reduction and Youth Development (GRYD) Office (\$41.4M): Funding is increased by \$12.9M, which is equal to the amount that was included in the Unappropriated Balance for this purpose in the 2023-24 Budget.
- LA's BEST (\$1.4M): LA's BEST provides after school programs to children from Los Angeles' most economically challenged neighborhoods. Funding is decreased by \$2.5M as the Proposed Budget does not continue a one-time funding allocation from 2023-24.
- Homelessness Emergency (Inside Safe) (\$80M): Funding is allocated to interim housing, service provision and supportive services, permanent housing support (Housing Navigation and Time-Limited Subsidies), housing acquisition, and personnel and administration. The 2024-25 Proposed Budget eliminates the Inside

Safe Reserve and decreases the overall allocation of General Fund revenue to the Inside Safe program by \$170M.

- Opioid Settlement (\$4M): Funding is provided for opioid abuse treatment for individuals in need of residential care for up to a year as a part of the Inside Safe Initiative. Funding is provided by the Opioid Settlement Trust Fund.

One-time funding provided in 2023-24 is not continued for the following programs: Affinity Groups for Career Development, Department of Water and Power Pension Audit, emBRACE LA, LA SHARES, and the North Hollywood Film Festival.

Unappropriated Balance: The Unappropriated Balance (UB) includes funds identified for specific purposes, including contingencies for accounts that may experience shortages to start-up funding for projects or programs that would need funding during the fiscal year, but are not fully developed at the time the budget is adopted. The 2024-25 Proposed Budget includes \$320.5M in the UB, which is a \$23.4M increase relative to the 2023-24 Adopted Budget allocation of \$297.1M.

The 2024-25 Proposed Budget sets aside funding in the UB for various projects, including the following:

- Department Payroll Reconciliation (\$122.3M): Funding is set aside to reconcile estimated department salary accounts during the fiscal year to account for approved adjustments against revised employment levels and salary savings.
- Elected Officials Transition Expenses (\$0.8M): Funding is set aside for expenses related to the transition of Elected Officials for the term that begins in December 2024.
- County Election Expenses – General Municipal Elections (\$9M): Funding is set aside for the November 2024 General Municipal Election Runoff, which represents the Los Angeles County Registrar-Recorder/County Clerk's portion of the costs. Funding is set aside based on an estimate of up to five Council-sponsored ballot measures.
- Equipment, Expenses, and Alterations & Improvements (\$6.2M): Funding is set aside as a contingency to address necessary adjustments to accounts.
- Ground Emergency Medical Transport QAF Program (\$30M): Funding is set aside for the quarterly payments and related contractual services cost for the Public Provider Ground Emergency Medical Transport Intergovernmental Transfer Program.
- LAHSA Homeless Engagement Teams (\$4.1M): Funding is set aside for Los LAHSA Homeless Engagement Teams (HETs) to conduct direct outreach to unsheltered homeless individuals, pending a deployment plan for the HETs.
- LAHSA Homeless Outreach Navigators (\$0.6M): Funding is set aside for LAHSA Outreach (System) Navigators to provide navigation services and conduct direct outreach to unsheltered homeless individuals, pending a report on the deployment progress of the Outreach Navigators.

- Mutual Aid Overtime (\$3M): Funding is set aside for sworn overtime for the Fire Department for mutual aid response for fire and disaster response needs outside of the City boundaries.
- Neighborhood Councils (\$0.03M): Funding is set aside for the potential formation of one new Neighborhood Council.
- Office of Public Accountability (\$0.7M): Funding is set aside for special studies, rate reviews, and other administrative expenses. The DWP will fully reimburse the City for these costs.
- Outside Counsel including Workers' Compensation (\$3.3M): Funding is set aside for the City Attorney to retain outside counsel to assist in litigation and transactional matters. This funding is separate from the \$4.5M budgeted for law firms on the Attorney Conflicts Panel managed by the Office of the City Administrative Officer.
- Reserve for Allocation of FEMA Reimbursement (\$90.5M): Funding is set aside to repay the Reserve Fund and various other sources that provided front-funding or loans for pandemic related projects.
- Reserve for Extraordinary Liability (\$20M): Funding is set aside as a reserve for liability payouts resulting from judgments or settlements.
- Reserve for Mid-Year Adjustments (\$30M): Funding is set aside to address shortfalls that may arise during 2024-25.

