

## **REPORT OF THE CHIEF LEGISLATIVE ANALYST**

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May 16, 2024

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

From: Sharon M. Tso   
Chief Legislative Analyst

### **2024-25 Proposed Budget Budget, Finance and Innovation Committee Changes, as Proposed by the CLA**

Transmitted herewith are our recommended changes to the Mayor's 2024-25 Proposed Budget. These recommendations reflect the discussions during the Committee hearings, City Administrative Officer (CAO) Memos, departmental requests, communications and comments from Councilmembers not on the Committee, and additional analysis by this Office.

The Mayor's Proposed Budget represents a reset of sorts, with a number of reductions resulting from increased obligatory costs and slower growth in economically sensitive revenues. While there are a number of reductions, the Proposed Budget does include funding for core City functions, funds all new labor agreements, sets aside funding for pending agreements, and continues to provide significant amounts of resources for the City's continued efforts to address homelessness.

While evaluating the Proposed Budget and the changes this Office proposes in this report, it is important to keep in mind the risks that the City faces in the next few years. Obligatory costs will continue to grow, and the deletion of vacant positions included in this Proposed Budget means that the easiest and least disruptive budget reduction tool available to the Council and Mayor will no longer be available. Interest rates remain high, dampening economic activity and impacting City revenues, in particular those generated by property sales. In addition, the City's reserves will be far lower at the start of 2024-25 than they have been since the COVID pandemic, leaving a smaller cushion to deal with unforeseen issues. Further, the CAO predicts structural deficits for the next four years, limiting the City's ability to expand services in the near term.

A policy concern is Measure ULA. In November 2022, the voters approved Measure ULA, which created a new tax on properties sold or transferred for more than \$5M. Due to risks associated with pending litigation and a November 2024 State ballot measure, the City limited Measure ULA funding to \$150M in 2023-24, but does not do so in the upcoming year, and allocates cash on hand as well as prospective revenues to be received in 2024-25. While the City has initially prevailed, the litigation on this matter is currently in the appeals process, and if the City does not prevail the General Fund may be obligated to replace expended funds. In addition, the Measure established a Citizens Oversight Committee, which has previously requested that the City's proposed allocations comply with the percentages established in the ballot measure.

The Proposed Budget is balanced largely as a result of reductions resulting from the deletion of 1,894 vacant positions. While some filled positions were also deleted, the CAO and Mayor have committed to this being a “no layoff” budget, and will address these positions through the use of substitute authorities and other administrative actions.

The Proposed Budget does comply with most of the City’s financial policies, and provides a Reserve Fund right at five percent, it does not meet the City’s Capital and Technology Infrastructure Expenditure policy, which states the City should spend 1.5 percent of General Fund receipts on these projects. This was a necessary reduction in order to balance the budget, but this may result in increased costs for maintenance and other projects in future years.

During the discussion of the Proposed Budget, the members of the Budget, Finance and Innovation Committee noted their priorities for the upcoming year. These included the restoration of deleted positions, in particular those that fulfill the City’s legal obligations, improve on accessibility requirements or support public safety. The Committee also discussed in detail issues around homelessness-related funding and how to ensure that the City continues to provide essential services to all residents. The Committee expressed a desire to mitigate staff reductions by seeking offsets, additional sources of revenue and opportunities to use special and grant funds.

The recommendations in our report address a number of issues that were identified during the budget process that required funding and/or additional revenue, including a \$4M shortfall in Stormwater Pollution Abatement Fund, the deletion of 138 filled positions in the Bureau of Street Services resulting in potential layoffs, the need for \$3.9M to fund the third year of a three-year contract with Motorola Solutions, Inc. for Fire Department radio systems, and \$6M for the Accessible Housing Program. The majority of positions included in these recommendations are restorations of high-priority positions deleted in the Proposed Budget and that would result in significant service impacts. With limited exceptions, our Office believes that it is not an opportune time to add new positions and services which would increase the City’s base budget in future years, and our recommendations focus on the Committee’s stated goals of providing adequate resources to meet the City’s existing legal obligations while ensuring public safety and accessibility.

Through a combination of increased revenue resulting from more recent revenue projections, assistance and cooperation from City Department Heads and their staff to seek solutions for their areas of greatest impact, and savings realized from police attrition and other areas, our Office provides recommendations to address the highest priorities for funding identified by the Budget, Finance and Innovation Committee, address legal mandates, public safety and homelessness concerns, and partially address service impacts identified by the Departments.

We have incorporated the following in our recommendations:

- Stronger oversight of the Homelessness Emergency Account (HEA) and Inside Safe Reserve Account, by requiring Council approval of a monthly expenditure report from the CAO on the HEA, which will include the status of previous allocations, amounts available and expended, programmatic metrics, services provided, past expenditure and how the proposed allocation will meet the City’s legal obligations. If the Committee believes it needs further legal clarity of further oversight controls, our report also includes an instruction to request the City Attorney to report on amending the Administrative Code

section relative to the Homelessness Emergency to require Council approval of an expenditure plan prior to the use of the Homelessness Emergency Account.

- An instruction to the Housing Department to provide a revised Measure ULA Budget and appropriations schedule, based on cash-on-hand, that complies with the required categories specified in the Measure. Our report also instructs the Housing Department to consider program guidelines that support victims of domestic violence, the City's accessibility goals and legal obligations, such as the LA Alliance Settlement.
- The restoration of deleted positions where feasible and fiscally sound. In many cases, our Office worked closely with impacted departments, many of which were able to offer offsetting funds or other positions in order to restore critical vacant positions.
- Funding for mandatory programs and existing filled positions that were left out of the Proposed Budget, including for the Accessible Housing Fund, Fire Department radios, and deleted filled positions in the Bureau of Street Services.
- Funding for the Police has been adjusted to reflect a lower Sworn Deployment number on July 1, 2024 and increased Sworn Attrition. The Department's hiring plan has not been adjusted, and the Department is funded to hire 574 officers and authorized to hire up to a force of 9,084 without funding.
- Funding is provided to offset the loss of state and federal funds for Domestic Violence Shelter operations.
- Funding is provided and positions are restored for recreational, parks and cultural activities.

The expenditure changes contained in this report reflect the priorities laid out by the Budget, Finance and Innovation Committee. These recommendations address areas of citywide importance identified by the Committee, including programs related to animal services, public safety, various issues related to access and legal liability, and the restoration of critical deleted positions, in addition to the technical fixes noted above.

Our recommendations meet the City's financial policies and provide some additional flexibility to address ongoing concerns about revenue and expenditure shortfalls. Our recommendations will increase the Reserve Fund by \$7.5M, to a total Reserve Fund of \$406.8M, or 5.05 percent. The Budget Stabilization Fund remains at \$202.4M. The Reserve for Mid-Year Adjustments is increased by \$30M to \$60M.

Generally, the CLA recommendations address the following:

- Recognizes net revenue in the amount of \$50.63M.
- Recommends net Expenditure Changes of \$43.2M, consisting of \$141.9M of increases and \$98.7M in decreases.

- Recognizes Other Changes through the use of special funds, reductions based on anticipated savings and other adjustments totaling \$49.4M.

