



Budget Advocate Report to the Neighborhood Councils #12 February 2021

The City's Budget Challenges

The City has developed “solutions” to cover some of this year’s \$675 million “budget challenge.” This involved tapping into the Reserve and Budget Stabilization Funds for \$259 million, deficit financing of \$150 million, non-layoff budget reductions of \$103 million, and Covid-19 reimbursements of \$69 million.

The remaining \$94 million needed concessions from labor and layoffs. However, recent agreements with the Coalition of City Unions (civilian employees) and the Police Department has widened the budget gap because the City agreed to no furloughs or layoffs this year in return for deferment of raises to next year for the civilian unions and to the following year for the police.

The City has not been forthcoming as to how it intends to solve the remaining “budget gap” for this year, now estimated to be in the range of \$125 million, nor does it include offsets for the \$129 million of overspending due to pandemic costs and the failure to implement budgeted furloughs.

2021-22 Budget Gap: Next year’s “budget challenge” is estimated to be over \$1 billion because of pandemic-related revenue shortfalls, last year’s unsustainable labor agreements, and higher pension contribution requirements.

Even if the City realizes “savings” from the Separation Incentive Program and deferring raises for the City employees, more than likely it will have to revisit furloughs and layoffs to balance the 2021-22 budget. They may also dip into the Special Funds, dump employees onto the proprietary departments (DWP, Port, LAX), or resort to additional deficit financing.

Comprehensive Annual Financial Report: The Controller released the CAFR for Fiscal Year 2019-20 last week. At 422 pages, it is a difficult read even for an accountant. People interested in reading it, or the more digestible Controller’s Popular Annual Financial Report, can go to: <https://lacontroller.org/financial-reports/cafr2020/>. For those wishing to submit a CIS or an individual comment at <https://cityclerk.lacity.org/publiccomment/>, the Council File is 21-0127.

Reinvestment of the “Defunded” Money from the LAPD in Disadvantaged Communities:

There does not appear to be a resolution between the City Council and the Mayor on how to allocate \$88.8 million of the \$150 million of funds reallocated from the Police Department to benefit disadvantaged communities. The City Council favored local infrastructure projects while the Mayor called for bold new ideas to reimagine the LAPD and improve racial equity.

Next up for the Budget Advocates

The Budget Advocates are meeting with many City departments to get a better understanding of the impact of the economic crisis on them and their concerns. How do they cobble together

a budget to meet service needs when they have to contend with fewer resources and hampered by one-size-fits-all dictates from City Hall.

We hope to relay out thoughts and concerns to the Mayor, the City Council, the Departments, and Neighborhood Councils and stakeholders sometime in March. Hopefully, this will allow City Hall time to make changes in before the Mayor releases his budget in April.

Angelenos, speak up!

Does your board want to ask the Budget Advocates to address a particular issue? Individuals and committees are welcome to submit concerns as well, but a board decision will always carry weight. Put it on the agenda and vote to send it to us.

We, the _____ Neighborhood Council on a duly held public meeting on (date) do request that the Budget Advocates advocate for the following concerns: (specify). We wish that: (department) receive (amount of) dollars for (purpose) due to (issues) which demonstrate (harm/support) for our constituents.

Do you have cost reduction or income-generating ideas? We want to hear them. Contact our Co-Chairs: Liz.Amsden@budgetadvocates.org and Jack.Humphreville@budgetadvocates.org

Budget Advocate meetings are open to all. The agenda and Zoom link are posted on our website www.budgetadvocates.org a few days prior to each meeting (1st Mondays of the month at 7 pm and 3rd Saturdays of the month at 9:30 am).

Budget Advocates still needed

Want to get more involved?

We have two new Budget Advocates Punam Gohel of North Hills East and Kay Hartman of Palms who now represent Regions 1 (North East Valley) and 11 (West LA), respectively. However, we are looking for people to represent their neighborhoods in Regions 1 (North East Valley), 4 (South East Valley), 7 (East), 9 (South LA), and 12 (Harbor). Any Budget Representative (or stakeholder who can be appointed one) is eligible.

Knowledge can be acquired; what we are looking for is a willingness to commit time and energy and a passion to improve the City's approach to budgeting and services. Please contact the Parliamentarian Carol Newman at Carol.Newman@budgetadvocates.org

February 5, 2021

Neighborhood Council Budget Executive Committee

Co-Chairs: Liz Amsden and Jack Humphreville

Vice-Chair, Development: Jay Handal

Vice-Chair, Outreach: Julia Moser

Corresponding Secretary: Glenn Bailey

Administrative Secretary: Jennifer Goodie

Treasurer: Lanira Murphy

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