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

HOME and CDBG funds (\$42M) were allocated to the AHTF in the 2023-24 Consolidated Plan (PY 49). The 2024-25 Consolidated Plan (PY 50) is not yet available.

Measure United to House LA (ULA), House LA Fund: A total of \$407.9M is included in the Proposed Budget for the House LA Fund. Measure ULA, approved by the voters in 2022, established an additional tax on the sale and transfer of real property valued over \$5M to fund the production and preservation of affordable housing and homelessness prevention programs. Revenue from Measure ULA, also known as the Homelessness and Housing Solutions Tax, is deposited into the House LA Fund.

The 2023-24 Adopted Budget projected \$671.8M in revenue, an estimate that has since been revised to \$282.6M. However, due to the risks associated with pending litigation and a 2024 State ballot measure that could nullify the measure, the City limited the spending of Measure ULA funds in 2023-24 to \$150M. Should Measure ULA be invalidated through litigation, the City's General Fund may be obligated to cover any expended funds. In response to this possibility, the 2023-24 Adopted Budget contemplated the use of future reimbursements from the Federal Emergency Management Agency to backfill this cost. However, the 2024-25 Proposed Budget does

not contain limitations on expenditures or a backstop on the revenues, placing risk to the General Fund.

The Proposed Spending Plan for the House LA Fund includes funding for affordable housing programs and homelessness prevention programs based on the distribution specified in the measure. The affordable housing programs include:

- Multifamily Affordable Housing (\$83.7M);
- Alternative Models for Permanent Affordable Housing (\$83.7M);
- Acquisition and Rehabilitation of Affordable Housing (\$37.2M);
- Homeownership Opportunities, Capacity-Building, and Operating Assistance (\$37.2M); and
- A Program Stabilization Fund to address periodic revenue shortfalls (\$18.6M).

The Proposed Spending Plan for the House LA Fund also includes the following homelessness prevention programs:

- Short-Term Emergency Assistance (\$18.6M);
- Income Support for Rent-Burdened At-Risk Seniors and Persons with Disabilities (\$37.2M);
- Eviction Defense/Prevention (\$37.2M);
- Tenant Outreach and Education (\$7.4M); and
- Protections from Tenant Harassment (\$11.2M).

The Proposed Budget also includes funding (\$35.9M) for administration costs associated with House LA programs.

Capital Finance Administration Fund: The Capital Finance Administration Fund includes \$213.3M for the debt service costs for outstanding debt issuances to date. This amount is \$11.4M (5.6 percent) more than 2023-24 levels.

Capital and Technology Improvement Expenditure Program: Existing policy recommends that the City annually budget 1.5 percent of General Fund revenue to fund capital infrastructure improvements. For 2024-25, the General Fund revenues are projected to be \$8B, resulting in a 1.5 percent target totaling \$119.8M. The 2024-25 Proposed Budget provides \$34.7M from the General Fund for various municipal facilities projects in the Capital and Technology Improvement Expenditure Program (CTIEP). An additional \$13.7M is allocated for sidewalk repairs, \$25M for the Pavement Preservation Program, and \$1.7M for other infrastructure expenditures. The total General Fund amount allocated for capital and infrastructure improvements is \$75.1M or 0.94 percent, which is not compliant with the 1.5 percent threshold as recommended by existing policy for the CTIEP.

Clean Water CTIEP: \$226.9M in CTIEP funding is included for Clean Water projects. The Clean Water CTIEP is funded entirely from Clean Water System revenues, including the Sewer Service Charge that gives a portion of the revenues to CTIEP. Current major capital projects include: construction of various collection system projects (\$192.6M);

emergency backup power at the Donald C. Tillman Water Reclamation Plant (\$6.5M); and development of an Advanced Wastewater Purification Facility at the Hyperion Water Reclamation Plan (\$5.7M).

Municipal Facilities CTIEP: The total 2024-25 program cost for municipal facilities capital improvements is \$151M, consisting of \$19.4M in General Fund appropriations, \$3.1M in Special Fund appropriations, and \$128.5M in Municipal Improvement Corporation of Los Angeles (MICLA) financing for various projects.