The most significant changes from the Proposed Budget contained in our recommendations are as follows:

- Provides \$6.5M in funding in Community Investment for Families Department's (CIFD) Contractual Services Account for the Victim of Crimes Act Reserve Fund and sets aside an additional \$2M in the Unappropriated Balance for Domestic Violence and Human Trafficking Shelter Operations.
- Restores resolution authority and provides nine-months funding for 79 positions in Recreation and Parks that were deleted in the Proposed Budget.
- Restores resolution authority and provides funding for 33 positions in the Housing Department that were deleted in the Proposed Budget.
- Adds \$30M to the Unappropriated Balance, Reserve for Mid-year Adjustments line item for liability claims.
- Provides increased funding in the Animal Sterilization Trust Fund for the spay/neuter voucher program, and additional funding for the Citywide Cat Program.
- Provides resolution authority and six-months funding for five EMS Advanced Providers, and additional sworn overtime to expand Fire Department Advanced Provider Response Unit Coverage to 12 hours a day, seven days a week.
- Restores positions in the Department of General Services and Fire Department to ensure proper maintenance of helicopters and emergency vehicles.
- Funds programs focused on children and youth.

We believe that the recommendations contained in this report address the highest priorities of the Budget, Finance and Innovation Committee. However, depending on the economy, the City could be faced with challenges and difficult decisions in achieving structural balance in the next few years. It will be important to exercise caution and fiscal restraint during this critical period.

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**2024-25 Proposed Budget**  
**Budget, Finance and Innovation Committee Changes, as Proposed by the CLA**

**Policy Considerations**

- ◆ **Homelessness Emergency Account**
  - > Authorize the rollover of current FY 2023-24 funding within the existing Homelessness Emergency Account and Inside Safe Reserve Account.
  - > Add a Nondepartmental Footnote to approve and allocate \$80 million in the Mayor's FY 2024-25 Proposed Budget to the Inside Safe Reserve Account to provide ongoing support for the Inside Safe program. The Inside Safe Reserve Account will be administered by the Mayor's Office pursuant to monthly funding allocations approved by Council. The CAO will provide monthly recommendations for funding allocations consistent with the program at the direction of the Mayor's Office. As part of that report, the CAO Expenditure Report will include status of previous allocations, amount available and expended, programmatic metrics, services provided, past expenditures and how the proposed allocation will meet the City's legal obligations. This language rescinds and replaces controlling fund language in the 2023-24 adopted budget and C.F. 23-0600-S114 effective at the beginning of the new fiscal year.
  - > Additional clarity on this funding availability and expenditure policy can be achieved by amending the Declaration of Local Housing and Homeless Emergency which is approved by the Council.
  - > Legal clarity can be achieved by requesting the City Attorney to prepare and present an ordinance to amend Los Angeles Administrative Code Section 8.33 which authorizes the declaration of such an emergency.
  
- ◆ **Measure to House LA (ULA) / House LA Fund**
  - >The House LA Ballot Measure establishes specific percentages of revenues received under the measure for affordable housing programs, homelessness prevention programs and administration.
  - >A Citizens Oversight Committee is created to ensure House LA funds are implemented consistent with the ballot measure.
  - >The Proposed Budget does not comply with the annual percentages of funding required by the ballot measure.
  - >Further, the Proposed Budget allocates cash on hand as well as prospective revenues to be received during 2024-25.
  - >Because of the volatile nature of these revenues (recall that \$600M was anticipated in 2023-24 and less than half of that will be received), there is a risk of over expending funds in any given year.
  - >The Citizens Oversight Committee has previously requested that the proposed allocations comply with the percentages established in the ballot measure.
  - >To address these issues, instruct the Los Angeles Housing Department to prepare a revised Budget and appropriation schedule as follows: (1) Pursuant to the request of the Citizens Oversight Committee, prepare a "true up" of revenues received in 2023-24 to ensure compliance with the guidelines of the ballot measure; (2) Establish a 2024-25 Expenditure Plan based on cash on hand as of June 30, 2024; (3) Present the Expenditure Plan to the Citizens Oversight Committee for review and approval; (4) Consider program guidelines that support victims of domestic violence, and the City's accessibility goals and legal obligations, such as the LA Alliance Settlement; and (5) After action by the Citizens Oversight Committee, transmit the Expenditure Plan to Council for approval.

## 2024-25 Proposed Budget

### Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

|   |          | Reserve<br>Fund<br>Impact |
|---|----------|---------------------------|
|   | Increase | Decrease                  |
| <b>Mayor's Proposed Reserve Fund (5.00%)</b>  |          | <b>399.383</b>            |
| <b>Revenue Changes</b>  |          |                           |
| Licenses, Permits, Fees and Fines   |          |                           |
| ◆ Recognize additional Capital Improvement project reimbursements from other agencies for 2023-24 (\$.288M) and 2024-25 (\$1.0M).   | 1.288    |                           |
| ◆ Recognize City Attorney reimbursements for DWP regulatory compliance support services inadvertently omitted for 2024-25.  | 0.750    |                           |
| ◆ Increase 2023-24 receipts to City Planning for services provided to the Airports.   | 0.050    |                           |
| ◆ Increase receipts for the Fire Department for Brush Removals due to lower than anticipated refunds in 2023-24.  | 0.700    |                           |
| ◆ Increase receipts for the General Services Department, as follows:  |          |                           |
| -Increase 2023-24 receipts from the sale of surplus properties  | 1.415    |                           |
| -Add 2023-24 receipts for helicopter flight reimbursements  | 0.122    |                           |
| ◆ Recognize additional 2023-24 Housing receipts for Home Investment Partnership related costs.  | 0.315    |                           |
| ◆ Increase Police reimbursements for expenditures and law enforcement revenues for 2024-25 that were inadvertently omitted.   | 1.579    |                           |
| ◆ Recognize additional Escheatment receipts for Police for 2023-24 (\$1.359M) and 2024-25 (\$.603M).  | 1.962    |                           |
| ◆ Reduce 2024-25 PW-Bureau of Engineering Cost Reimbursement from the Library to correct an error in the Proposed Budget (-\$1.0M), partially offset by an increase in revenue for services provided to DWP by the PW-Bureau of Street Services (\$.5M). These revenues are related to sidewalk repair. |          | (0.500)                   |
| ◆ Increase PW Engineering receipts to reflect additional 2024-25 reimbursements for Services to Airports (\$.407M) and Services to DWP (\$1.346M).  | 1.753    |                           |
| ◆ Reduce 2023-24 (-\$3.05M) and 2024-25 (-\$1.0M) PW-Sanitation receipts to reflect decreased Developer Plan Review Fees and add a new appropriation within the Fund for the Ballona Creek Total Maximum Daily Load Project.  |          | (4.050)                   |
| ◆ Increase 2023-24 PW Street Lighting receipts to reflect additional related cost reimbursements.   | 0.185    |                           |
| ◆ Recognize 2024-25 related cost reimbursements for PW-Bureau of Street Services generated by the restoration of filled positions proposed for elimination in the Proposed Budget.  | 9.620    |                           |
| ◆ Add 2024-25 reimbursements to the Department of Transportation for services provided to DWP which were inadvertently omitted from the revenue outlook. Also, realign \$.335M in escheatment receipts from 2023-24 to 2024-25, for no net change.  | 3.451    | (0.335)                   |
| ◆ Recognize the allocation of Transfer of Floor Area receipts to be utilized for homelessness services in eligible areas. This will offset the General Fund appropriation in the Proposed Budget, pursuant to Council File No. 14-1411-S5   | 3.421    |                           |

