

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: May 15, 2026

TO: Honorable Members of the Budget and Finance Committee

FROM: Sharon M. Tso *SM TSO*
Chief Legislative Analyst

2026-27 Proposed Budget Budget and Finance Committee Changes, as Proposed by the CLA

Transmitted herewith are our recommended changes to the Mayor's 2026-27 Proposed Budget. These recommendations reflect the discussions during the Budget and Finance Committee hearings, City Administrative Officer (CAO) memos, departmental requests and additional analysis by this Office.

The Mayor's Proposed Budget largely continues programs and funding from 2025-26, while providing additional funds for a number of the Mayor and Council's priorities. These include sworn hiring, with 510 police officers and 120 firefighters to be hired in 2026-27; infrastructure improvements such as streets and sidewalks, including those in preparation for the 2028 Games; and public safety programs including the Unarmed Model of Crisis Response Program (UMCR). Unlike 2025-26, this Proposed Budget does not rely on layoffs to balance the budget, and there are no furloughs or other personnel-related cost-savings measures included. However, the Proposed Budget does not restore all service cuts made in 2025-26 to address the budget crisis, and includes a number of structural deficits, including overly optimistic revenue assumptions resulting from County reimbursements for homelessness-related programs and a shortfall in police civilian funding due to the Police Department starting the year with a higher than anticipated number of civilian employees.

While evaluating the Proposed Budget and the changes this Office proposes in this report, the Council should continue to be aware of significant threats to the City's revenues on the horizon. The proposed repeal of the Gross Receipts Business tax would have a catastrophic impact on the City's revenues (approximately \$800M). If adopted by the voters in November, it would require the Mayor and Council to make significant cuts, freeze hiring across the board, and begin the process of mass layoffs. In addition, if the statewide proposal to invalidate Charter Cities' ability to set Documentary Transfer taxes is passed, it would reduce General Fund revenues by an estimated \$200M while also ending United to House LA (ULA), which would result in the loss of significant revenues for affordable housing.

Further, the Proposed Budget does not account for downside risks associated with a potential economic downturn, or the impact of increased inflation in 2026-27. Fuel costs remain high and continue to rise as a result of the Iran War, and we are now seeing the impact these prices are having on inflation nation-wide. If the conflict continues, inflation will likely continue to grow, straining the City's ability to provide services within budget.

It should also be noted the Proposed Budget does not comply with a number of the City's financial policies, including the requirement that the City's total reserves be 10 percent of General Fund Revenues and the City's Capital and Technology Infrastructure Expenditure Policy goal of 1.5 percent of General Fund revenues for these projects.

During the discussion of the Proposed Budget, the Budget and Finance Committee indicated that their priorities for this upcoming year were investments that would address the City's liabilities, those that meet the City's financial policies, including capital investments, investments in public safety, and shoring up reserves.

The recommendations in this report largely leave the Mayor's Proposed Budget intact, but at a more cautious pace by deferring new programs for six months while addressing anticipated funding shortfalls, closing the gap on compliance with the City's fiscal policies, and providing funding for critical priorities. The recommendations in this report would ensure that the City does not violate its debt policy by financing Police Patrol Vehicles, complies with the City's one-time revenue policy, increases overall reserves, and adds funding for capital projects that address public safety and liability mitigation. Compliance with the financial policies and strong reserves are critical to the City's bond rating as we embark upon the issuance of the Convention Center expansion debt later this year.

The additional programs and services recommended in our report are largely funded as a result of additional revenues identified by this Office, such as increased business tax receipts for 2025-26 and 2026-27 and reimbursements from various Special Funds. However, these increases were partially offset by a reduction in Property Tax revenue due to lower than anticipated projections from the County Assessor, and a reduction of \$40M in Alliance Settlement receipts from the County to reflect more realistic estimates.

This report recommends a number of changes to the Proposed Budget, including:

- The recognition of net revenue in the amount of \$28.998M.
- Recommended net Expenditure Changes of \$3.301M, consisting of \$81.709M in increases and \$78.408M in decreases.
- Other Changes through the use of special funds, reductions based on anticipated savings and other adjustments totaling \$37.153M.
- The implementation of a Hiring Delay, by reducing funding for all new General Fund positions from nine months to six months, with all new General Fund and Special Fund positions with less than a full-year of funding being effective on January 1, 2027.
- A revision to the sworn hiring plan for the Police Department to reduce the size of the first four recruit classes in 2026-27, and increase the size of classes in the second half of the year. This brings police hiring in line with the overall goal of the budget to limit hiring until the results of the November 2026 General Elections are known while not impacting overall hiring goals of 510 officers in 2026-27.

- The addition of positions in the Personnel Department to facilitate Police hiring in 2026-27.
- Increased Funding for Additional Homeless Services.
- A reduction of County Alliance Settlement Agreement reimbursements to reflect a more realistic estimate of receipts in 2026-27, while reducing the Homeless Emergency (Inside Safe) line item by \$10M for budgetary balancing purposes. It should be noted that if County reimbursements for Alliance services provided for the third quarter of 2026-27 are received, an interim appropriation of up to \$10M will be allocated to the program.
- The creation of a new line item in the Unappropriated Balance to set aside funding in 2026-27 for Payroll Reconciliation.
- An increase to the Unappropriated Balance, Reserve for Mid-Year Adjustments.
- An additional deposit into the Budget Stabilization Fund.
- Additional funding to partially offset the costs of starting 2026-27 with 2,396 filled civilian positions in the Police Department instead of the 2,338 included in the Proposed Budget.
- A restoration of Council District Community Services funding to maintain level funding.
- The creation of a new line item in the Unappropriated Balance to set aside funding in 2026-27 for capital repairs and infrastructure.
- The expansion of the Unarmed Model of Crisis Response (UMCR) into six new Police Department areas.
- The transfer of the proposed Clean Corridors Program to the Unappropriated Balance with an instruction to departments to report with an alternative scope and cost proposal for Citywide cleaning services.
- The provision of additional funds for Day Labor Centers and RepresentLA.
- The restoration of funding for the Safe Parking Program.
- Additional funding to provide hiring flexibility to the Department of City Planning and the Office of Finance.
- The addition of positions and Contractual Services funding in the Offices of the City Attorney and City Administrative Officer for liability mitigation and management.
- The creation of a new line item in the Unappropriated Balance for the Transgender, Gender Diverse, and Intersex (TGI) Wellness and Equity Initiative.

- Funding for Animal Services, including increased allocations for the Spay and Neuter Program, restoration of the Dogs Playing for Life contract, and additional expense funding for medical supplies and animal food.
- The addition of funding in the Department of Recreation and Parks for Brush Clearance and emergency response.
- The provision of additional funds for on demand tree trimming services and increased graffiti abatement.
- A one-time exception to City Policy to allow Neighborhood Councils to rollover funds.

Our recommendations substantially meet the City's financial policies and set aside additional funds to address ongoing concerns related to City services while delaying major hiring until after the November 2026 election and its potential impacts on City revenues is decided. Our recommendations will increase the Reserve Fund by \$25.697M, for a total of \$515.092M or six percent. These recommendations include an additional transfer to the Budget Stabilization Fund (BSF) of \$5.500M, for a total transfer of \$14.5M, bringing the BSF balance to \$200M. The Reserve for Mid-Year Adjustments is increased by \$11M, for a total of \$49M.

We believe that the recommendations contained in this report address the highest priorities of the Budget and Finance Committee. However, given the challenges facing the City, care must be taken to work toward long term structural balance. It will be important to exercise fiscal restraint and provide critical oversight of departmental spending during the upcoming fiscal year, and even more so if outside factors reduce or eliminate future City revenues.