Continuing municipal facilities capital projects include: critical infrastructure repairs and improvements to address maintenance, health and safety issues (roof repair, lead paint removal, fire/life-safety system upgrades, etc.); maintenance of systems critical to support the operation of facilities operated by the Fire Department, Police Department, and Animal Services Department; and the capital repair programs for the Figueroa Plaza Buildings, Public Works Building, Van Nuys Civic Center, Cultural Affairs, El Pueblo, Zoo, and cultural facilities operated by the Department of Cultural Affairs.

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

- Equity Investments – Funding to support the implementation of social equity objectives within disadvantaged communities of low opportunity.
 - Balboa Aquatic Center Phase I (\$5M)
 - Boyle Heights Sports Center (\$5M)
 - Manchester Junior Arts Center (\$2.4M)
 - San Pedro Little Italy Plaza (\$0.5M)
- Green Investment and Greenhouse Gas Emissions Reduction – Funding to support climate goals within Citywide and regional programs.
 - Electric Vehicle (EV) Charger Infrastructure (\$4.5M)
 - EV Infrastructure for Yards and Shops (\$2.4M)
 - Fire EV Charging Infrastructure (\$5M)
 - Police EV Charger Installation and Power Upgrades (\$1M)
 - Las Palmas Senior Center Renovation and Decarbonization Programs (\$2.9M)
- Homeless Support – Funding for development of regional Livability Services Divisions (Harbor) to support regional deployment of sanitation services to address the needs of the homeless population (\$0.7M), and in Parking Lots 2 and 7 to initiate the affordable housing unit development as part of the Go For Broke Project (\$1M).
- Environmental Remediation – Capital repair and removal program for the underground fuel storage tanks for City-owned public safety facilities (\$0.5M).
- Public Safety Facilities Projects
 - Police Evidence and Property Management Division Evidence Storage Carousel Replacement (\$2.4M)

- Police Worth Street Warehouse Emergency Services Division (ESD) Canopy Project (\$0.3)
- Space Optimization – Funding to develop required work space to support City operations, using City-owned space to avoid incurring ongoing cost of leased space (\$2M).

The Park and Recreational Sites and Facilities Fund will provide \$3.1M to complete various capital improvement projects at Department of Recreation and Parks facilities that have already been approved and are under construction with priority given to fund shortfalls for Proposition K projects. Funding of \$0.2M will be provided for the continued progress of the El Pueblo Master Plan Development Project currently underway.

Physical Plant CTIEP: The Proposed Budget includes \$132.6M in CTIEP funding for Physical Plant Projects. The Physical Plant CTIEP includes stormwater, street-related improvement, and street lighting projects. The Proposed Budget includes two flood control projects and five water quality projects required by the Clean Water Act under the City Enhanced Watershed Management Program Funds, totaling \$16.6M from the Measure W Local Return Fund (\$14.3M), General Fund (\$0.3M), and Road Maintenance and Rehabilitation Program Special (SB 1) Fund (\$2M). The street-related improvement projects total \$111.4M from the General Fund (\$3.9M), the SB 1 Fund (\$75.7M), Measure M Local Return Fund (\$13.4M), the Measure R Local Return Fund (\$7.3M), the Street Damage Restoration Fund (\$9.9M), and the Local Transportation Fund (\$1.2M). The street lighting projects, including lighting at pedestrian crosswalks as part of the Vision Zero pedestrian safety program, totaling \$4.5M from the General Fund (\$0.1M), SB 1 Fund (\$3.3M), and Measure M Local Return Fund (\$1.1M).

Technology CTIEP: On May 3, 2020, the City Council and Mayor adopted a revision to the City's Financial Policies, which added technology infrastructure as a component of the CTIEP, formerly known as the CIEP. The total 2024-25 program cost for technology projects is \$16.4M, consisting of \$11M in General Fund appropriations and \$5.3M in special fund appropriations for various projects. The Technology CTIEP includes technology infrastructure and major technology systems projects. The Proposed Budget includes funding for the following technology projects: implementation of enhanced cybersecurity measures as part of a Zero Trust Proactive Cybersecurity System (\$0.5M); development of the Department of Public Works, Bureau of Street Services Enterprise Asset Management System (\$2.8M); and development of a new Revenue Management System for the Housing Department (\$1.5M).