# 2024-25 Proposed Budget

## Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

|  | Increase      | Decrease       | Reserve<br>Fund<br>Impact |
|--|---------------|----------------|---------------------------|
| Prior Year Unexpended Funds  |               |                |                           |
| ◆ Recognize additional reversions from the 2023-24 Budget.   | 2.857         |                |                           |
| Property Tax   |               |                |                           |
| ◆ Increase 2024-25 receipts based on the County Assessor's latest projections on growth in assessed values. The County is projecting a 4.75% increase compared to 4.6% in the 2024-25 Proposed Budget. | 3.860         |                |                           |
| Special Parking Revenue Fund   |               |                |                           |
| ◆ Increase 2024-25 receipts for the closeout of Metro lease of the Mangrove property and the operation of the Mangrove parking lot.  | 1.425         |                |                           |
| Transient Occupancy Tax  |               |                |                           |
| ◆ Increase receipts for 2023-24 (\$1.675M) and 2024-25 (\$3.185M) based on current collections and recent forecasts.   | 4.860         |                |                           |
| Utility Users' Tax   |               |                |                           |
| ◆ Increase electric utility users' tax based on the most recent projections of anticipated revenue receipts for 2023-24 (\$3.0M) and 2024-25 (\$11.1M).  | 14.100        |                |                           |
| ◆ Increase gas utility users' tax for 2023-24 (\$0.5M) and 2024-25 (\$1.3M) based on an earlier than anticipated resolution of prior year litigation.  | 1.800         |                |                           |
| <b>SUBTOTAL REVENUE CHANGES</b>  | <b>55.513</b> | <b>(4.885)</b> | <b>50.628</b>             |

# 2024-25 Proposed Budget

## Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

|  | Increase | Decrease | Reserve<br>Fund<br>Impact |
|--|----------|----------|---------------------------|
| <b>Expenditure Changes</b>   |          |          |                           |
| Animal Services  |          |          |                           |
| ◆ Increase funding in the Animal Sterilization Trust Fund for the spay/neuter voucher program. The increase will be partially offset by a reduction in the Canine Enrichment budget as 15 months was inadvertently provided in the Proposed Budget due to the reappropriation of funding from FY2023-24. | 1.704    | (0.353)  |                           |
| ◆ Increase funding for the Citywide Cat Program.   | 0.900    |          |                           |
| Animal Services and the Unappropriated Balance   | 1.500    |          |                           |
| ◆ Create a new line item in the Unappropriated Balance and set aside funding for the spay/neuter voucher program, pending consideration of the Animal Services Department report on voucher value adjustments (Council File No. 23-0452).  |          |          |                           |
| Building and Safety  |          |          |                           |
| ◆ Increase funding in Contractual Services for the Cannabis Padlock Program.   | 0.200    |          |                           |
| Capital Finance Administration Fund  |          |          |                           |
| ◆ Maintain the 2024-25 Commercial Paper Program at current 2023-24 levels.   |          | (1.000)  |                           |
| Cannabis Regulation  |          |          |                           |
| ◆ Restore resolution authority and nine-months funding for one Administrative Clerk to support illegal cannabis enforcement.   | 0.062    |          |                           |
| ◆ Increase funding in Contractual Services for the Social Equity Program's Business, Licensing, and Compliance Assistance Program.   | 1.000    |          |                           |
| City Administrative Officer  |          |          |                           |
| ◆ Add funding in Contractual Services for environmental and outreach consultants to develop the Climate Action and Adaptation Plan, pursuant to Council File No. 22-1566.  | 1.500    |          |                           |
| City Attorney  |          |          |                           |
| ◆ Add funding to the Contractual Services Account for the Aeon/Justice Nexus Project.  | 1.455    |          |                           |



# 2024-25 Proposed Budget

## Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

|  | Increase | Decrease | Reserve<br>Fund<br>Impact |
|--|----------|----------|---------------------------|
| City Clerk   |          |          |                           |
| ◆ Reduce the General Fund appropriation to the Business Improvement District Trust Fund, inasmuch as savings are available to pay for expenditures in 2024-25.   |          | (2.000)  |                           |
| ◆ Restore regular authority and nine-months funding for one Senior Management Analyst II in the Elections Division.  | 0.180    |          |                           |
| ◆ Restore regular authority and nine-months funding for one Records Management Officer in the Records Management Division.   | 0.162    |          |                           |
| ◆ Restore regular authority and nine-months funding for one Senior Management Analyst I in the Administrative Services Division to assist with fiscal operations.  | 0.130    |          |                           |
| ◆ Increase funding in Contractual Services for closed captioning services in Spanish for all City Council and Committee meetings.  | 0.030    |          |                           |
| ◆ Increase funding in Contractual Services for interpretation and translation services for all City Council and Committee meetings.  | 0.080    |          |                           |
| Community Investment for Families  |          |          |                           |
| ◆ Increase Contractual Services for RepresentLA.   | 1.000    |          |                           |
| ◆ Increase Contractual Services to add a Victims of Crime Act Reserve Fund.  | 6.500    |          |                           |
| Community Investment for Families and Unappropriated Balance   |          |          |                           |
| ◆ Create a new line item and set aside funding for an expansion of Domestic Violence and Human Trafficking Shelter Operations and instruct the Community Investment for Families Department to report on the status of domestic violence funding and the capacity enhanced contractor support. | 2.000    |          |                           |
| Disability   |          |          |                           |
| ◆ Add resolution authority and nine-months funding for one Senior Management Analyst for the ADA Compliance Program.   | 0.139    |          |                           |
| ◆ Add resolution authority and six-months funding for one Management Analyst to serve as the Deaf Services and Accessible Communications Analyst.  | 0.086    |          |                           |
| Economic and Workforce Development   |          |          |                           |
| ◆ Restore resolution authority and twelve-months funding for one Senior Management Analyst II for the Jobs and Economic Development Incentive (JEDI) Zones Program, which is eligible for partial funding through the Community Development Trust Fund.  | 0.215    | (0.081)  |                           |
| Ethics Commission  |          |          |                           |
| ◆ Add resolution authority and nine-months funding for two Auditor IIs.  | 0.195    |          |                           |

