



BUDGET ADVOCATES REPORT May 2023

Los Angeles City Budget Update

Mayor Bass's proposed budget of \$13.1 billion commits \$1.3 billion to address homelessness, financed by almost \$500 million from the General Fund and the balance, \$800 million, from Special Funds, including Proposition HHH bonds, Measure ULA tax receipts, and numerous grants.

At her State of the City address, Mayor Bass was joined by County Supervisor Janice Hahn where they pledged that the City and County will work together to address homelessness. In the past, the County and its bureaucracy have not always been willing participants.

She has wisely allocated only \$150 million of the projected \$672 million from the Measure ULA tax to the budget because of concerns over litigation against the voter approved tax on the sale of properties valued at \$5 million or more.

The Mayor has also allocated additional funds to increase the staffing level of the Police Department to 9,500 officers. This also includes the hiring of civilian support staff which will allow for more officers on the street. This policy may cause some controversy.

At the same time, the City has adequate reserves of over \$750 million, equal to almost 10% of General Fund revenues of \$7.68 billion. This is after allocating \$115 million to the General Fund.

There are several concerns, including the impact of any new labor agreements with the City's civilian workers whose contracts expire in December. In the past, labor agreements have been very costly, often blowing a hole in the budget for the current and future years. The Budget Advocates and the Los Angeles Times have both called for more open and transparent labor negotiations.

Other concerns include over-expenditures by the Police and Fire Departments during the year and the lack of a comprehensive plan to repair and maintain our streets, sidewalks, parks, and the rest of the City's infrastructure. It also appears that the budget is underfunding Liability Claims, especially given the judgements delivered by runaway juries, and the hiring of many new employees to fill vacant positions.

The City Council is conducting hearings on the Mayor's Proposed Budget and will make recommendations. The Charter requires that the City adopt the budget by June 1. In the past, there has been very little difference between the Proposed and Adopted Budgets.

Budget Advocates Activity

On May 2, the Budget Advocates presented several items to the City Council Budget, Finance, and Innovation Committee. We presented our origin story to educate the newly elected members of the committee on who we are. We discussed the recommendations of the white paper reports (to be released soon). We provided written reports to the councilmembers that include the feedback we received from the community in response to our survey about the state of services in your NC district. The recording is available on our website at BudgetAdvocates.org.

Budget Day is coming June 17. This will be our last Budget Day on zoom. We are firming up a lineup that should be very interesting and we look forward to your attendance. Please register now at tiny.cc/budgetday23.