MICLA Debt Issuances: The Proposed Budget includes \$128.9M in MICLA Capital Equipment for financing for various items, including:

- Bureau of Sanitation Comprehensive Cleaning and Rapid Engagement (CARE) Vehicles (\$12.3M)
- General Services Department (GSD) Vehicle Replacement (\$25.5M)
- Fire Department (Fire) Vehicle Replacement (\$51.1M)

- Fire Vehicles (\$7.3M)
- Police Vehicle Replacement (\$26.7M)

The Proposed Budget also includes \$103.9M in debt financing for various capital improvements for several municipal facilities, including:

- Asphalt Plant No. 1 – Phase II (\$8.4M)
- Building Equipment Lifecycle Replacement (\$2.5M)
- Capital Program – Bureau of Street Services (\$1.5M)
- Capital Program – Zoo (\$2M)
- Citywide Roof Capital Repairs (\$1.8M)
- Citywide Security Improvement Program (\$2.8M)
- Deferred Maintenance Program (\$6.9M)
- Griffith Park Recreation Center Pool Replacement and Bathhouse Renovation Project (\$5.4M)
- Roger Jessup Recreation Center (\$2M)
- Sixth Street Park, Arts, and River Connectivity (PARC) Improvement Project (\$2M)
- Slauson Connect Recreation Center (\$2.5M)
- Sylmar Senior Center (\$2.6M)
- Vision Theater – Phases 2, 3, 4, and 5 (\$2.2M)
- Warner Grand Theater (\$4.2M)
- Washington Yard Electrification and Microgrid Project (\$6.9M)
- Zoo Capital Infrastructure (\$2.2M)

Additionally, debt financing is proposed for several projects at the Los Angeles Convention Center totaling \$22.5M.

Tax and Revenue Anticipation Notes (TRANs): The 2024-25 Proposed Budget includes funding totaling \$1.4B to pay debt service on TRANs issued to fund the City's annual required contributions to LACERS (\$728.6M, including interest) and Pensions (\$693.7M, including interest). In addition, \$10.5M in funding is included to pay in interest on \$450M in temporary cash flow borrowing requested by the Controller to permit the City to provide effective cash flow management for the City's General Fund. The net savings to the City for early payment to the pension systems through the issuance of TRANs is approximately \$8.9M.

Fire and Police Pension Fund (LAFPP): The City's 2024-25 contribution to LAFPP is \$668.5M, an increase of \$31.2M from the 2023-24 Adopted Budget contribution. The contribution rate, as a percentage of salary, is 38.72 percent compared to 40.63 percent in 2023-24. The reduction in contribution is a result of a higher than expected rate of return, lower health premiums and subsidies, and the changes in actuarial assumptions.

In May 2023, the LAFPP Board considered its triennial experience study and adopted changes in actuarial assumptions. Most notably, the LAFPP Board approved the following assumption changes: maintain the expected rate of return at seven percent; reduce the

inflation rate from 2.75 percent to 2.50 percent; and reduce payroll growth from 3.25 percent to three percent. This decrease was partially offset by higher than expected salary increases for active members, higher than expected cost of living adjustment increases for retirees and beneficiaries, and amortizing the prior year's unfunded actuarial accrued liability over a smaller than expected payroll.

The Proposed Budget anticipates paying the entire LAFPP contribution in July 2024 through the issuance of tax and revenue anticipation notes. As a result, the pension fund is expected to gain additional interest earnings on the payment, which would reduce the required City contribution by approximately 3.17 percent. The LAFPP system's funded ratio, using actuarial value of assets, increased from 95 percent to 96.8 percent.

Los Angeles City Employees' Retirement System (LACERS): The City's total 2024-25 contribution to LACERS is \$850.4M, a \$28.6M increase from the 2023-24 Adopted Budget contribution. This total includes \$128.9M in payments from Department of Airports (\$105.3M), Harbor (\$31.7), LACERS (\$6.6M) and LAFPP (\$4.7M). The City's General Fund portion of the total amount to be paid to LACERS in 2024-25 is \$702.1M, a net \$26.3M General Fund increase over the 2023-24 required contribution. The City's increased contribution from 2023-24 is due to a larger City budgeted payroll, which is partially offset with a slight decrease in the combined contribution rates and one-time true-up credit of \$61.4M to the General Fund based on actual covered payroll for the prior year.