## 2024-25 Proposed Budget

### Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

|  |   | Increase | Decrease | Reserve<br>Fund<br>Impact |
|--|---|----------|----------|---------------------------|
| <b>Fire</b>                                |   |          |          |                           |
| ◆  | Provide funding in Contractual Services for the third and final year of the contract with Motorola Solutions, Inc. to upgrade the Department's radio system infrastructure.   | 3.800    |          |                           |
| ◆  | Add resolution authority and six-months funding for five EMS Advance Providers, and Variable Staffing Overtime for five Firefighter IIIs to expand Advanced Provider Response Unit (APRU) coverage to 7 days a week, 12 hours a day.  | 1.148    |          |                           |
| ◆  | Transfer funds from Salaries Sworn to Constant Staffing overtime based on current expenditure rates, platoon duty deployment levels and fixed post positions required.  | 10.000   | (13.872) |                           |
| ◆  | Add funding for a Nexus study to identify a funding stream from future citywide development that can be used for upgrades and expansion of Fire facilities.   | 0.550    |          |                           |
| ◆  | Restore regular authority and nine-months funding for one Sheet Metal Worker.   | 0.116    |          |                           |
| <b>Fire and the Unappropriated Balance</b> |   |          |          |                           |
| ◆  | Create a new item and add funding for the Fire Department Wildland Hand Crew program, partially offset by a reappropriation of funds in the 2023-24 Unappropriated Balance for the same program.  | 2.125    | (0.943)  |                           |
| <b>General City Purposes</b>               |   |          |          |                           |
| ◆  | Increase funding from the General City Purposes, Additional Homeless Services line item for the LAHSA Continuum of Care Planning Program Grant Match to receive a total of \$1.5M from the Continuum of Care Planning Program Grant Match from the Department of Housing and Urban Development. | 0.032    |          |                           |
| <b>General Services</b>                    |   |          |          |                           |
| ◆  | Restore regular authority and nine-months funding for two Helicopter Mechanics.   | 0.255    |          |                           |
| ◆  | Restore regular authority and nine-months funding for one Air Conditioning Mechanic, one Carpenter, and one Electrician for maintenance and repairs at homeless facilities.   | 0.421    |          |                           |
| ◆  | Restore regular authority and nine-months funding for one Supply Services Manager I, one Senior Management Analyst II, one Management Analyst, and one Accounting Clerk to address various departmental priorities.   | 0.548    |          |                           |
| ◆  | Restore regular authority and 12-months funding for one filled Senior Management Analyst I position responsible for procurement and one filled Mechanical Helper position that supports building maintenance efforts.   | 0.284    |          |                           |
| ◆  | Reduce Leasing Account to reflect anticipated expenditures.   |          | (0.330)  |                           |

## 2024-25 Proposed Budget

### Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

|                                      |  | Increase | Decrease | Reserve<br>Fund<br>Impact |
|--------------------------------------|--|----------|----------|---------------------------|
| <b>Housing</b>                       |  |          |          |                           |
| ◆                                    | Add funding for an after-hours team to implement a new pilot Home Sharing Ordinance Enforcement program in one Community Plan Area, including overtime staffing.   | 0.169    |          |                           |
| ◆                                    | Accessible Housing Program<br>Add funding to the Accessible Housing Program to retrofit accessible units, to be funded in part by the Affordable Housing Trust Fund (\$1M) and Linkage Fee (\$3M).   | 6.000    | (4.000)  |                           |
|                                      | > Restore position authority and funding for three Senior Management Analyst Is to support the Accessible Housing Program and delete position authority and funding for three Management Analyst Is to support the Accessible Housing Program. | 0.540    | (0.448)  |                           |
|                                      | > Restore position authority and nine-months funding for one Rehabilitation Construction Specialist I and one Assistant Inspector IV.  | 0.204    |          |                           |
| <b>Information Technology Agency</b> |  |          |          |                           |
| ◆                                    | Add funding to Contractual Services for expanded tool licensing of the Monsido Website Auditor.  | 0.075    |          |                           |
| ◆                                    | Add funding to Contractual Services for two Adobe Acrobat Pro licenses per department.   | 0.022    |          |                           |
| ◆                                    | Add funding to Contractual Services for Userway Website Widget licenses to make websites easier to read for those with various disabilities.   | 0.055    |          |                           |
| ◆                                    | Restore resolution authority and nine-months funding for six Communications Electricians.  | 0.738    |          |                           |
| <b>Personnel</b>                     |  |          |          |                           |
| ◆                                    | Position Restoration<br>> Restore regular authority and 12-months funding for one Nurse Manager and two Personnel Records Supervisors.   | 0.311    |          |                           |
|                                      | > Restore regular authority and 12-months funding for one Personnel Director I, to be partially offset by the Workforce Investment and Opportunity Act Fund.   | 0.194    | (0.155)  |                           |
|                                      | > Restore regular authority and 12-months funding for one Personnel Records Supervisor for Client Services, to be partially offset by special funds.   | 0.089    | (0.087)  |                           |
|                                      | > Restore regular authority and 12-months funding for one Systems Programmer I and one Senior Personnel Analyst II.  | 0.291    |          |                           |
|                                      | > Delete regular authority and funding for one Physician I, two Senior Administrative Clerks, two Administrative Clerks, and two Personnel Analysts.   |          | (0.646)  |                           |
| ◆                                    | Add funding to Contractual Services for the recruitment program.   | 0.400    |          |                           |

## 2024-25 Proposed Budget

### Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

|   | Increase | Decrease | Reserve<br>Fund<br>Impact |
|---|----------|----------|---------------------------|
| <b>Police</b>   |          |          |                           |
| ◆ Sworn Deployment Adjustment: Reduce funding in the Salaries Sworn Account to reflect savings from starting 2024-25 with 8,809 filled sworn positions versus the 8,878 estimated in the Proposed Budget.   |          | (13.275) |                           |
| ◆ Sworn Attrition: Reduce funding in the Salaries Sworn Account to reflect the attrition of an additional 63 officers, bringing total estimated attrition to 650.   |          | (3.197)  |                           |
| ◆ Add funding to buy down overtime banked by Police Service Representatives.  | 0.250    |          |                           |
| ◆ Recognize the use of additional Forfeited Assets Trust Funds and make necessary modifications to Schedule 3 and realignment of the Proposed Budget for the payment of eligible expenses.  |          | (0.612)  |                           |
| <b>Public Works - Board</b>   |          |          |                           |
| ◆ Regarding the CleanLA Program:  |          |          |                           |
| >Reduce the appropriation for CleanLA as departmental savings are available as an offset for the 2024-25 Proposed Budget.   |          | (2.600)  |                           |
| >Transfer the remaining \$2.6M in 2024-25 funding to the Unappropriated Balance pending further review of the program, duplication of effort and potential efficiencies.  | 2.600    | (2.600)  |                           |
| >Reappropriate funding in the 2023-24 Unappropriated Balance to support the program cost in the 2024-25 Unappropriated Balance.   |          | (1.500)  |                           |
| ◆ Restore regular authority and nine-months funding for one Senior Management Analyst II for budget and administration support of the Board Offices.  | 0.164    |          |                           |
| <b>Public Works - Engineering</b>   |          |          |                           |
| ◆ Delete position authority and twelve-months funding for two Management Assistants and one Civil Engineering Associate II and add resolution authority and twelve-months funding for one Chief Financial Officer to oversee the Financial Management and Data Analysis division. | 0.283    | (0.377)  |                           |
| ◆ Delete position authority and twelve-months funding for one Architectural Associate II and restore regular authority and nine-months funding for one Architectural Associate III to support Building Decarbonization projects.  | 0.128    | (0.155)  |                           |
| ◆ Delete resolution authority and nine-months funding for one Programmer/Analyst I and restore resolution authority and nine-months funding for one Programmer/Analyst III to support the BuildLA project.  | 0.118    | (0.104)  |                           |
| ◆ Increase Contractual Services to update the street design manual.   | 0.300    |          |                           |
| <b>Public Works - Sanitation</b>  |          |          |                           |
| ◆ Restore 12-months funding and 14 positions in the Livability Services Division to maintain CARE/CARE+ operations and to provide overtime to address chronic vacancies.  | 2.864    |          |                           |