SMT:jwd

2026-27 Proposed Budget Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Mayor's Proposed Reserve Fund (5.70%)			489.395
Revenue Changes			
Business Tax			
◆ Increase 2025-26 (\$15.0M) and 2026-27 (\$15.0M) receipts based on recent activity.	30.000		
Utility Users' Tax			
◆ Increase 2026-27 Electric Users' Tax receipts based January 2026 load forecast and improved collection rate	3.000		
Licenses, Permits, Fees and Fines			
◆ Increase Fire Department Reimbursements from Other Agencies (\$2.5M in 2025-26 and \$0.940M in 2026-27).	3.440		
◆ Increase 2026-27 receipts for General Services Materials Testing services provided to the Airports Department	0.195		
◆ Recognize additional 2025-26 Housing receipts for Home Investment Partnership related costs	0.960		
◆ Recognize 2026-27 reimbursement receipts from House LA for positions in PW Bureau of Contract Administration (\$.233M) and Personnel (\$.069M)	0.302		
◆ Increase 2026-27 PW-Bureau of Engineering Reimbursements for the Pacific Palisades Library project.	0.106		
◆ Recognize additional receipts in the Street Damage Restoration Fund (\$9.6M in 2025-26 and \$5M in 2026-27). These funds will be available for related cost reimbursements, reducing the General Fund subsidy from \$14.7M to less than \$100K.	14.600		
◆ Increase 2026-27 receipts for State mandate claims based on recent trends. Of this amount, \$7.25M will be used for LAPD civilian salary costs that are underfunded in the Proposed Budget	9.250		
◆ Recognize reimbursement receipts for 2025-26 front funding provided by the General Fund for deferred maintenance at fire facilities.	1.500		
◆ Recognize additional escheatment receipts for 2026-27.	1.500		
◆ Increase 2025-26 Metro Rail Reimbursements for the Board of Public Works.	0.013		
◆ Recognize additional 2025-26 Bureau of Contract Administration reimbursements for Metro Rail projects.	0.193		
◆ Recognize 2026-27 reimbursement receipts from the Los Angeles Department of Water and Power for prior year Bureau of Engineering services.	0.300		
◆ Increase receipts in 2026-2027 to reflect additional revenues to be generated by a pending increase to the Basic Life Support (BLS) Transport Fee.	1.000		
◆ Increase 2026-27 reimbursement receipts from the Building and Safety Enterprise Fund to reflect additional related cost reimbursements.	1.581		
◆ Increase 2026-27 reimbursement receipts from the Municipal Housing Finance Fund to reflect additional related cost reimbursements.	0.097		
◆ Increase 2026-27 reimbursement receipts from the Rent Stabilization Trust Fund to reflect additional related cost reimbursements.	0.065		

2026-27 Proposed Budget Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
◆ Increase 2026-27 reimbursement receipts from the Cannabis Regulation Special Revenue Trust Fund to reflect additional related cost reimbursements.	0.043		
◆ Increase 2026-27 reimbursement receipts from the Sewer Construction and Maintenance Fund to reflect additional related cost reimbursements.	0.062		
◆ Reduce Los Angeles County Alliance Settlement reimbursements to reflect a more realistic estimate of receipts during 2026-27.		(40.900)	
Property Tax			
◆ Decrease 2026-27 receipts based on the County Assessor's latest projections on growth in assessed values. The County is projecting a 3.9% decrease compared to 4.1% in the 2026-27 Proposed Budget.		(5.492)	
Reserve Fund			
◆ Modify \$9M increase in the Budget Stabilization Fund by transferring funds rather than appropriating funds. This is an accounting action that has no net change to the budget.			
◆ Increase required Budget Stabilization transfer due to anticipated changes in economically sensitive revenues.		(5.500)	
Reserve Fund - Reversions and Prior Year Encumbrances			
◆ Update July 1 Cash Balance due to less than anticipated shortfalls (\$1.5M) for 2025-26, additional loan repayments (\$.260M) and cash advances returned during FY 2025-26 (\$2.0M).	3.760		
Special Fund Revenues			
◆ Recognize 2025-26 transfer of Solid Waste Resources Revenue Fund to repay General Fund for liability costs incurred earlier in the fiscal year. This action will reduce the 2026-27 Liability Claims Account by the same amount as the repayment obligation will be satisfied.	5.000		
◆ Recognize additional reimbursement receipts for 2026-27 related costs. This action will require various changes to Schedule 2 Solid Waste Resources Revenue Fund and the PW-Sanitation Proposed Budget, including increased reimbursement receipts from DWP (\$2M) and a reduction in the Bureau's salary savings rate (\$1.923M).	3.923		
 SUBTOTAL REVENUE CHANGES	80.890	(51.892)	28.998

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	Increase	Decrease	Reserve Fund Impact
Expenditure Changes			
Actions to Address Fiscal Uncertainty			
◆ Hiring Delay			
> Reduce funding for all new General Fund positions from nine months to six months.		(8.800)	
> Instruct the CAO to specify in the Personnel Authority Resolution that all new General Fund and Special Fund positions with less than full year funding will be effective on January 1, 2027.			
> Freeze all unfunded positions until January 1, 2027.			
◆ Other Expense			
> Delay expenditures for all new contracts until January 1, 2027.			
Animal Services			
◆ Increase funding for Spay and Neuter Program to support additional animal sterilization vouchers Citywide. This equates to an 18 percent increase from the Proposed Budget which will fund approximately 8,000 additional sterilizations.	1.000		
◆ Add funding to Contractual Services to continue the Dogs Playing for Life contract.		1.534	
◆ Expense Account Funding			
> Restore funding for Medical Supplies Account to be partially funded by the Animal Welfare Trust Fund.	0.340	(0.170)	
> Restore funding for Animal Food/Feed and Grain Account to be partially funded by the Animal Welfare Trust Fund.	0.200	(0.100)	
◆ Restore resolution authority and six-months funding for one Animal Care Technician Supervisor for the Harbor Shelter.	0.073		
Attorney Conflicts Panel			
◆ Reduce allocation based on anticipated rate increases effective in the last half of 2026-27.		(0.300)	
Capital and Technology Expenditure Improvement Program (CTIEP) - Municipal Facilities			
◆ Add funding to the Citywide Nuisance Abatement line item to maintain current level.		0.500	
City Administrative Officer			
◆ Unarmed Model of Crisis Response (UMCR)			
> Add three-months funding to Contractual Services for the expansion of the Unarmed Model of Crisis Response (UMCR) Program into six additional Police Department Areas.	1.975		
> Add resolution authority and three-months funding for one Management Analyst to support the expansion of the UMCR Program.		0.052	

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	Increase	Decrease	Reserve Fund Impact
City Administrative Officer and City Attorney			
◆ Liability Mitigation			
> Add resolution authority and six-months funding to the City Attorney for one Deputy Attorney III and one Legal Clerk I to centralize liability mitigation oversight.	0.188		
> Add resolution authority and six-months funding to the CAO for two Senior Administrative Analyst IIs to centralize liability mitigation oversight.	0.238		
> Add funding in Contractual Services to conduct an actuarial study on liability payouts in 2026-27.	0.026		
City Attorney			
◆ Add resolution authority and six-months funding for 18 positions, as follows: six Deputy City Attorney IIIs, six Deputy City Attorney IIs, two Paralegal Is, three Legal Secretary Is, and one Legal Clerk I for litigation and support staff to lower caseloads.	2.251		
City Clerk			
◆ Risk Mitigation Training Program			
> Add resolution authority and six-months funding for two positions consisting of one Personnel Analyst and one Management Analyst for a Leadership Coaching and Risk Mitigation Training Program.	0.191		
> Add Contractual Services funding for specialized coaching, training, related services, and licensing fees.	0.154		
City Planning			
◆ Decrease Department of City Planning's salary savings rate by one percent, from eight percent to seven percent, to provide flexibility in their hiring program.	0.681		
◆ Add resolution authority and six-months funding for one Senior City Planner and one City Planning Associate to prepare a Citywide Code Amendment Ordinance and revenue sharing nexus study related to illegal signage.	0.233		
Civil, Human Rights and Equity			
◆ Add resolution authority and six-months funding for one Community Affairs Advocate to oversee community engagement efforts, including volunteer coordination for the 2028 Games.	0.126		
> Instruct the Civil, Human Rights and Equity Department to work with the Personnel Department to adjust the scope of work of the Community Affairs Advocate.			
> Delete position authority and funding for one Principal Project Coordinator to offset cost.		(0.151)	