The Proposed Budget anticipates paying the entire General Fund portion of the contribution in July 2024 through the use of tax and revenue anticipation notes, which will generate a 3.16 percent discount to the City (\$24.2M). Expressed as a percentage of the City's budgeted payroll, the Tier 1 contribution rate has increased from 34.07 percent in 2023-24 to 34.34 percent in 2024-25; Tier 3 contribution as a percentage of salary has been decreased from 31.45 percent to 31.06 percent. These rates include the enhanced benefit cost for Airport Peace Officers who remained in LACERS, which is borne exclusively by the Department of Airports. The final contribution obligation for all other agencies has been adjusted accordingly to apply the full cost to the Department of Airports.

In June 2023, the LACERS Board considered its triennial experience study and approved the following assumption changes: maintain the expected rate of return at seven percent; reduce the inflation rate from 2.75 percent to 2.50 percent; and reduce payroll growth from 3.25 percent to three percent. These actions further offset the overall decrease to the contribution rate when applied to the June 2023 actuarial valuation.

City Ethics Commission - Public Matching Campaign Funds Trust Fund: The Proposed Budget appropriates \$4.1M to the City Ethics Commission Public Matching Campaign Fund, which is a one percent increase from 2023-24. The Proposed 2024-25 appropriation, combined with the projected cash balance from 2023-24, would provide a total fund balance of \$21.5M, which is more than the minimum required by Charter

Section 471(c)(1). The Charter requires an annual appropriation of \$2M (in 1991 dollars) per fiscal year adjusted by the Consumer Price Index, unless special circumstances are met. The required appropriation amount for 2024-25 is \$4.1M.

ATTACHMENT 1

Department	A Vacant Positions Eliminated in the Proposed Budget	B Filled Positions Eliminated in the Proposed Budget ¹	C Total Positions Eliminated in the Proposed Budget ²	D Projected Vacancies on June 30, 2024 ³	E Projected Non-Sworn Vacancies on July 1, 2024 ⁴
Aging	2	0	2	2	0
Animal Services	37	0	37	46	9
Building and Safety	17	0	17	199	182
Cannabis Regulation	2	0	2	8	6
City Administrative Officer	6	0	6	18	12
City Attorney	26	0	26	79	53
City Clerk	12	1	13	19	7
City Planning	13	0	13	108	95
City Tourism	0	0	0	3	3
Civil, Human Rights and Equity	8	0	8	11	3
Community Investment for Families	0	5	5	8	8
Controller	27	0	27	43	16
Cultural Affairs	24	1	25	27	3
Department on Disability	8	0	8	9	1
Economic and Workforce Development	25	6	31	44	19
El Pueblo de Los Angeles	1	0	1	2	1
Emergency Management	3	0	3	5	2
Employee Relations Board	0	0	0	0	0
Ethics Commission	0	0	0	3	3
Finance	32	1	33	74	42
Fire-Civilian	73	0	73	134	61
Fire-Sworn				446	
General Services	191	0	191	279	88
Housing	47	2	49	109	62
Information Technology Agency	76	0	76	95	19
Neighborhood Empowerment	4	0	4	6	2
Personnel	30	1	31	69	39
Police-Civilian	82	0	82	719	637
Police-Sworn				1860	
Public Accountability	5	0	5	6	1
Public Works: Board of Public Works	18	1	19	24	6
Public Works: Bureau of Contract Administration	48	4	52	68	18
Public Works: Bureau of Engineering	95	1	96	192	97
Public Works: Bureau of Sanitation	229	21	250	760	531
Public Works: Bureau of Street Lighting	56	14	70	76	20
Public Works: Bureau of Street Services	255	162	417	408	153
Recreation and Parks	306	1	307	471	165
Transportation	113	24	137	345	232
Youth Development	2	0	2	3	1
Zoo	21	0	21	30	8
Library				299	299
TOTAL	1,894	245	2,139	7,105	2,905
		Total Projected Non-Sworn Vacancies as of June 30, 2024		4,799	

1. CAO Supporting Information pg. 228-230; Total amount of 245 is comprised of 15 regular authorities and 230 resolution authorities and excludes Library (4 regular authorities) and Police (8 resolution authorities)

2. CAO Supporting Information pg. 231

3. CAO Supporting Information pg. 227

4. If the Budget is adopted as proposed, there would be a 40 percent reduction in non-sworn vacancies across all City departments.