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### Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

|  | Increase | Decrease | Reserve<br>Fund<br>Impact |
|--|----------|----------|---------------------------|
| <b>Public Works - Street Services</b>  |          |          |                           |
| ◆ Restoration of 138 Filled Positions  |          |          |                           |
| > Restore authority and partial funding for 124 resolution and 14 regular filled positions deleted in the Proposed Budget.   | 22.288   |          |                           |
| > Reduce the Street Damage Restoration Fund appropriation to the CTIEP and increase the appropriation to the Bureau of Street Services.  |          | (10.662) |                           |
| > Reduce the Measure R appropriation to the CTIEP and increase the appropriation to the Bureau of Street Services.   |          | (4.996)  |                           |
| > Reduce the Street Damage Restoration Fund appropriation to the CTIEP and increase the Reimbursement of General Fund Costs appropriation.   |          |          |                           |
| > Recognize \$3M in 2023-24 revenue in the Street Damage Restoration Fee Fund and \$3M in 2024-25 revenue in the Street Damage Restoration Fee Fund and increase the Reimbursement of General Fund Costs appropriation.  |          |          |                           |
| > Reduce the Measure R appropriation to the CTIEP and increase the Reimbursement of General Fund Costs appropriation.  |          |          |                           |
| > Reduce the Road Maintenance and Rehabilitation Fund appropriation to the CTIEP and establish a Special Purpose Fund appropriation therein entitled "PPP Access Ramps" to support Access Ramp work conducted as part of the Pavement Preservation Program.  |          | (1.437)  |                           |
| ◆ Additional Position Restorations   |          |          |                           |
| > Restore regular authority and 12-months funding for one Accounting Clerk, one Fiscal Systems Specialist I and two Management Analysts for General Administration and Support and for one Senior Administrative Clerk for the Bureau's Maintaining Streets Program. Reduce funding within the Utility Expense Private Company (\$500,000) and Field Equipment Expense Accounts (\$667,281). | 0.683    | (1.167)  |                           |
| <b>Recreation and Parks</b>  |          |          |                           |
| ◆ Restore resolution authority and nine-months funding for 79 positions, partially offset by departmental revenues and internal fund transfers.  | 7.304    | (5.231)  |                           |
| ◆ Add funding in Overtime General to address anticipated expenditures.   | 1.300    |          |                           |
| ◆ Add funding in the as-needed salaries account to address salary increases for part-time staff offset by departmental revenues.   | 5.000    | (1.000)  |                           |
| ◆ Add funding for a community needs assessment to inform how the City should prioritize capital improvements and new projects.   | 1.500    |          |                           |
| <b>Transportation</b>  |          |          |                           |
| ◆ Restore resolution authority and nine-months funding for one Geographic Information Systems Specialist, one Management Analyst, one Supervising Transportation Planner I, one Transportation Engineering Associate II, and two Transportation Planning Associate IIs to support Active Transportation Program projects.  | 0.568    |          |                           |
| ◆ Add funding for the Paint and Sign Maintenance Program to maintain the existing striping, paint and signs along streets that are resurfaced.   | 1.000    |          |                           |

## 2024-25 Proposed Budget

### Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

|  | Increase       | Decrease        | Reserve<br>Fund<br>Impact |
|--|----------------|-----------------|---------------------------|
| Unappropriated Balance   |                |                 |                           |
| ◆ Increase funding in the Reserve for Mid-Year Adjustments line item for liability claims.   | 30.000         |                 |                           |
| ◆ Reduce the allocation for the Public Provider Ground Emergency Transport Intergovernmental Transfer Program based on updated cost projections.   |                | (2.600)         |                           |
| ◆ Regarding the Department Payroll Reconciliation Line Item:<br>>Reduce the Department Payroll Reconciliation line item by \$17.485M due to retroactive salary payments being made in 2023-24. It was originally anticipated that retroactive payments would occur during 2024-25. This will result in an increase in the General Fund transfer to the Reserve Fund, resulting in no net change to the budget. | 17.485         | (17.485)        |                           |
| >Delete 2024-25 pension costs that were included in this line item as the salary increases will be paid in 2023-24.  |                | (5.821)         |                           |
| ◆ Create a new line item in the Unappropriated Balance for the City's Charter reform efforts.  | 0.500          |                 |                           |
| Youth Development  |                |                 |                           |
| ◆ Add funding in the Contractual Services Account to support the annual Youth Expo and the Youth Civic Leadership Summit.  | 0.040          |                 |                           |
| ◆ Restore resolution authority and nine-months funding for one Management Analyst to implement the three-year Citywide Youth Development Strategic Plan.   | 0.123          |                 |                           |
| <b>SUBTOTAL EXPENDITURE CHANGES</b>  | <b>141.903</b> | <b>(98.734)</b> | <b>43.169</b>             |

# 2024-25 Proposed Budget

## Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

|  | Increase | Decrease | Reserve<br>Fund<br>Impact |
|--|----------|----------|---------------------------|
| <b>Other Changes</b>   |          |          |                           |
| <b>Building and Safety</b>   |          |          |                           |
| ◆ Add position authority and funding for one Accounting Clerk, two Accountants, one Building Civil Engineer I, one Secretary, and one Administrative Clerk to be fully funded by the Building and Safety Permit Enterprise Fund and delete authority and funding for twenty half-time Administrative Clerks to partially offset these positions.<br>>Instruct the CAO to adjust the Building and Safety Permit Enterprise Fund, Reserve for Future Cost line item by \$0.226M. | 0.772    | (0.772)  |                           |
| <b>Building and Safety and City Attorney</b>   |          |          |                           |
| ◆ Add resolution authority and nine-months funding for one Deputy City Attorney II to support code writing in the Department of Building and Safety, with funding to be provided by the Building and Safety Permit Enterprise Fund.  | 0.248    | (0.248)  |                           |
| <b>Capital and Technology Infrastructure Expenditure Program</b>   |          |          |                           |
| ◆ Pavement Preservation Access Ramps: Reduce the CTIEP appropriation to the Reserve for Capital Projects and establish new special purpose fund appropriations within the Street Damage Restoration Fee Fund (\$0.2M), SB 1 (\$17.831M), Measure R (\$0.010M), and Measure M (\$0.126M) for the construction of Pavement Preservation Program Access Ramps.  | 18.166   | (18.166) |                           |
| <b>City Attorney</b>   |          |          |                           |
| ◆ Restore regular authority and funding for one Legal Secretary III to be reimbursed by the Harbor Department.   | 0.135    | (0.135)  |                           |
| <b>City Clerk</b>  |          |          |                           |
| ◆ Restore regular authority and twelve-months funding for one Principal Clerk in the Business Improvement District Division, with funding to be provided by the Business Improvement District Trust Fund.  | 0.126    | (0.126)  |                           |
| <b>Community Investment for Families</b>   |          |          |                           |
| ◆ Reduce Contractual Services for the Kids First Program and increase Contractual Services for Opportunity LA-Children's Savings Account Program.  | 0.200    | (0.200)  |                           |
| ◆ Add resolution authority and funding for one Senior Accountant I, two Accountants, and one Senior Management Analyst I to help fulfill legal obligations associated with the administration of the Consolidated Plan to be offset from the Community Development Block Grant.  | 0.449    | (0.449)  |                           |