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	Increase	Decrease	Reserve Fund Impact
Community Investment			
◆ Increase funding to Contractual Services for RepresentLA to support immigrant legal services, from \$1M to \$1.5M.	0.500		
◆ Increase funding to Contractual Services for the Day Laborer Program to provide assistance to businesses and individuals seeking temporary day labor, from \$1.082M to \$1.582M.	0.500		
◆ Add resolution authority and six-months funding for one Internal Auditor IV to manage financial compliance audits and fiscal oversight to be partially funded with Workforce Innovation and Opportunity Act Fund, Community Development Trust Fund, Area Plan for Aging Title 7 Fund, Community Services Block Grant Trust Fund.	0.109	(0.071)	
Controller			
◆ Financial Reporting Transition			
> Add regular authority and 6-months funding for one Financial Management Specialist IV.	0.143		
> Delete funding in the Unappropriated Balance for the Advantage Insight Project.		(0.150)	
Cultural Affairs			
◆ Salary and Expense Account Restoration			
> Restore partial funding to Salaries, As-Needed for part-time staff to support community programming.	0.400		
> Restore funding to the Special Appropriations III account for the Lankershim Arts Center (\$300,000) and Central Avenue Jazz Festival (\$50,000).	0.350		
Disability			
◆ 2028 Games Americans with Disabilities Act (ADA) Compliance, pursuant to C.F. 25-0600-S76:			
> Add resolution authority and six-months funding for one Senior Management Analyst I.	0.109		
> Increase funding to Contractual Services.	0.140		
◆ Add resolution authority and 12-months funding for one Senior Administrative Clerk and delete resolution authority and 12-months funding for one Administrative Clerk to support administrative operations.	0.115	(0.104)	
EI Pueblo			
◆ Accounting Support			
> Add resolution authority and six-months funding for one Accountant.	0.133		
> Delete twelve-months funding for one Management Assistant.		(0.197)	
EI Pueblo and General Services			
◆ Add funding to the General Services Department for security services at EI Pueblo.	0.064		

2026-27 Proposed Budget Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Finance			
◆ Decrease the Office of Finance's salary savings rate by five percent, from nine percent to four percent, to provide flexibility in their hiring program.	3.092		
Fire and Police Pension Fund			
◆ Increase funding for the amortization of pension contributions due for Measure FF. The Fire and Police Pension Fund Board approved the amortization on May 7, 2026. This allocation adds interest costs to the \$5M set aside in the Proposed Budget.	0.217		
◆ Adjust pension contribution based on budgeted salaries for Fire Department.		(2.153)	
General City Purposes			
◆ Realigning GCP Expenditures (see Attachment A)			
> Restore funding for Council District Community Services to maintain current level funding, from no proposed funding to \$1.276M.	1.276		
> Restore funding for Additional Homeless Services from \$7.5M to \$10.5M, a decrease of \$6.5M from the 2024-25 appropriation of \$17M.	3.000		
> Restore funding for International Visitors Council of Los Angeles to maintain current level funding, from no proposed funding to \$40K.	0.040		
> Create a new line item in the Unappropriated Balance for Office of Major Events and add the increased amount proposed for 2026-27.	1.200	(1.200)	
> Reduce the Alliance Settlement Agreement Program appropriation. These costs will now be funded off-budget through the Homeless Housing, Assistance and Prevention (HHAP) Grant.		(31.159)	
> Reduce the Homelessness Emergency (Inside Safe) appropriation.		(10.213)	
· The Mayor's Office anticipates receiving 3rd Quarter receipts for 2026-27 services during the fiscal year. Upon receipt from the County, up to \$10.213M will be appropriated for Inside Safe.			
> Mayfair Operations			
· Move the Mayfair Operations from the Homelessness Emergency (Inside Safe) Program to the Alliance Settlement Agreement Program, to be administered by the City Administrative Officer.			
· Decrease the Homelessness Emergency (Inside Safe) line item to reflect the removal of the Mayfair Operations.		(11.804)	
· Increase the Alliance Settlement Agreement Program line item to reflect the addition of the Mayfair Operations.	11.804		
◆ Reduce Medicare contributions based on current experience.		(1.500)	
Housing			
◆ Add resolution authority and six-months funding for one Data Analyst I, one Housing Planning and Economic Analyst, and one Principal Accountant II for the Homelessness Oversight Bureau to support the data and accounting divisions.	0.297		
Information Technology Agency			
◆ Add funding in Salaries, General to maintain on-call support for radio, microwave, and fire station alerting systems.	0.450		

2026-27 Proposed Budget Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Los Angeles Homeless Services Authority (LAHSA)			
◆ Street Strategies			
>Increase the Street Strategies line item to provide funding for The Midnight Mission, Downtown Women's Center, Special Service for Groups, Inc., Access Centers, Salvation Army, and Watts Labor Community Action Committee.	0.939		
>Increase the Street Strategies line item to provide full year of funding for Safe Parking sites that were identified for demobilization to be funded by the savings from the 2025-26 Citywide Homeless Intervention account.	1.290	(1.290)	
◆ Reduce the 2026-27 General Fund appropriation to recognize 2024-25 savings and reductions, including but not limited to government affairs or other divisions within LAHSA, to be used to offset the restoration of the access centers.		(2.700)	
Neighborhood Empowerment			
◆ Add funding in Contractual Services for Cornerstone licenses for Neighborhood Council training.	0.020		
Personnel			
◆ Realign funding for 12 positions that are partially funded by the General Fund and various special funds to be funded various special funds, including Measure United to House LA (ULA), consisting of one Personnel Director I, one Personnel Records Supervisor, one Senior Personnel Analyst II, one Senior Personnel Analyst I, three Personnel Analysts, four Senior Administrative Clerks, and one Administrative Clerk, resulting in net General Fund savings.		(0.155)	
◆ Add resolution authority and six-months funding for one Chief Human Resources Specialist, one Senior Personnel Analyst, one Systems Administrator I, two Senior Administrative Clerks, and two Administrative Clerks.	0.636		

2026-27 Proposed Budget Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Police			
◆ Police Civilian Deployment Adjustment			
>Provide partial funding for the Police Department to start 2026-27 with 2,396 filled civilian positions, 58 above what is included in the Mayor's Proposed Budget.	7.250		
>Reduce the 2026-27 Civilian Hiring Plan by 49 hires, retaining 167 hires to fill critical and other priority positions. This will generate \$4.497M in savings within the Department to partially offset the 58 positions.			
>Revise the 2026-27 Civilian Hiring Plan to delay all civilian hiring until mid-October 2026. This will generate \$1.587M is savings within the Department to partially offset the 58 positions.			
◆ Sworn Hiring Plan			
>Rebalance the Department's Sworn Hiring Plan to reduce class sizes in the start of the fiscal year, and increase class sizes in the second half of the year. This will result in net savings while not impacting the overall goal of hiring and training 510 sworn officers in 2026-27.		(1.766)	
> Rebalance the Department's Sworn Hiring Plan as follows: Four classes of 25 to start the Fiscal Year, then two classes of 30 followed by seven classes of 50. This will result in net savings while not impacting the overall goal of hiring and training 510 sworn officers in 2026-27.			
◆ Police Hiring Controls			
> Instruct the Police Department to report monthly to the Personnel and Hiring and Budget and Finance Committees detailing sworn and civilian hiring, attrition, expenditures, and projected year-end salary account balances compared with budgeted targets. Reports on civilian hiring should provide information on the Department's efforts to fill critical and other priority civilian positions, including Police Service Representatives (PSRs).			
> Prior to submitting offer letters to candidates for each recruit class, direct the Police Department to obtain approval from the CAO of the number of recruit candidates to be hired for the class. Direct the CAO to review the Department's submission to ensure the number of candidates is consistent with Department's Adopted Budget sworn hiring plan.			
> Authorize the CAO to freeze vacant sworn and/or civilian positions in Workday when filling those positions would result in expenditures exceeding authorized funding.			
◆ Recognize additional Police Department Forfeited Assets Trust Fund Revenue, which will be used for eligible Police costs.			(1.803)

2026-27 Proposed Budget Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Public Works - Board			
◆ Add six-months funding and resolution authority for one Principal Project Coordinator to support film industry liaison work.	0.121		
◆ Graffiti Abatement			
> Add Contractual Services funding to maintain current level funding of graffiti abatement services.	1.683		
> Instruct the Board of Public Works to report on its methodology for prioritizing service requests for graffiti abatement as detailed in Motion (Hernandez - Jurado) which the Council adopted on February 27, 2026 (C.F. 26-0146).			
> Instruct the Board of Public Works to engage the Graffiti Technology and Recovery Fund Oversight Committee as soon as possible to utilize the funds in the Graffiti Technology and Recovery Fund to support graffiti abatement services.			
Public Works - Engineering			
◆ Add six-months funding and resolution authority for one Programmer/Analyst III and delete 12-months funding and position authority for one Systems Analyst to realign positions in the GIS and Mapping Division.	0.112	(0.195)	
Public Works - Street Lighting			
◆ Payroll Support			
> Add six-months funding and resolution authority for one Accounting Clerk to support payroll functions.	0.083		
> Delete funding and position authority for one Assistant Street Lighting Electrician.		(0.194)	
◆ Increase the General Fund appropriation to the Street Lighting Maintenance Assessment Fund and add an appropriation for Digital Inclusion within the Fund.	0.180		
Public Works - Street Services			
◆ Additional Tree Trimming Services			
> Increase funding in the Overtime General account for on-demand tree trimming.	0.800		
> Instruct the Bureau of Street Services, in consultation with the Bureau of Street Lighting, to report on the use of Street Lighting Maintenance Assessment funds to support tree trimming work at or near streetlights.			
Recreation and Parks			
◆ Add funding to Contractual Services for brush clearance, partially offset by a reduction for delayed openings of new and expanded facilities.	0.733	(0.233)	