## 2024-25 Proposed Budget

### Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

|   | Increase | Decrease | Reserve<br>Fund<br>Impact |
|---|----------|----------|---------------------------|
| <b>Cultural Affairs</b>   |          |          |                           |
| ◆ Position Restoration  |          |          |                           |
| > Restore regular authority and twelve-months funding for one Arts Manager I for the Public Works Improvements Arts Program.  | 0.174    |          |                           |
| > Restore resolution authority and nine-months funding for one Arts Center Director III, one Arts Center Director II, one Arts Center Director I, two Accountants, and four Performing Arts Program Coordinator Is.   | 1.104    |          |                           |
| > Delete position authority and funding for one Arts Manager II.  |          | (0.130)  |                           |
| > Increase the Arts and Cultural Facilities and Services Trust Fund to recognize additional Transient Occupancy Tax receipts.   |          | (0.245)  |                           |
| > Reduce the Arts and Cultural Facilities and Services Trust Fund, Reserve for Revenue Fluctuations line item.  |          | (0.903)  |                           |
| <b>Disability</b>   |          |          |                           |
| ◆ ADA Compliance  |          |          |                           |
| > Add resolution authority and nine-months funding for one Senior Project Coordinator to be housed at Department of Recreation and Parks to support CASp and ADA compliance, to be offset by CASp Certification and Training Fund and Sidewalk Repair Fund.   | 0.175    |          |                           |
| > Reduce funding in the CASp Certification and Training Fund.   |          | (0.132)  |                           |
| > Reduce funding in the Sidewalk Repair Fund.   |          | (0.043)  |                           |
| <b>Economic and Workforce Development</b>   |          |          |                           |
| ◆ Restore resolution authority and twelve-months funding for one Senior Management Analyst I, seven Management Analysts, one Administrative Clerk, two Management Assistants, and one Senior Project Assistant that support grant-funded programs to be fully funded by various grants.                   | 1.957    | (1.957)  |                           |
| <b>Finance</b>  |          |          |                           |
| ◆ Transfer \$0.3M from Salaries General to Overtime General to assist with business permitting.   | 0.300    | (0.300)  |                           |
| ◆ Delete funding and resolution authority for two Customer Service Specialist I positions, reduce funding in Printing and Binding (\$2,094), and add resolution authority and twelve-months funding for one Chief Tax Compliance Officer I to manage the Contact Center in the Customer Support Division. | 0.260    | (0.260)  |                           |
| ◆ LATAX System Replacement - Funding Realignment  |          |          |                           |
| > Add funding in Contractual Services for the LATAX System replacement project.   | 1.205    |          |                           |
| > Reduce General Fund appropriation in Salaries General for two Tax Compliance Officer IIs, one Tax Compliance Officer III, and one Senior Management Analyst I, inasmuch as these positions will be funded from Measure ULA, pending approval by the Measure ULA Citizen Oversight Committee.            |          | (1.205)  |                           |



## 2024-25 Proposed Budget

### Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

|   | Increase | Decrease | Reserve<br>Fund<br>Impact |
|---|----------|----------|---------------------------|
| <b>General Services</b>   |          |          |                           |
| ◆ Provide funding in the Department's Contractual Services Account for the M5 Fleet Maintenance and Management Software Program and decrease the Schedule 29 - Innovation Fund allocation to offset the cost.   | 0.200    | (0.200)  |                           |
| ◆ Reappropriate unencumbered 2023-24 CTIEP funds to the 2024-25 CTIEP for the maintenance costs for the following EWDD properties:  | 0.233    | (0.233)  |                           |
| >94th and Broadway  |          |          |                           |
| >Bethune Library  |          |          |                           |
| >Lanzit Parcel  |          |          |                           |
| >Marlton Square   |          |          |                           |
| >Reseda Theater   |          |          |                           |
| ◆ Restore resolution authority and nine-months funding for four positions consisting of one Electrical Craft Helper, two Electricians and one Management Analyst to support the Department's Solar and Battery System work on City-owned facilities, to be paid with a special purpose fund appropriation.  | 0.429    | (0.429)  | -                         |
| <b>Housing</b>  |          |          |                           |
| ◆ Restore position authority and funding for 33 vacant positions deleted by the Proposed Budget that are fully special and fee supported by Rent Stabilization Trust Fund, Systematic Code Enforcement Fee Fund, Housing Impact Trust Fund, Foreclosure Registry Program Fund, Low and Moderate Income Housing Fund, Affordable Housing Trust Fund, SB2 Permanent Local Housing Allocation Fund, Municipal Housing Finance Fund, Community Development Block Grant, and HOME Investment Partnership Program Fund. | 4.836    | (4.836)  |                           |
| <b>Information Technology Agency</b>  |          |          |                           |
| ◆ Position Restoration  |          |          |                           |
| > Restore resolution authority and twelve months funding for one Assistant General Manager to support enterprise applications.  | 0.320    |          |                           |
| > Restore resolution authority and twelve-months funding for one Payroll Supervisor to support payroll operations.  | 0.146    |          |                           |
| > Delete resolution authority and funding for one Chief Management Analyst.   |          | (0.255)  |                           |
| > Reduce funding in the Office and Administrative Account and the Furniture, Office, and Technical Equipment Account.   |          | (0.211)  |                           |
| <b>Personnel</b>  |          |          |                           |
| ◆ Add regular authority and 12-months funding for one Senior Benefits Analyst I to be fully reimbursed by the Employee Benefits Trust Fund 899.   | 0.115    | (0.115)  |                           |
| <b>Planning and the Unappropriated Balance</b>  |          |          |                           |
| ◆ Create a new line item in the Unappropriated Balance and set aside funding for planning efforts around the Cultural Crescent and other unique assets in Watts, pending recognition of grants receipts from philanthropy.  | 0.137    | (0.137)  |                           |