2026-27 Proposed Budget Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Unappropriated Balance			
◆ Delete the full amount in the Nuisance Abatement Enforcement line item.		(2.000)	
◆ Create a line item in the Unappropriated Balance for deferred maintenance and capital repair projects that address public safety, liability mitigation, and compliance with the City's Financial Policies, including but not limited to street light improvements and fortification, street flooding mitigation, and security infrastructure.	11.000		
◆ Create a new line item in the Unappropriated Balance and set aside funding for Recreation and Parks emergency response operations and shelter activations.	0.500		
◆ Create a new line item in the Unappropriated Balance and set aside funding for Payroll Reconciliation.	11.000		
◆ Increase funding to the Reserve for Mid-Year Adjustments line item.	11.000		
◆ Create a new line item in the Unappropriated Balance and set aside funding for harm reduction programs and opioid-related work and instruct the CAO to report on the eligibility of the use of Opioid Settlement Funds.	0.105		
◆ Create a new line item in the Unappropriated Balance and set aside funding for the Zoo Department's volunteer program and instruct the Zoo Department to report on the status of funding sources and reimbursements.	0.056		
◆ Create a new line item and set aside funding for the Transgender, Gender Diverse, and Intersex (TGI) Wellness and Equity Initiative to support services for TGI individuals and instruct the Community Investment Department and Civil, Human Rights and Equity Department to report on the program and the appropriate administering department.	0.500		
SUBTOTAL EXPENDITURE CHANGES	81.709	(78.408)	3.301

2026-27 Proposed Budget Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Other Changes			
Building and Safety			
◆ Add resolution authority and six-months funding for one Assistant Deputy Superintendent of Building I and add funding in the Expense Account to manage the projected growth of construction associated with the 2028 Games, as well as initiatives for permitting modernization and streamlining to be funded with the Building and Safety Building Permit Enterprise Fund.	0.198	(0.198)	
Cannabis Regulation			
◆ Add resolution authority and six-months funding for one Principal Accountant I to be funded with the Cannabis Regulation Special Revenue Trust Fund.	0.109	(0.109)	
Capital Technology Expenditure Improvement Program and the Unappropriated Balance			
◆ Transfer funding for the 2028 Games Venue Approaches from the CTIEP to the Unappropriated Balance and instruct the Department of Transportation to report with details of the scope of work for the project.	5.000	(5.000)	
City Planning			
◆ Add resolution authority and 12-months funding for three Architects, two City Planning Associates, and 11 Architectural Associate Is and increase funding in the Overtime General (\$500,000) and Office and Administrative (\$201,470) accounts to support and effectuate the transfer of the zoning review function from the Department of Building and Safety to the Department of City Planning to be funded with the Building and Safety Building Permit Enterprise Fund, pursuant to Council action (C.F. 25-0572-S2).	3.869	(3.869)	
Cultural Affairs			
◆ Add resolution authority and six-months funding for one Art Associate and one Arts Manager I to administer the required art component of the Los Angeles Convention Center Expansion project, to be partially funded by the debt issuance from the Municipal Improvement Corporation of Los Angeles (MICLA) for the Los Angeles Convention Center with a portion of related costs to be funded by the CTIEP One Percent for the Arts line item.	0.253	(0.253)	
Fire			
◆ Transfer Sworn Salaries to Constant Staffing Overtime by a commensurate amount based on fixed post deployment requirements.	6.000	(6.000)	
General City Purposes			
◆ Combine the Opioid Remediation Services and Opioid Settlement line items for a total of \$4M, to be administered by the Mayor and Council, and further update the Nondepartmental Footnote to reflect this change.	2.000	(2.000)	

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	Increase	Decrease	Reserve Fund Impact
General Services			
◆ Add regular authority and six-months funding for one Pre-Press Operator I to be funded with the Publishing Revolving Fund.	0.043	(0.043)	
General Services, Public Works - Sanitation, and Public Works - Street Services and the Unappropriated Balance			
◆ Clean Corridors Program			
>General Services: Delete funding and resolution authority for three positions consisting of one Storekeeper and two Equipment Mechanics to maintain and repair vehicles and equipment as part of the Clean Corridors program; and delete one-time funding in the Overtime General (\$55,000), Field Equipment Expense (\$30,581), and Uniforms (\$1,000).		(0.277)	
> Sanitation: Delete funding and resolution authority for 20 positions consisting of one Geographic Information Systems Chief, two Geographic Information Systems Specialists, one Refuse Collection Supervisor, five Refuse Collection Truck Operator IIs, one Administrative Clerk and 10 Maintenance Laborers to implement the Clean Corridors Program; and delete one-time funding in Contractual Services, Office and Administrative, Operating Supplies, Field Equipment Expenses, Water and Electricity, and Uniforms accounts.		(4.302)	
> Street Services: Delete nine-months funding and resolution authority for 52 positions consisting of 12 Street Services Investigators, four Maintenance and Construction Helpers, 24 Motor Sweeper Operators, four Truck Operators, one Senior Management Analyst I, two Senior Street Services Investigator Is, four Street Services Supervisor Is, and one Street Services Superintendent I to implement the Clean Corridors Program and delete one-time funding in the Hiring Hall Salaries, Benefits Hiring Hall, Contractual Services, Operating Supplies, and Overtime General accounts.		(6.404)	
> Create a new line item in the Unappropriated Balance and add funding for the Clean Corridors Program and include the following instructions:	10.983		
· Instruct the General Services Department to report on the Clean Corridors Program with an alternative scope and cost proposal for Citywide services.			
· Instruct the Bureau of Sanitation to report with an alternative scope and cost proposal for increased Citywide illegal dumping response and trash receptacle collection.			
· Instruct the Bureau of Street Services to report with an alternative scope and cost proposal to use this funding to restore weekly Citywide street cleaning and other core City services.			

2026-27 Proposed Budget Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Housing			
◆ Add resolution authority and six-months funding for 40 positions to support ULA Programs, consisting of 11 Accountants, four Accounting Clerks, two Administrative Clerks, one Communications Information Representative I, one Data Analyst I, three Financial Development Officer Is, one Graphic Designer I, one Housing Planning and Economic Analyst, six Management Analysts, one Public Relations Specialist I, two Rehabilitation Construction Specialist Is, four Senior Accountant IIs, one Senior Administrator I, one Senior Administrator II, one System Analyst to be funded with the House LA Fund.	3.363	(3.363)	
◆ Add resolution authority and six-months funding for one Management Analyst and one Senior Management Analyst to assist with the Asset Management Team and delete resolution authority and nine-months funding for one Graphics Designer II to be funded with the House LA Fund.	0.174	(0.174)	
◆ Add resolution authority and six-months funding for three Management Analysts to assist with Ellis Act applications to be funded with the Municipal Housing Finance Fund.	0.259	(0.259)	
◆ Add resolution authority and six-months funding for two Management Analysts to improve Cost Recovery Programs (C.F. 25-1313) to be funded with the Rent Stabilization Trust Fund.	0.113	(0.113)	
Public Works - Engineering			
◆ Add six-months funding and resolution authority for one Civil Engineer and three Civil Engineering Associate IIIs to provide project and construction management support for the Los Angeles Groundwater Replenishment program. Positions will be front-funded by the Sewer Construction and Maintenance Fund and reimbursed by DWP.	0.496	(0.496)	
◆ Financial Management and Data Analytics Realignment > Delete 12-months funding and position authority for one Senior Management Analyst II, one Management Analyst, two Senior Administrative Clerks, two Senior Management Analyst Is, and one Emergency Management Coordinator I and add 12-months funding and resolution authority for one Chief Management Analyst, one Senior Management Analyst I, two Administrative Clerks, two Senior Management Analyst IIs, and one Emergency Management Coordinator II to be partially offset by the Sewer Construction and Maintenance Fund and Special Gas Tax Improvement Fund.	1.231	(1.191)	
> Reduce funding in the Overtime General account.		(0.040)	

2026-27 Proposed Budget Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Public Works - Sanitation			
◆ Waste Hauling Operations			
> Add resolution authority and three-months funding for 36 positions to support waste hauling operations, consisting of one Senior Management Analyst I, one Refuse Collection Supervisor, 31 Refuse Collection Truck Operator, and two Administrative Clerks.	1.393		
> Reduce funding in the Overtime Salaries account.		(1.393)	
◆ Financial Management Support for Recycled Water and Sewer Service Adjustments			
> Add six-months funding and resolution authority for two positions consisting of one Environmental Engineering Associate II and one Environmental Engineering Associate III, subject to a paygrade determination by the City Administrative Officer.	0.125		
> Reduce funding in the Sewer Construction and Maintenance Operating Supplies account.		(0.125)	
Public Works - Street Lighting			
◆ Add funding to Contractual Services from various accounts to support the Underground Substructure Locate and Mark Program.	0.428	(0.428)	
Recreation and Parks			
◆ Position Reallocations			
> Add resolution authority and 12-months funding for one Chief Management Analyst and delete position authority and 12-months funding for one Marine Aquarium Administrator at the Cabrillo Marine Aquarium with additional costs to be reimbursed by the Harbor Department, subject to the review of the Personnel Department to determine the appropriate class for the work assignment.	0.416	(0.416)	
> Add resolution authority and 12-months funding for one Management Analyst and delete position authority and 12-months funding for one Management Assistant to support the expanded duties in the Aquatics Division, with additional costs to be absorbed by the Department, subject to the review of the Personnel Department to determine the appropriate class for the work assignment.	0.199	(0.199)	
> Add resolution authority and 12-months funding for one Senior Recreation Director and delete position authority and 12-months funding for one Recreation Facility Director to provide advanced leadership and oversight at MacArthur Park with additional costs to be absorbed by the Department, subject to the review of the Personnel Department to determine the appropriate class for the work assignment.	0.200	(0.200)	

2026-27 Proposed Budget Budget and Finance Committee Changes, as Proposed by the CLA

	Increase	Decrease	Reserve Fund Impact
Transportation			
◆ Contract Administration Support			
>Add resolution authority and six-months funding for one Management Assistant and one Management Analyst to provide support in the Contracts Division and the development and management of a centralized contracting system.	0.180		
>Reduce funding in the Department's Overtime General Account.		(0.180)	
◆ Restore position authority for one filled Management Analyst and delete position authority for one vacant Transportation Planning Associate I for Electric Vehicle Infrastructure Resources with additional costs to be absorbed by the Department.	0.121	(0.121)	
SUBTOTAL OTHER CHANGES	37.153	(37.153)	0.000
NET CHANGE TO THE PROPOSED BUDGET			25.697

**2026-27 Proposed Budget
Budget and Finance Committee Changes, as Proposed by the CLA**

Reserve
Fund
Impact

	Increase	Decrease
RESERVE FUND IMPACT - JULY 1, 2026		
Mayor's Proposed Budget - July 1 Balance	489.395	
% of General Fund	5.70%	
PROPOSED RESERVE FUND BALANCE - JULY 1, 2026		
Mayor's Proposed Budget - July 1 Balance	489.395	
Proposed Changes	25.697	
BUDGET AND FINANCE COMMITTEE PROPOSED RESERVE FUND BALANCE - JULY 1, 2026	515.092	
% of General Fund	6.00%	

2026-27 Proposed Budget

Budget and Finance Committee Changes, as Proposed by the CLA

Reserve
Fund
Impact

Increase Decrease

Instructions and Technical Adjustments

Exhibit H

- ◆ Adopt Exhibit H as presented in the Proposed Budget, as amended by Attachment B to this report.

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, 2026 with ordinances to effectuate the change in fees. This is to ensure that estimated revenue in the 2026-27 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 and Finance Committee by January 1, 2027 with ordinances, status reports or negative replies concerning fee adjustments for the 2026-27 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 2026-27 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.
- ◆ Request the City Attorney to report on a quarterly basis to the Budget and Finance 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.

2026-27 Proposed Budget Budget and Finance Committee Changes, as Proposed by the CLA

Reserve
Fund
Impact

Increase Decrease

- ◆ Instruct the Personnel Department to report on a quarterly basis to the Budget and Finance 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:
>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 CAO 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 52nd Year Consolidated Plan.
- ◆ Instruct the CLA to prepare the list of special studies requested by the Budget and Finance Committee and transmit to the Council for consideration.

2026-27 Proposed Budget

Budget and Finance Committee Changes, as Proposed by the CLA

Reserve
Fund
Impact

Increase Decrease

Additional Instructions

- ◆ Instruct the CLA and CAO to report on options for a pilot Animal Cruelty Task Force focused on Skid Row including phased implementation options, staffing needs, associated costs, and potential offsets.
- ◆ Instruct the CAO, with the assistance of the Personnel Department, Police Department, Office of Finance, City Clerk, and City Attorney, to provide a report analyzing the positions and services currently funded through the Cannabis Regulation Special Revenue Trust Fund for each of the named departments to ensure compliance with special fund eligibility and alignment with the needs of the Department of Cannabis Regulation.
- ◆ Instruct the City Clerk to allow each Neighborhood Council to retain any unexpended funds from the prior year's annual allocation within the Neighborhood Council fund for one year as a one-time exception to the Neighborhood Council rollover policy.
- ◆ Refer Memo 120 to the Executive Employee Relations Committee to mitigate salary impacts for affected employees in the Community Investment Department.
- ◆ Request the City Attorney to prepare and present an ordinance to amend the Fire Code to remove the waiver of the Annual Brush Clearance Initial Inspection Fee for properties that pass the inspection on the first inspection, and to establish a new fee for Defensible Space Inspections conducted by the Fire Department as a result of AB 38, which requires sellers of Real Estate in the Very High Fire Hazard Severity Zone to provide a disclosure to the buyer that the property is compliant with local brush clearance and home hardening requirements prior to the close of escrow.
- ◆ Instruct the General Services Department to report within 90 days with an analysis by vehicle classification of market availability for battery electric vehicles (BEV), including a list of specific make and model BEV options available by classification and written justification for all 84 non-electric replacement units included in the Fiscal Year 2026-27 General Services Fleet Replacement Schedule where BEV models are available.
- ◆ Instruct the Department of Neighborhood Empowerment to report on the final digital access needs assessment and cost required to remediate the Neighborhood Councils' digital platforms to ensure compliance with the Americans with Disabilities Act.
- ◆ Refer Memo 98 to the Executive Employee Relations Committee, and instruct the CAO and Bureau of Contract Administration to identify and evaluate potential funding sources for recruitment and retention in the Office of Wage Standards.
- ◆ Instruct the Bureau of Street Services to report to the Public Works Committee within 60 days with proposed criteria for prioritizing projects within the new Sidewalk Maintenance Program.
- ◆ Instruct the Bureau of Street Services to report with a refined cost estimate for the maintenance of off-street bike paths.
- ◆ Refer Memo 106 related to additional resources for the Street Transit Amenities Program to the Budget and Finance Committee.
- ◆ Instruct the Department of Recreation and Parks to report on the status of lifeguard and beach maintenance services at Cabrillo and Venice Beaches during the Mid-Year Financial Status Report.

2026-27 Proposed Budget

Budget and Finance Committee Changes, as Proposed by the CLA

Reserve
Fund
Impact

Increase Decrease

- ◆ Instruct the CAO and the Department of Transportation to report in the Mid-Year Financial Status Report on parking fine revenue with recommendations to hire an additional 50 Traffic Officers.
- ◆ Instruct the Police Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst and City Attorney, to report to the Budget and Finance Committee by August 1, 2026 on the following three potential options to procure an additional 300 vehicles to temporarily grow the Department's Fleet to meet the resource demands of the 2028 Games, and if applicable, include the draft documents/agreements necessary to proceed with either of the options:
 - > The authorization of \$23,250,000 in MICLA financing for the purchase of an additional 300 dual-purpose police vehicles. These vehicles would be used for policing during the Olympics and then to replace vehicles that have met the Department's replacement criteria upon completion of the Games.
 - > The Lease of 300 Patrol Vehicles with a term of 48 months with annual payments commencing upon the delivery of vehicles in July 2027, and an option to buy for \$1 per vehicle at the end of the lease. Upon completion of the Games, these vehicles would replace those that have met the Department's replacement criteria.
 - > A mix of Options 1 and 2.