## 2024-25 Proposed Budget

### Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

|  | Increase | Decrease | Reserve<br>Fund<br>Impact |
|--|----------|----------|---------------------------|
| <b>Public Accountability</b>   |          |          |                           |
| ◆ Restore regular authority and twelve-months funding for one Utility Rate and Policy Specialist I, two Utility Rate and Policy Specialist IIs, one Utility Rate and Policy Specialist III, and one Executive Administrative Assistant II, to be fully reimbursed by the Department of Water and Power.                                  | 0.833    | (0.833)  |                           |
| ◆ Add funding in the Contractual Services Account for a Comprehensive Rate Review, to be fully reimbursed by DWP.  | 0.581    | (0.581)  |                           |
| <b>Public Works - Board</b>  |          |          |                           |
| ◆ Restore resolution authority for two Accountants and regular authority for three Accountants with twelve-months funding to support the Emergency Sewer Repair Program.   | 0.320    | (0.320)  |                           |
| ◆ Restore resolution authority for one Accountant position to be funded by Measure W to support processing of invoices.  | 0.065    | (0.065)  |                           |
| <b>Public Works - Board and Unappropriated Balance</b>   |          |          |                           |
| ◆ Create a new line item in the Unappropriated Balance, contingent upon anticipated funding from the Harbor Department, for an amortization study of the petroleum tanks at Rancho LPG.  | 0.300    | (0.300)  |                           |
| <b>Public Works - Contract Administration</b>  |          |          |                           |
| ◆ Sidewalk Repair Program  |          |          |                           |
| > Restore resolution authority and six-months funding for one Principal Construction Inspector and increase funding in the Transportation Account (\$0.001M) to support sidewalk repair work.  | 0.141    |          |                           |
| > Recognize increased appropriations in the Sidewalk Repair Fund.  |          | (0.141)  |                           |
| ◆ Restore resolution authority and twelve-months funding for one Systems Analyst to be funded with the Sewer Construction and Maintenance Fund and one Senior Electrical Inspector, two Construction Inspectors, two Management Analysts, and two Senior Construction Inspectors, to be fully reimbursed by the proprietary departments. | 1.649    | (1.649)  |                           |

## 2024-25 Proposed Budget

### Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

|                                       |  | Increase | Decrease | Reserve<br>Fund<br>Impact |
|---------------------------------------|--|----------|----------|---------------------------|
| <b>Public Works - Engineering</b>     |  |          |          |                           |
| ◆                                     | Restore resolution authority and nine-months funding for one Civil Engineer to staff the West Los Angeles Permit Public Counter. Increase Engineering permitting receipts to reflect permit and fee revenue generated by this position.  | 0.138    | (0.138)  |                           |
| ◆                                     | Restore regular authority and nine-months funding for one Environmental Engineering Associate IV and one Environmental Specialist II to support the Clean Water Infrastructure Program, to be funded from Sewer Construction and Maintenance Fund salary savings.  | 0.253    | (0.253)  |                           |
| ◆                                     | Restore nine-months funding and resolution authority for one Civil Engineer and regular authority for one Civil Engineering Associate III to support Safe Clean Water municipal and regional projects to be funded from the Measure W Local Return Fund line item for Feasibility Studies.   | 0.265    | (0.265)  |                           |
| ◆                                     | Restore nine-months funding and regular authority for one Control Systems Engineering Associate IV, three Civil Engineering Associate IIIs, and one Environmental Engineering Associate III and resolution authority for one Civil Engineering Associate III and one Civil Engineering Associate IV and delete position authority and funding for seven Civil Engineering Associate IIs, funded by Measure M, the Sewer and Construction Maintenance Fund and Proposition C, with incremental costs to be absorbed by this Bureau. | 0.914    | (0.914)  |                           |
| <b>Public Works - Sanitation</b>      |  |          |          |                           |
| ◆                                     | Position Restoration   |          |          |                           |
|                                       | > Delete funding and resolution authority for one Environmental Compliance Inspector and restore resolution authority and twelve-months funding for one Management Analyst to support commercial organics program compliance with funding from the Citywide Recycling Trust Fund.  | 0.149    | (0.149)  |                           |
|                                       | > Delete funding and regular authority for one Senior Systems Analyst I and restore resolution authority and twelve-months funding for one Programmer/Analyst III to modernize, maintain, and enhance legacy software applications including cybersecurity measures with incremental costs offset by the Sewer Construction and Maintenance Fund, Solid Waste Resources Revenue Fund, Citywide Recycling Trust Fund, and Stormwater Pollution Abatement Fund.  | 0.158    | (0.158)  |                           |
| <b>Public Works - Street Services</b> |  |          |          |                           |
| ◆                                     | Pavement Preservation Access Ramps   |          |          |                           |
|                                       | > Restore resolution authority without funding for 17 positions to support access curb ramp work within the Pavement Preservation Program.   |          |          |                           |
|                                       | > Reduce the Road Maintenance and Rehabilitation Fund appropriation to the CTIEP and increase the appropriation for "PPP Access Ramps" to support six-months of Access Ramp work conducted as part of the Pavement Preservation Program.   | 7.990    | (7.990)  |                           |
| ◆                                     | Increase Contractual Services for outreach and education services for sidewalk vendors to be offset by the Sidewalk and Park Vending Trust Fund.   | 0.040    | (0.040)  |                           |

## 2024-25 Proposed Budget

### Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

|  | Increase      | Decrease        | Reserve<br>Fund<br>Impact |
|--|---------------|-----------------|---------------------------|
| <b>Recreation and Parks</b>  |               |                 |                           |
| ◆ Restore resolution authority and 12-months funding for two Senior Administrative Clerks, one Aquarist I, two Park Services Attendant II, and one Senior Gardener to be fully reimbursed by the Harbor Department.  | 0.582         | (0.582)         |                           |
| <b>Transportation</b>  |               |                 |                           |
| ◆ Restore resolution authority and nine-months funding for five Parking Meter Technicians to be offset by a reduction in the Parking Studies line item of Schedule 11 Special Parking Revenue Fund.  | 0.454         | (0.454)         |                           |
| ◆ Position Restoration   |               |                 |                           |
| > Restore position authority and funding for one Assistant General Manager, one Accountant, one Accounting Clerk, one Chief Management Analyst, one Fiscal Systems Specialist I, one Management Analyst, three Senior Communications Operator IIs, one Senior Systems Analyst I, one Senior Transportation Engineer, and one Senior Accountant I.  | 2.342         |                 |                           |
| > Delete position authority and funding for one Community Affairs Advocate, one Administrative Clerk, four Assistant Signal Systems Electricians, one Civil Engineering Drafting Technician, one Mechanical Helper, one Sign Painter, two Signal Systems Electricians, two Traffic Painter and Sign Poster IIs, one Transportation Engineering Associate III, and one Transportation Engineering Associate II. |               | (2.342)         |                           |
| ◆ Reappropriate funding in the 2023-24 Unappropriated Balance for Quiet Zone Studies for railway crossings in the Harbor area.   | 0.500         | (0.500)         |                           |
| <b>Zoo</b>   |               |                 |                           |
| ◆ Add nine-months funding and resolution authority for one Animal Keeper to staff the Nutrition Center and delete one Administrative Clerk.  | 0.077         | (0.077)         |                           |
| <b>SUBTOTAL OTHER CHANGES</b>  | <b>49.438</b> | <b>(49.438)</b> | <b>0.000</b>              |
| <b>NET CHANGE TO THE PROPOSED BUDGET</b>   |               |                 | <b>7.459</b>              |



**2024-25 Proposed Budget**  
**Budget, Finance and Innovation Committee Changes, as Proposed by the CLA**

Reserve  
Fund  
Impact

|  | Increase | Decrease |
|--|----------|----------|
| <b>RESERVE FUND IMPACT - JULY 1, 2024</b>  |          |          |
| Mayor's Proposed Budget - July 1 Balance   | 399.383  |          |
|  |          |          |
| % of General Fund  | 5.00%    |          |
| <b>PROPOSED RESERVE FUND BALANCE - JULY 1, 2024</b>                                      |          |          |
| Mayor's Proposed Budget - July 1 Balance   | 399.383  |          |
| Proposed Changes   | 7.459    |          |
| BUDGET, FINANCE AND INNOVATION COMMITTEE<br>PROPOSED RESERVE FUND BALANCE - JULY 1, 2024 | 406.842  |          |
|  |          |          |
| % of General Fund  | 5.05%    |          |