2026-27 Proposed Budget

Budget and Finance Committee Changes, as Proposed by the CLA

Reserve
Fund
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Technical Adjustments

Capital Finance Administration Fund - MICLA

- ◆ Delete the MICLA authority for the purchase of 300 black and white patrol vehicles, reducing the overall MICLA authorization for Police Vehicles for the 2028 games to \$13.042M.
- ◆ Add MICLA authorization of \$392,800 for the purchase of two mini-profilers for the resurfacing of hillside streets.
- ◆ Add MICLA authorization of \$384,000 for the purchase of one mini-sweeper to increase bicycle lane sweeping frequency.
 - > Instruct the Bureau of Street Services to report with recommendations to ensure that bicycle lanes are swept at the same frequency as streets and to incorporate bicycle paths in its consideration of street sweeping routes.

Capital and Technology Improvement Expenditure Program (CTIEP)

- ◆ Add a footnote to the CTIEP Citywide Roof Capital Repairs line item to fund roof repairs at the George and Helen Thomas Multipurpose Senior Center and the West Adams Multipurpose Senior Center.
- ◆ Revise project name from Warner Grand Theatre Phase II to Warner Grand Theatre Phase I and II.
- ◆ Physical Plant - Measure M allocation correction of Public Right-of-Way Assessment Program in CTIEP.

Community Investment Department

- ◆ Add the following to the Department's As-Needed list of position authorities: Youth Employment Specialist I, Youth Employment Specialist II, Accountant, Program Aide, Project Coordinator, Management Assistant, and Social Worker.

General Services

- ◆ Reallocate three Equipment Mechanics to three Heavy Duty Equipment Mechanics with additional costs to be absorbed by the Department.

Proposition A

- ◆ Revise the title of the "Transit Store" appropriation in Schedule 26 and the Non-Departmental Schedule to "Transit Store and Paratransit Program" with the following updated description: "Funds are provided for the operation of the Transit Store, which is a central information outlet for transit services. The store provides information, sells tickets and Metro fare media and passes, and handles customer service complaints. Funds are also provided for the Cityride program services, including registration, distribution of transit scrip, collection of revenue, and automation. In 2025-26, funding was provided for the operation of the Transit Store."

Transportation

- ◆ Add the following classifications to the as-needed Hiring Hall authority to supplement staff for paint and sign maintenance support and traffic signal systems support: City Craft Assistant, Painter, Sign Painter, Laborer, and Traffic Signal Electrician.

2026-27 Proposed Budget

Budget and Finance Committee Changes, as Proposed by the CLA

Reserve
Fund
Impact

Increase Decrease

Budget Notes

- ◆ Amend Police Budgetary Department Footnote No. 6 as follows: Designate \$4,378,000 within the Department's Sworn Overtime Account for Interim Housing and the Comprehensive Cleaning and Rapid Engagement (CARE) Program.
- ◆ Homeless Budget - Correct the amount listed under Police Department for Overtime for Interim Homeless Housing Sites and CARE/CARE+ to be consistent with the budgetary footnotes in the 2026-27 Proposed Budget book.
- ◆ Technical Correction to Schedule 39 Household Hazardous Waste Special Fund, Reimbursement of General Fund Costs, to be \$684,633 to match Revenue Outlook.
- ◆ Amend the General City Purposes Safe Passages line item to correct the designation to Council District 8.
- ◆ Public Works, Bureau of Engineering - Modify Blue Book Item No. 65, Pacific Palisades Library and Recreation Center, to remove "recreation center" from the title and text to reflect appropriate purpose.
- ◆ Public Works, Bureau of Engineering - Modify the text in Blue Book Item No. 73, Engineering Services Program, to reflect the correct classification name as Deputy City Engineer I and that partial funding is provided by the Sewer Construction and Maintenance Fund and the Special Gas Tax Improvement Fund.
- ◆ Transportation - Reduce the 2025-26 Estimated Expenditure for Budgetary Departments to reflect the deletion of a duplicate 2025-26 estimated expenditure entry.

Attachments:

- A. General City Purposes Funds Realignment
- B. Exhibit H Amendments

GCP Changes in Council and Mayor Line Items

Line Item	Council					New/Existing	Council District
	2026-27 Proposed Budget	2025-26 Adopted Budget	Difference from 2025-26 to 2026-27	Changes in Funding	Proposed New Amount		
Los Angeles Superior Court Teen Program	\$ -	\$ 125,000	\$ (125,000)	\$ -	\$ -	Existing	2
Mobile Laundry Truck	\$ -	\$ 67,600	\$ (67,600)	\$ -	\$ -	Existing	1
Council District Community Services	\$ -	\$ 1,276,200	\$ (1,276,200)	\$ 1,276,200	\$ -	Existing	All
Additional Homeless Services ¹	\$ 7,500,000	\$ 9,000,000	\$ (1,500,000)	\$ 3,000,000	\$ 10,500,000	Existing	All
Council Projects	\$ 15,000,000	\$ 13,500,000	\$ 1,500,000	\$ -	\$ 15,000,000	Existing	All
Heritage Month Celebrations and Special Events	\$ 306,718	\$ 306,718	\$ -	\$ -	\$ 306,718	Existing	All
Special Event Fee Subsidy Citywide	\$ 735,000	\$ 735,000	\$ -	\$ -	\$ 735,000	Existing	All
Official Visits of Dignitaries	\$ 8,100	\$ 8,100	\$ -	\$ -	\$ 8,100,000	Existing	All
Safe Passages in South Los Angeles	\$ 800,000	\$ -	\$ 800,000	\$ -	\$ 800,000	New	8
South LA Strong Summer Program	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ 250,000	New	10
Devonshire Police Activity League	\$ 200,000	\$ -	\$ 200,000	\$ -	\$ 200,000	New	12
TOTAL	\$ 25,534,918	\$ 26,153,618	\$ (218,800)	\$ 4,276,200	\$ 29,076,018		

Line Item	Mayor					New/Existing
	2026-27 Proposed Budget	2025-26 Adopted Budget	Difference from 2025-26 to 2026-27	Changes in Funding	Proposed New Amount	
CIRCLE: 24/7 Homelessness Crisis Response	\$ 10,000,000	\$ 7,200,000	\$ 2,800,000	\$ -	\$ 10,000,000	Existing
Community Engagement	\$ 365,408	\$ 365,408	\$ -	\$ -	\$ 365,408,000	Existing
Community Safety	\$ 2,520,000	\$ 2,520,000	\$ -	\$ -	\$ 2,520,000,000	Existing
Crisis Response Team	\$ 882,000	\$ 882,000	\$ -	\$ -	\$ 882,000,000	Existing
Equity and Inclusion	\$ 225,000	\$ 225,000	\$ -	\$ -	\$ 225,000,000	Existing
Gang Reduction and Youth Development (GRYD) Office	\$ 38,406,425	\$ 38,406,425	\$ -	\$ -	\$ 38,406,425,000	Existing
Heritage Month Celebrations and Special Events	\$ 93,282	\$ 93,282	\$ -	\$ -	\$ 93,282,000	Existing
Immigration Integration	\$ 675,000	\$ 675,000	\$ -	\$ -	\$ 675,000,000	Existing
Infrastructure Planning	\$ 450,000	\$ 450,000	\$ -	\$ -	\$ 450,000,000	Existing
International Engagement	\$ 558,000	\$ 558,000	\$ -	\$ -	\$ 558,000,000	Existing
International Visitors Council of Los Angeles	\$ -	\$ 40,000	\$ (40,000)	\$ 40,000	\$ 40,000	Existing
Angeleno Connect Program ²	\$ -	\$ 180,000	\$ (180,000)	\$ 180,000	\$ 180,000	Existing
Green Workforce/Sustainability Plan	\$ 845,947	\$ 184,500	\$ 661,447	\$ -	\$ 845,947	Existing
Office of Re-Integration	\$ 450,000	\$ 450,000	\$ -	\$ -	\$ 450,000	Existing
Office of Major Events ³	\$ 3,000,000	\$ 1,800,000	\$ 1,200,000	\$ (1,200,000)	\$ 1,800,000	Existing
Open Data and Digital Services	\$ 1,274,000	\$ 1,125,000	\$ 149,000	\$ -	\$ 1,274,000	Existing
Official Visits of Dignitaries	\$ 8,100	\$ 8,100	\$ -	\$ -	\$ 8,100	Existing
Trade and Commerce Relations ⁴	\$ 549,000	\$ -	\$ 549,000	\$ -	\$ 549,000	Existing
Inside Safe ⁵	\$ 98,700,000	\$ 72,359,316	\$ 26,340,684	\$ (22,016,754)	\$ 76,683,246	Existing
TOTAL	\$ 159,002,162	\$ 127,522,031	\$ 31,480,131	\$ (22,996,754)	\$ 136,005,408	

¹The 2024-25 allocation for Additional Homeless Services was \$17.0M.
²This restoration will fund the Digital Inclusion Program in the Public Works Bureau of Street Lighting.
³The increased funding is being moved to the Unappropriated Balance.
⁴Funding was provided in the Unappropriated Balance in 2025-26.
⁵This reduction also reflects the transfer of Mayor's (\$11.8M) to the Alliance Settlement Agreement Program.

Line Item	Opioid Settlement			Administered By
	2026-27 Proposed Budget	2025-26 Adopted Budget	Difference from 2025-26 to 2026-27	
Opioid Settlement (Joint)	\$ -	\$ 4,000,000	\$ (4,000,000)	Existing
Opioid Remediation Services	\$ 2,000,000	\$ -	\$ 2,000,000	New
Opioid Settlement (Mayor)	\$ 2,000,000	\$ -	\$ 2,000,000	New
TOTAL CHANGE	\$ -	\$ -	\$ -	

EXHIBIT H

REQUIRED ORDINANCE CHANGES AND OTHER BUDGETARY ACTIONS

The list below outlines actions necessary to be taken by the Mayor and Council to effectuate the 2026-27 Budget. These include ordinance changes and other actions.

I. ORDINANCE CHANGES

1. Authorize the issuance of an amount not-to-exceed \$1.5 billion in Tax and Revenue Anticipation Notes to make the full annual contribution payments in July 2026 to the Los Angeles City Employees' Retirement System Fund and to the Los Angeles Fire and Police Pensions Fund.

City Attorney

2. 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.
3. ~~Request the City Attorney, with the assistance from the Bureau of Sanitation, to prepare an ordinance creating a special fund to collect the new fees and reflect reimbursement revenues for RecyclA 2.0 under Department 62 until the fund has been created. (DELETED)~~

City Attorney and City Administrative Officer

4. ~~Instruct the Office of the City Administrative Officer, in coordination with the City Attorney's Office, to report in 30 days with recommendations to enhance enforcement of the City's short-term rental ordinance and any potential expansion to the ordinance that allows vacation rentals, and with recommendations on which City departments are best suited for effective enforcement. (DELETED)~~
5. Instruct the Office of the City Administrative Officer, in consultation with the City Attorney and the Controller, to create a new special fund, entitled Measure A – Local Solutions Fund for the deposit of the City's allocation from Measure A, which supports affordable housing, homelessness prevention, and mental health services. Funding is provided in accordance with the agreement with the County of Los Angeles. Request the City Attorney, with assistance from the Office of the City Administrative Officer, to prepare an ordinance creating this special fund.

City Attorney, City Administrative Officer, and Fire and Police Pensions

6. Request the City Attorney, with assistance from the Office of the City Administrative Officer and Fire and Police Pensions, to prepare a revised Measure FF implementation ordinance to permit amortization of the cost of the Measure FF Transfer payment over a five-year period.

City Attorney and Zoo

7. Request the City Attorney, with the assistance of the Los Angeles Zoo (Zoo), to prepare and present an ordinance to amend Section 22.715 of the Administrative Code to increase the Zoo admission fee by \$2 effective July 1, 2026, and instruct the Zoo to take the necessary actions to implement the admission fee increase.

II. OTHER BUDGETARY ACTIONS

Citywide

8. 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 - Reserve for Mid-Year Adjustments to pay for the costs of these authorities.

Animal Services

9. Instruct the Animal Services Department to report to the Mayor and Council on the acceptance of a grant between the American Society for the Prevention of Cruelty to Animals and the Best Friends Animal Society to provide resources that will advance and improve the treatment and care of companion animals by providing grant funding that would include the funding of certain staff costs for the department.

City Administrative Officer

- ~~10. Authorize a one-time exception to the City's Debt Policies to finance black and white vehicles in advance of the 2028 Olympic Games. Instruct the CAO to work with the Los Angeles Police Department to re-evaluate the useful life of black and white vehicles and report back on any changes to previous analyses that were performed to inform debt policies. (DELETED)~~
11. Instruct the Office of the City Administrative Officer to report on the applicability of taxes collected under Measure CB and develop recommendations to fund cannabis industry collections security and investigations and enforcement of laws relative to illegal cannabis businesses.
12. Instruct the Office of the City Administrative Officer to report on whether the Sylmar Fire Station is eligible for MICLA financing and whether that debt can be financed by the Los Angeles Fire and Emergency Preparedness and Response Ordinance, if the measure is passed by voters in the General Election held on November 3, 2026.

City Planning

- ~~13. Instruct the City Planning Department to develop an ordinance to establish a limited Vacation Rental Program to enable short-term stays within the City of Los Angeles Home Sharing Program consistent with the policy considerations in C.F. 18-1246 and with a sunset date no later than December 31, 2028. (DELETED)~~

Finance and City Administrative Officer

- ~~14. Instruct the Office of Finance and the City Administrative Officer to report with recommendations to allow the pre-payment of Transient Occupancy Tax in advance of the 2028 Olympics from any payer that wishes to assist the City in accelerating critical infrastructure projects, with funds to be designated to the following categories: (DELETED)~~
 - ~~a. 2% for TOT Compliance and Enforcement Activities~~
 - ~~b. 18% for Urban Forestry Management, Tree Trimming and Tree Planting~~
 - ~~c. 20% for Street Cleanliness and Maintenance Activities~~
 - ~~d. 20% for Park Programming and Park Facilities Maintenance~~
 - ~~e. 40% for Enhanced and Expanded Curb and Sidewalk Repairs~~

Finance and Controller

15. Instruct the Office of Finance and the Controller to initiate internal borrowing from the City's special revenue funds, in accordance with Charter Section 340(b), to assist with cash flow management in 2026-27, in-lieu of issuing Tax Revenue Anticipation Notes for this purpose.

Fire

16. Instruct the Fire Department, with the assistance of the City Administrative Officer, to report to the Mayor and Council with recommendations on providing funding and position authorities requested during the 2026-27 budget process as identified in the table below, and include additional items recommended for funding during the 2026-27 fiscal year to the extent projected revenue is sufficient, to be funded with the special tax proceeds authorized by the Los Angeles Fire and Emergency Preparedness and Response Ordinance, if the measure is passed by voters in the General Election held on November 3, 2026. **(AMENDED)**

2026-27 Requests	Amount	Positions*
Overtime Variable Staffing Enhancement	\$ 2,880,000	0
Fast Response Vehicles Enhancement	—2,929,795	24
Wildland Hand Crew Enhancement	—1,357,576	32
Emergency Incident Technicians	—4,995,034	42
Engine 211 Staffing Enhancement	—1,200,032	9
Fire Station 87 Hazmat Staffing Enhancement	—1,749,639	12
Fire Station 48 Hazmat Staffing Enhancement	—1,749,639	12
Sepulveda Basin Mitigation Project	—500,000	0
Metropolitan Fire Communications Staff Enhancement	—1,142,448	9
Basic Life Support Rescue Ambulance Enhancement	—2,854,305	24
EMS Battalion Offices Deployment Adjustment	—1,856,995	12
Rescue Ambulance 211 Staffing Enhancement	—713,576	6
EMS Educators and Equipment	—322,703	3
Mobile Integrated Healthcare	—2,068,854	0
Wildland Fuel Management and Heavy Rescue Equipment and Supplies	1,210,581	0
Chief Information Security Officer	—99,510	1
Behavioral Health Program Expansion	—192,610	2
Accounting Division Staffing Enhancement	—234,909	5
Voice Radio System Maintenance	—2,203,005	0
Fire Facilities Front Funding	1,500,000	0
Fire Facilities Hoist Replacement	1,800,000	0
Fire Fencing and Security Management	2,500,000	0
Fire Frank Hotchkin Memorial Training Center Infrastructure Upgrades	—2,000,000	0
Fire Station Upgrades and Repairs	—2,295,000	0
Public Safety Facilities – Fire	—1,600,981	0
TOTALS	\$ 41,957,192	193

*All position costs are calculated with six-months salaries and salary savings rates considered.