# 2024-25 Proposed Budget

## Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

Reserve  
Fund  
Impact

Increase Decrease

### Instructions and Technical Adjustments

#### Exhibit H

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

### General Instructions

- ◆ Instruct all Departments to ensure that all receipts, including settlements and liability claims, are properly deposited into the General Fund, and further request the Controller to ensure that Departments are adhering to this instruction.
- ◆ Instruct all Departments to ensure immediate invoicing for all grant reimbursements.
- ◆ Instruct all departments with pending fee increases that are included in the Proposed Budget, with the assistance of the City Attorney, to report to Council no later than June 30, 2024 with ordinances to effectuate the change in fees. This is to ensure that estimated revenue in the 2024-25 Budget is realized, in accordance with the Annual Fee Studies Policy. Further, instruct all departments to review their fee structures annually and to report to the Budget, Finance and Innovation Committee by January 1, 2025 with ordinances, status reports or negative replies concerning fee adjustments for the 2024-25 fiscal year.
- ◆ Instruct all City department and bureau heads to promptly notify the CAO of shortfalls in their budget or revenues so that they may be reported in the CAO's financial status reports.
- ◆ Instruct the CAO to continue to provide quarterly or more frequently, if necessary, financial status reports on revenues and expenditures, the status of the Reserve Fund, status of the Budget Stabilization Fund, projected shortfalls and all other elements previously included by the CAO in these financial status reports. Financial status reports should also include the status of liability claims for each of the Liability Payout categories in the Proposed Budget, detailing for each the amount budgeted, available balance, payouts to date, projected payouts for the fiscal year, variance between budget and actual, and, in cases where additional funds will be needed, a brief explanation of the underlying causes for exceeding the budgeted amount and corrective actions being taken to control costs. The reports should include recommendations to protect the City's fiscal health.
- ◆ Instruct the CAO to provide an update to the Four-Year Outlook following adoption of the 2024-25 Budget by the City Council and Mayor. This update may include recommendations to revise the City's Financial Policies to ensure that they align with stated budgetary goals and are not in conflict with one another.

# 2024-25 Proposed Budget

## Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

|   | Increase | Decrease | Reserve<br>Fund<br>Impact |
|---|----------|----------|---------------------------|
| ◆ Request the City Attorney to report on a quarterly basis to the Budget, Finance and Innovation Committee on the status of liability claims and outside legal counsel costs, the latter to include proprietary department expense. Such reports to include the following: available balance; encumbered balance; expenditures to date; projected needs for balance of fiscal year; and, if more funds are needed, specify the corrective actions being taken to contain costs. |          |          |                           |
| ◆ Instruct the Personnel Department to report on a quarterly basis to the Budget, Finance and Innovation Committee on the status of hiring, recruitment, and the Targeted Local Hire Program, Bridge to Jobs, and Alternative Pathway for Part-Time and Exempt Employees for Personnel and all other departments with high vacancy rates.   |          |          |                           |
| ◆ Instruct all departments to process FMS transactions resulting from Mayor/Council fiscal actions within 10 working days from the approval date as recorded by the Mayor and City Clerk.   |          |          |                           |
| ◆ Instruct the CAO to monitor and ensure timely data entry of budget adjustments by City Departments.   |          |          |                           |
| ◆ Authorization of substitute positions other than for layoff avoidance and/or for which adequate savings within a department's budget has not been identified, shall require Council approval. The use of substitute authorities shall be restricted only to limited duration or critical uses.  |          |          |                           |
| ◆ All new positions are subject to allocation by the Board of Civil Service Commissioners. All positions with pay grades above the minimum authorized level and pay grade upgrades are subject to pay grade determination by the City Administrative Officer, Employee Relations Division.  |          |          |                           |
| ◆ Instruct the City Clerk to open Council Files for reports included in this report and ensure the referral of these reports.   |          |          |                           |
| ◆ Authorize the CLA and CAO to make minor and technical adjustments to accomplish the intent of the changes proposed herein.  |          |          |                           |
| ◆ Relative to the Capital Finance Administration Fund<br>>All projects proposed for MICLA financing must be approved by the Council before expending MICLA Commercial Paper proceeds. Further, to the extent that special funds are being used to support MICLA projects, the City Administrative Officer must reevaluate the use and report on the need for special funds.   |          |          |                           |
| ◆ Instruct all departments to use the Targeted Local Hire, Bridge to Jobs, and Alternative Pathway for Part-time and Exempt Employees programs for the hiring of eligible classifications in the programs.  |          |          |                           |
| ◆ Instruct the CAO to make corrections to sources of funds and schedules to align with the adopted 50th Year Consolidated Plan.   |          |          |                           |
| ◆ Instruct the Chief Legislative Analyst to prepare the list of special studies requested by the Budget, Finance and Innovation Committee and transmit to the Council for consideration.  |          |          |                           |
| ◆ Instruct the CAO to report to the Housing and Homelessness Committee with regular status reports on duties and accomplishments of the Affordable Housing Liaison Unit.  |          |          |                           |



# 2024-25 Proposed Budget

## Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

Reserve  
Fund  
Impact

Increase    Decrease

### Technical Adjustments

#### Capital Finance Administration Fund - MICLA

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

#### Controller

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

#### Emergency Management

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

#### General City Purposes - Homeless Budget

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

#### Housing

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

#### Police

- ◆ Allocate funds to the Overtime Sworn account to provide deployment flexibility including patrol of Interim Homeless Housing Sites.
- ◆ Correct budget footnote to continue overtime carveout of \$5.451M for enforcement and investigations of illegal cannabis businesses (\$5M) and security services to the cannabis industry cash collection operations within the Office of Finance, funded by the Cannabis Regulations Special Revenue Fund (\$.451M)

#### Proposition A Local Transit Assistance Fund

- ◆ Make technical corrections to the Proposition A schedule with no net impact on the General Fund



## 2024-25 Proposed Budget

### Budget, Finance and Innovation Committee Changes, as Proposed by the CLA

Reserve  
Fund  
Impact

Increase Decrease

#### Public Works - Engineering

- ◆ Restore regular authority without funding for one Principal Civil Engineer to support the Project Award and Control Division.

#### Public Works - Street Services

- ◆ Delete resolution authority for three Tree Surgeon Assistants assigned to the Dead Tree and Stump Removal Crew and add resolution authority for three Tree Surgeon Assistants for Citywide tree trimming activities.
- ◆ Delete resolution authority for one Senior Street Services Investigator II and four Street Services Investigators for Hollywood Boulevard accessibility enforcement and add resolution authority for one Senior Street Services Investigator II and four Street Services Investigators for broader Citywide public right-of-way enforcement.

#### Budget Notes

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

Attachment: Exhibit H

## ATTACHMENT

### Exhibit H – Implementing Instructions and Ordinance Changes

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

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

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