2026-2027 Requests	Amount	Positions*
Overtime Variable Staffing Enhancement	\$2,880,000	0
Fast Response Vehicles Enhancement	2,929,795	24
Wildland Hand Crew Enhancement	1,357,576	32
Emergency Incident Technicians	4,995,034	42
Engine 211 Staffing Enhancement	1,200,032	9
Fire Station 87 Hazmat Staffing Enhancement	1,749,639	12
Fire Station 48 Hazmat Staffing Enhancement	1,749,639	12
Sepulveda Basin Mitigation Project	500,000	0
Metropolitan Fire Communications Staff Enhancement	1,142,448	9
Basic Life Support Rescue Ambulance Enhancement	2,854,305	24
EMS Battalion Offices Deployment Adjustment	1,856,995	12
Rescue Ambulance 211 Staffing Enhancement	713,576	6
EMS Educators and Equipment	322,703	3
Mobile Integrated Healthcare	2,068,854	0
Wildland Fuel Management and Heavy Rescue Equipment and Supplies	1,210,581	0
Chief Information Security Officer	99,510	1
Behavioral Health Program Expansion	192,610	2
Accounting Division Staffing Enhancement	234,909	5
Voice Radio System Maintenance	2,203,005	0
Fire Facilities Front Funding	1,500,000	0
Fire Facilities Hoist Replacement	1,800,000	0
Fire Fencing and Security Management	2,500,000	0
Fire Frank Hotchkin Memorial Training Center Infrastructure Upgrades	2,000,000	0
Fire Station Upgrades and Repairs	2,295,000	0
Public Safety Facilities - Fire	1,600,981	0
Recruit Training Academy	4,365,352	60
Core Technology Licensing and Services: Hardware and Software Support, ServiceNow Platform and User License, GIS Licensing, Geotab Annual Subscription, Broadband Activation Expense Funding, Datacenter and Infrastructure Upgrades, Information Technology Platform Subscriptions	1,958,192	0
Executive Oversight and Risk Mitigation	260,727	1
Equipment and Operational Technology	1,500,000	0
Communications Leadership and Operational Oversight	221,468	2
Narcotic Inventory Tracking System	310,000	0
Help Desk Support Staffing	94,335	1
Restoration of Management Analyst for EMS Compliance	85,060	1
Grants Management	119,099	1

CUPA Enforcement Management	154,366	1
Public Assemblage Inspections and Special Event Support	274,364	2
Data Base Architect	137,944	1
Fire Inspector I	261,290	2
TOTALS	\$51,699,389	265

*All position costs are calculated with six-months salaries and salary savings rates considered.

General Services

17. Authorize the Controller and the General Services Department (GSD) to transfer funds from the Motion Picture Coordination Fund No. 417 to GSD Fund No. 100/40, Salaries, General Account No. 001010, Overtime General 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.
18. Instruct the General Services Department to report to the Municipal Facilities Committee on the actions necessary to take over an interim-housing site lease previously administered by the Los Angeles Homeless Services Authority at 4511 South Broadway, and to work with the Office of the City Administrative Officer to report on the applicability of these beds towards the Alliance Agreement.

Bureau of Public Works

19. Instruct the Board of Public Works Office of Petroleum and Natural Gas to report on the status of updated pipeline franchise agreements and present necessary ordinances to the Council for adoption. New franchise agreements should reflect updated fees that reflect industry standards, enhance health and safety, include increased penalties for environmental non-compliance, and increase liability requirements for franchisees.

Bureau of Street Lighting

20. Instruct the Bureau of Street Lighting, with the assistance of the City Administrative Officer, to report to the Mayor and Council with recommendations on the necessary appropriation adjustments and additional position authorities identified in the table below, to be funded by the proceeds from the proposed street lighting assessments, if the assessment is approved, by June 4, 2026.

Budget Items for New Street Lighting Assessment Funds	Amount	Positions ¹
Streetlight Fortification Against Copper Wire Theft Expansion	\$ 484,881	6
Underground Substructure Locate and Mark Contracting	1,000,000	0
Full Funding for Energy Costs	10,022,157	0
Solar Street Lighting Installation Support	1,747,115	18
Conduit Replacement	3,433,071	4
LED Lifecycle Replacement	9,374,911	7
Pole and Foundation Replacement	9,067,570	24
Restoration of Engineering, Administrative and Information Technology Support	1,769,192	20
Maintenance Support Enhancement	350,504	5
Elimination of General Fund Related Cost Subsidy ²	29,205,099	0
TOTAL	\$ 66,454,500	78

¹All positions are calculated with nine-months funding and salary savings rates considered.

²Shows the increase in General Fund reimbursements associated with the current General Fund subsidy and related costs associated with new positions in this table.

~~Bureau of Street Services and Transportation~~

~~21. Instruct the Bureau of Street Services and Department of Transportation to develop a comprehensive plan to address Healthy Streets LA projects coordinated with street resurfacing and sidewalk repair. (AMENDED)~~

Bureau of Street Services, Transportation, City Administrative Officer, Bureau of Engineering, and General Services

21. Instruct the Bureau of Street Services, Department of Transportation, Bureau of Engineering, General Services Department, and City Administrative Officer to report within 120 days with a comprehensive plan to address Healthy Streets LA projects and coordination with resurfacing and sidewalk repair, including:
- a. Developing a specific 2026-27 Pavement Preservation Program and related workplans that takes all associated work and costs into account and determines the resources required from all relevant departments to achieve these workplans;
 - b. Proposing an allocation ratio for street resurfacing work that balances Healthy Streets LA projects with Citywide pavement preservation and street repair needs;
 - c. Delaying hiring in the Bureau of Street Services for additional resurfacing work until these workplans are completed and all the departments' resource needs have been determined and addressed;
 - d. Add funding in the Unappropriated Balance for any additional resources needed to enact the Program in compliance with Healthy Streets LA and the Americans with Disabilities Act; and
 - e. Delaying any and all expanded components of the Pavement Preservation Program envisioned in the Proposed Budget until the resolution of the gross receipts tax ballot measure.

Recreation and Parks

22. Instruct the Department of Recreation and Parks, with the assistance of the Office of the City Administrative Officer, to report on the feasibility of using MICLA to fund the development of a Koreatown Arts and Recreation Center.

City Administrative Officer (NEW)

Los Angeles City Business Gross Receipts Tax Measure

23. Reaffirm the actions of the Council on May 13, 2026 (C.F. 26-1100-S7): Implement the following instructions if the Repeal of Los Angeles City Business Gross Receipts Tax measure is approved by the voters in the November 3, 2026 election:
 - a. Request the City Attorney with assistance from the City Administrative Officer to prepare a Declaration of a Fiscal Emergency for the City Council and Mayor's consideration;
 - b. Direct the City Clerk to place the Declaration of a Fiscal Emergency at the first Council meeting following the certification of the November 3, 2026 election results;
 - c. Direct the City Administrative Officer to begin the process to eliminate all new positions supported by the General Fund that were added to the 2026-27 Adopted Budget;
 - d. Request the City Controller to transfer funds from the Unappropriated Balance Payroll Reconciliation Account to the Unappropriated Balance Reserve for Mid-Year Adjustments Account;
 - e. Direct the Los Angeles Police Department and the Personnel Department to suspend police sworn hiring for 2026-27 beginning with the cancellation of the January 2027 police class;
 - f. Direct the City Administrative Officer to initiate a budget reduction process immediately upon adoption of the 2026-27 Budget in anticipation of the ballot measure approval that includes the cancellation or deferral of contracts and capital projects, the elimination of filled positions, and other ongoing reductions to begin in 2026-27 in order to maximize savings;**
 - g. Direct the City Administrative Officer to present to the City Council by December 2026, the recommended budget reductions required to achieve \$800-\$900 million in General Fund savings for 2027-28 including a list of position eliminations;
 - h. Direct the Personnel Department to begin the separation process upon the Council and Mayor's adoption of the position elimination list in order to achieve the savings needed by the start of 2027-28;
 - i. Direct the City Administrative Officer to report to the City Council and Mayor on the impact the required cuts will have on the City's preparation for the 2028 Olympic and Paralympic Games including its ability to meet its obligations as a Host City and provide the services required under service agreements established with the Los Angeles Organizing Committee for the 2028 Olympic and Paralympic Games (LA28); and
 - j. Direct the City Administrative Officer to seek bargaining instructions from the Executive Employee Relations Committee (EERC) to amend all Memoranda of Understanding with represented employees to cancel all future base wage and other compensation increases, and seek other ongoing reductions as necessary, to mitigate the need for filled position elimination.

Bureau of Street Lighting and City Administrative Officer (NEW)

24. Instruct the City Administrative Officer, with the assistance of the Bureau of Street Lighting, to report during the 2026-27 MICLA issuance with recommendations for funding the installation of solar-powered streetlights pursuant to C.F. 26-0205.